Liquidated: The Colonial Theft of Private Palestinian Financial Assets, 1917 – 1951

To cite: Sreemati Mitter, "Liquidated: The Colonial Theft of Private Palestinian Financial Assets, 1917 – 1951," *American Historical Review*, forthcoming 2027.

Abstract:

What is the impact of colonial rule on native-owned financial property? This article examines this question via the story of the Ottoman Agricultural Bank in Palestine, whose assets, comprising the savings and tithe payments of thousands of Palestinian peasants, were seized by British agents during their wartime occupation of Palestine in 1917. Though the British promised to release these after the war and upon the establishment of the British Mandate Palestine, this research finds that they never did so. Instead, they forcibly liquidated the bank and plundered its assets for years before transferring its remaining balance, in 1951, to Israel, after the termination of the Mandate. By comparing the differing fates of the Palestinian and Transjordanian OABs under the same British colonial rule in the same period, this article identifies two related reasons for this divergence: the first was the overt British deference to Zionist opposition to the OAB; the second was the systematic exclusion of Palestinians from the staff of the Mandate administration, and the antipodal appointment of committed Zionists to key administrative roles. It is too simple to conclude that colonialism has a detrimental impact on the financial property of the colonized; it is, as this Palestinian example shows, how – and *by whom* – the colony is run, that matters.

To cite: Sreemati Mitter, "Liquidated: The Colonial Theft of Private Palestinian Financial Assets, 1917 – 1951," *American Historical Review*, forthcoming 2027.

1. #

The debate on the impact of colonial rule on native economies has, for all its volume and vehemence, a strange blind spot: it has paid little attention to the fate, under colonial rule, of native-owned financial assets.[1] This is because economic histories of colonialism have largely focused on the complex macroeconomic processes engendered by colonial policies; on the question of whether these enriched or impoverished colonies over time; and on the problem of how such outcomes – and which outcomes – should be measured.[2] To the extent that private property belonging to colonized individuals has been considered, the scrutiny has been on colonial policies towards landed – not *financial* – property.

This myopia is acute in studies of late-stage European colonialism in the former Ottoman Middle East, and especially afflicts economic histories of Palestine during and after British colonization, which have concentrated on larger macroeconomic processes of "de-development" engendered by British and Zionist colonial policies and actions, reducing the financial lives of Palestinians to the twin problems of landlessness and indebtedness.[3]

---

[1] Works that reflect the scope and terms of this debate include: Walter Rodney, *How Europe Underdeveloped Africa* (Howard University Press, 1974); Jorge Larrain, *Theories of Development: Capitalism, Colonialism, and Dependency* (Polity Press, 1989); Daron Acemoğlu, Simon Johnson and James Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation," *The American Economic Review* 91, no. 5 (2001): 1369-1401; Leigh Gardner and Tirthankar Roy, *The Economic History of Colonialism* (Bristol University Press, 2020); Gastón Nievas and Thomas Piketty, "Unequal Exchange and North-South Relations: Evidence from Global Trade Flows and the World Balance of Payments 1800-2025," World Inequality Lab Working Paper 2025/11; and Denis Cogneau, *Un empire bon marché: histoire et économie politique de la colonisation française, XIXe - XXIe siècle* (Editions du Seuil, 2023). None of these address the impact of colonialism on native-owned private financial property. Vanessa Ogle's study of capital flight from colonies after decolonization offers a rare look at the financial consequences of colonialism, but focuses on assets owned by European colonizers. Vanessa Ogle, "'Funk Money': The End of Empires, The Expansion of Tax Havens, and Decolonization as an Economic and Financial Event," *Past & Present* 249, no. 1 (2020): 213–249.

[2] For more on the measurement problem, see Gardner and Roy, *Economic History of Colonialism*.

[3] The term "de-development" is from Sara Roy, "The Gaza Strip: A Case of Economic De-Development," *Journal of Palestine Studies* 17, no. 1 (1987): 56–88. Classic financial histories of colonialism in the Middle East have focused on European motivations and actions, ignoring native actors and assets. See, for instance, Robinson and Gallagher, "The Imperialism of Free Trade," *Economic History Review New Series* 6, no. 1 (1953): 1–15 and Cain and Hopkins, "Gentlemanly capitalism and British expansion overseas II: new imperialism, 1850–1945," *Economic History Review* 40, no. 1 (1987): 1–26. This Eurocentric focus also characterizes the scholarship on the Ottoman bankruptcy of 1875, another dominant topic in Middle Eastern colonial financial history. More recently, Aaron Jakes and Ahmad Shokr have argued that the history of capitalism in Egypt should be understood as part of a global history of capitalism. Though they pay close attention to Egyptian actors in later periods, they, too, emphasize European, not Egyptian, assets and actors in the colonial period. Aaron Jakes and Ahmad Shokr, "Capitalism in Egypt, Not Egyptian Capitalism," in *A Critical Political Economy of the Middle East and North Africa,* ed. Joel Beinin, Bassam Haddad and Sherene Seikaly (Stanford University Press, 2021):123–143. Kristen Alff offers a valuable counter to this Eurocentrism by centering local merchants in Egypt and the Levant in the 19th century, who, she argues, were responsible for creating a home-grown form of global capitalism. Kristen Alff, "Landed Property, Capital Accumulation, and Polymorphous Capitalism in Egypt and the Levant, 1850-1920," in *Political Economy*, ed. Beinin et. al., 25–45. Classic works on the macroeconomic effects of British colonialism on the Palestinian economy include Roger Owen, "Economic Development in Mandatory Palestine," in *The Palestinian Economy: Studies in Development Under Prolonged Occupation*, ed. George Abed (London: Routledge, 1988); Alexander Schölch, "European Penetration and the Economic Development of Palestine, 1856-82" and Sarah Graham Brown, "The Political Economy of the Jabal Nablus," in *Studies in the Economic and Social History of Palestine*, ed. Roger Owen (St Antony's College Oxford, 1982).

But the scholarly preoccupation with Palestinian peasant indebtedness – which echoes the colonial conviction that "the [Palestinian] Arab peasant is always a borrower" – has obscured the fact that many Palestinians, including peasants, were also, by the early 20th century, asset owners.[4] This was largely due to a pioneering Ottoman institution, the Ottoman Agricultural Bank (OAB, *al-bank al-zirāʿī al-ʿUthmānī*). Established in the late 19th century as part of Ottoman reformist efforts, this was the first agricultural credit bank, and the first indigenously-funded such institution, in the region.[5] A precursor to modern day microcredit institutions, its ambitious goal was to modernize and revitalize the Ottoman agricultural economy by offering cultivators throughout the empire affordable agricultural loans and, key for this story, interest-bearing deposits, to encourage previously-unbanked peasants to save and invest their earnings.[6]

Though scholars disagree about the bank's achievements during its short tenure as an Ottoman institution (it operated for barely twenty years before the empire disintegrated at the end of the first world war), it was evidently popular in the Palestinian provinces, opening its first branch in Jerusalem in 1889 and expanding to twelve additional branches within the next two decades.[7] Despite this institutional fecundity, it is difficult to quantify the bank's pre-war

---

[4] Mandate-era British colonial and Zionist sources routinely used "Arab" to denote native Arab Palestinians. I prefer "Palestinian," or "native Palestinian," unless citing a source from the period. The phrase "the Arab peasant is always a borrower" is from Government of Palestine, *Report by Mr. C. F. Strickland of the Indian Civil Service on the Possibility of Introducing a System of Agricultural Co-operation in Palestine* (Jerusalem, 1930), 5. For British officialdom's obsession with Palestinian peasant indebtedness, see Charles Anderson, "The British Mandate and the Crisis of Palestinian Landlessness, 1929–1936," *Middle Eastern Studies* 54, no. 2 (2017): 171–215. Classic works focusing on Palestinian indebtedness during the Mandate include Amos Nadan's *The Palestinian Peasant Economy Under the Mandate: A Story of Colonial Bungling* (Harvard University Press, 2006) and Martin Bunton's *Colonial Land Policies in Palestine, 1917-1936* (Oxford University Press, 2007). Neither focuses on Palestinian assets. A rare exception that centers Palestinian capitalists, though it does not delve into their investment activities, is Sherene Seikaly's *Men of Capital: Scarcity and Economy in Mandate Palestine* (Stanford University Press, 2016).

[5] Founded in 1888, the OAB preceded a similar British-sponsored institution in Egypt created in 1902. Unlike other development projects pursued by Ottoman bureaucrats at the time, the OAB was funded exclusively from native, non-European, sources: its seed capital from two preceding agricultural credit institutions (Memleket Sandığı and Menafı Sandığı, both formed in the 1860s by the energetic Ottoman reformer, Midhat Pasha) and its working capital from interest on loans, deposits, and a surcharge on tithes paid by agricultural producers throughout the empire. The OAB was a creature of the Ottoman bankruptcy of 1876, a homegrown response to the much-resented Ottoman Public Debt Administration (OPDA), a European-run (initially British and French, eventually also German) institution. Donald Blaisdell, *European Financial Control in the Ottoman Empire* (Columbia University Press, 1929), 901–07; Donald Quataert "Dilemma of Development: The Agricultural Bank and Agricultural Reform in Ottoman Turkey, 1888-1908," *International Journal of Middle East Studies* 6, no. 2 (1975): 210–27.

[6] The OAB offered 6 – 8% interest on deposits. Sa'id B. Himadeh, *Economic Organization of Syria* (Beirut, American Press 1936), 313; Sertaç Dokuzlu, "The Agricultural Credit System in the Ottoman Empire between 1863 and 1888," *Rural History* 28, no. 2 (2017): 177–88, 184; Roger Owen, *The Middle East in the World Economy, 1800-1914* (London, 2002), 205.

[7] In keeping with the preoccupation with debt characteristic of so many scholars of non-western colonial economies, non-Turkish historians have focused mainly on the OAB's credit operations, criticizing them for being inaccessible to the poorest peasants and insufficient vis-à-vis the bank's founding goals; noting the bank's frequent forced bail-outs of the administration in Istanbul; concluding that it fell short of its ambitions. Quataert, "Dilemma of Development," 215 offers an influential version of this critique. Turkish scholars have generally taken a broader view, praising the OAB's innovative model of indigenous capital investment and pointing to its rapid growth to more than four hundred branches at a time of extraordinary political, economic and territorial turmoil in the empire. See, for instance, Sevket Pamuk, *A Monetary History of the Ottoman Empire*, (Cambridge, 2000), 222 and Dokuzlu,

Palestinian operations, for the relevant financial records are missing. British military officials claimed – once they had ousted the Ottomans and occupied Palestine at a pivotal turning point in the first world war – that this was because the Ottomans had destroyed the bank's records while fleeing their onslaught; they also claimed that it was only thanks to their own laborious efforts – going from district to district, "gathering scraps of records used for wrapping paper in shops" – that they were able to "trace sufficient accounting records for the reconstruction of the books."[8]

Perhaps this colorful claim is true – it is certainly repeated often in British official correspondence – but it is curious that the retreating Ottomans should have taken only records of the OAB's assets, leaving behind its loan registers, from which the British were able to reconstruct, remarkably quickly, in minute detail down to decimals, information on outstanding loans, interest due, names and locations of absconding debtors. And it is these registers, with their thousands of pages of details on the thousands of loans granted to thousands of peasants, that offer moving proof of the vital role played by the OAB in offering the Palestinian peasantry, during the waning years of Ottoman rule, their only institutional alternative to punitively exploitative moneylenders, their only safe store for savings, their only financial lifeline.[9]

This lifeline was yanked out of their reach in June 1918, when the British, having formed a wartime military administration in Palestine, forced shut the OAB's branches and, upon the orders of an aptly-named General Money, seized its assets as enemy property.[10] Though they promised to release these once the war was over, they never, as this investigation discovers, did so. Instead, in July 1920, they liquidated the bank – without the knowledge or consent of its Palestinian customers – and transferred its assets to what later became the British Mandate's treasury. Over the course of the ensuing three decades of British rule in Palestine, these confiscated assets, amounting, in my estimate, to some £P600,000 – comprising the private savings of thousands of Palestinians, and tithes collected from them for years by Ottoman and British tax-collectors – disappeared. In fact, they were stolen.

This is a sordid story, featuring British colonial administrators of varying honesty and motivation. At first glance, the starring role appears to have been played by a sticky-fingered

---

"The Agricultural Credit System." The OAB's Palestinian branches were in Jerusalem, Acre, Gaza, Haifa, Hebron, Jaffa, Jenin, Nablus, Nazareth, Tiberias, Tulkarem and Safad. E. Keith-Roach, *Report Issued by the Public Custodian of Enemy Property in Palestine for the period 21st December 1919 to 5th August 1925* [henceforth, *First Liquidator's Report, 1925]* 10. Israeli State Archives [henceforth, ISA] 132.6M

[8] *First Liquidator's Report, 1925,* 8. Himadeh repeats this version. Himadeh, *Syria*, 313.

[9] The OAB charged 6% on loans and offered 6 – 8% on deposits. Himadeh, *Syria*, 313 and Dokuzlu, "The Agricultural Credit System," 184. It is evident that this fixed 6% was radically better for peasants, whatever the OAB's limitations, than rates commonly offered by local moneylenders, which ranged between 15 – 35%, and might have even crept up, in certain instances, to an astronomical 70% (if we believe a 1916 report by two Ottoman officials). For a history of the informal moneylending sector and peasant indebtedness in rural mid-19th century Ottoman Palestine, see Beshara Doumani, *Rediscovering Palestine*: *Merchants and Peasants in Jabal Nablus, 1700–1900* (University of California Press, 1995), 151. The going rate for informal agricultural credit for peasants in the early 20th century remained in the 30% range. Amos Nadan, "The Competitive Advantage of Moneylenders Over Banks in Rural Palestine," *Journal of the Economic and Social History of the Orient,* 48 no. 1:1-39, here 6.

[10] After defeating the Ottomans in December 1917, the British instated a temporary military administration to administer what they then termed the Occupied Enemy Territory (South), of which General Money was chief administrator. The first liquidator's report indicates that it was Money who ordered the OAB's assets seized in June 1918. *First Liquidator's Report, 1925.*

British official who served for twelve years as the OAB's "chief liquidator," and, in that guise, quietly misspent and stole a staggering portion of the bank's assets. His correspondence, a source for this study, reeks with a telling contempt for the bank's customers – explicit for debtors, implicit for depositors – which explains, in part, why he spent his many years in office hounding the former while ignoring the latter, causing immeasurable pain all around, all while, as the judge who eventually convicted him put it, "misappropriating, failing to account for, and converting to his own use and benefit" an astonishing (if pleasingly symmetrical) P£8,808 of the bank's funds to line his pockets.[11]

But though it is tempting to render this an account of one colorfully-corrupt official, two other sets of evidence – the petitions and letters of scores of Palestinians (including, not least, the bank's depositors) and the financial statements of the liquidated bank – reveal this to be a larger, sadder, structural story, beginning before this official was appointed to his role and continuing long after he was caught and tried for his proclivities. The more we look into these sources, the murkier the matter seems, the questions multiplying: why was the bank liquidated? who decided? who placed that pocket-liner in charge, granting him free hand to plunder its assets? why was he given a light sentence when his thieving came to light? why were the bank's deposits never returned to its depositors, despite official British promises and the legal and financial requirement to do so? why, most puzzling, was no new agricultural bank established post-liquidation, contrary to British pledges, and why were the OAB's post-liquidation balances never reissued as new loans – despite, again, official records claiming to have done so – and instead banished to a sixteen-year long administrative purgatory, in contravention of the obligations and aims of British policy in Palestine, before being transferred, by the British treasury, to the new state of Israel?

The story that emerges, when we have finally unearthed answers to these questions, relegates that crooked official to a supporting role, a mere bit player in the second act of a three-staged theft of the bank's assets. The first begins in 1918, in the earliest days of the British occupation in Palestine, and the last ends in 1951, two years after the creation of the state of Israel. (More accurately, it continues to the present day). The starring roles are played by Chaim Weizmann, Herbert Samuel, and Norman Bentwich, three prominent leaders of the nascent Zionist movement (which sought to build a "national home for the Jews" in Palestine), who stitched together the bureaucratic and legal cover under which the liquidation unfolded, and whose antipathy towards the bank led to its liquidation, spoilation, and demise. The supporting cast was rounded out, in the initial stages, by officials they hand-picked (including that pilfering "chief liquidator") to run the British administration in Palestine and, in the latter acts, by assorted officials in the British treasury and colonial offices in London who either subscribed, or deferred, or turned a blind eye to – or felt unable to overturn – Zionist opposition towards the bank.

This story of colonial financial violence, disguised under layers of legalization and bureaucratization, adds a startling new dimension to the other, better-known miseries of enforced displacement and expulsion that lie at the heart of the Palestinian experience of colonialism. It startles because of its scale; because it has gone undiscovered for so long; because it so directly contradicts the official colonial narrative; because its victims were the poorest members of

[11]"Homa Case," *Palestine Bulletin*, June 23, 1932. Volume VII. No. 1696. The magistrate quoted is P. L. Cressall.

society. But beyond what it adds to the evidentiary record, and beyond the fact that the dispossession of the powerless and the impoverished deserves to be known and recorded in its own right, this account of this forcibly-liquidated bank and its stolen assets is important because it brings to light a previously-unknown institutional angle – revealing how Zionist and British policies destroyed the sole functioning agricultural credit institution in Palestine – and, in so doing, clarifies the debate on the impact of colonialism on native economies.

One set of now-canonical interventions in this debate has highlighted the importance of native institutions under colonial rule, arguing that colonies that were allowed to develop independent institutions by colonial powers had stronger economies both during and after the colonial period.[12] But the trajectory of the Palestinian OAB under British colonial rule indicates that this argument about institutions is, at best, incomplete, because it ignores the political incentives and underlying structures – changeable; particular to each case and time – that drive colonial administrators' actions towards ensuring the success (or, in this case, failure) of the institution in question. The economic outcomes of colonial rule cannot, put simply, be separated from the larger political motives that underpin the colonial project.

The comparative view is instructive here. The Transjordanian OAB (TJOAB) followed an astonishingly divergent post-war trajectory from its Palestinian neighbor. Though it had exactly the same Ottoman provenance as the Palestinian OAB (and therefore represented the same category of enemy property to the British), and though it operated under the same post-war colonial arrangements and was subject to the same Mandatory British tutelage, constrained by the same tight colonial budgets, and run by the same kinds of colonial officials (who sometimes shared offices in Jerusalem), the TJOAB was never liquidated.[13] Nor were its assets seized or designated enemy property. Instead, British authorities worked with Arab technocrats to resurrect the three branches located in what became Transjordan, and reconstituted them, in 1925, into a new national agricultural credit bank. Across the border, the OAB's branches in what became French Mandate Syria enjoyed the same post-war preservation, French authorities working with local technocrats to merge them into a new state Syrian Agricultural Bank.[14]

[12] Acemoğlu et al., "Colonial Origins," 1369-1395.
[13] On the TJOAB, see Michael Fishbach, *State, Society and Land in Jordan* (Brill, 2000), 139 – 177. The Transjordanian and Syrian Mandates were, like Palestine, newly-created entities carved out by Britain and France from the carcass of the disintegrated Ottoman empire at the end of the first world war, following wartime arrangements made secretly between the two states to divide the strategically-important Arab territories of the Ottoman empire between themselves. The Transjordanian Mandate was created in 1921 from territory originally allocated to the Palestine Mandate. Both Transjordanian and Palestinian Mandates were, like other British colonies at the time, constrained by a fiscal philosophy set in London that deemed that the "Mandate should pay for itself." This translated into tight budgets and general fiscal constraint, with minimal spending on education and social welfare, and a large proportion of government expenditure allocated to military and internal security (these expenditures ramped up in the late 1930s to stamp out the Great Arab Revolt). As Owen has commented: "Palestine 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, *Studies,* 4.
[14] Williams argues that the OAB in Syria survived because the nationalist technocrats in Faysal's administration, who ran Syria briefly after the war, took seriously the bank's role as provisioner of agricultural credit to poor farmers. The OAB was a key component of their nationalist project of economic self-sufficiency for independent Syria. When the French ousted them and occupied Syria under a French Mandate, they continued the work begun by these technocrats, though their decision to break the OAB into five autonomous regional banks was ultimately counterproductive. Elizabeth R. Williams, "Cultivating Empires: Environment, Expertise, and Scientific Agriculture

Stranger still: though the TJOAB was undercapitalized compared to its Palestinian counterpart, British authorities worked hard to ensure that it resumed credit operations as soon as possible, even borrowing from the Palestinian Mandate's treasury to keep it afloat.[15] Why forcibly shut and liquidate the branches of a bank in one Mandate, while working to ensure the survival and success *of the same bank's branches* in another?

The divergence has two related explanations, both of which derive from the structural peculiarity of the British colonial endeavor in Palestine.

First, the radically different *political incentives* at play: in Transjordan, the British wished to ensure the survival of the Hashemite regime (a creature of their invention) and thought, by enhancing the credit operations of the TJOAB, to bolster that regime's legitimacy vis-à-vis the local rural population.[16] In Palestine, the British were constrained by the famously iniquitous "unique character" of the Mandate, which distinguished it from every other formal British colony and protectorate, and which originated in the British government's explicit commitment, as expressed in the Balfour declaration, to supporting the Zionist project of establishing a Jewish national home in Palestine.[17]

That commitment was later formalized, expanded, and ratified by the council of the League of Nations in July 1922, which stipulated, in terms drafted in close consultation with Zionists, that Britain was "responsible," as the Mandatory power in Palestine, for – the consecutive gerunds in these lawyerly phrases going a long way towards explaining the ensuing fate of the OAB – "placing the country under such political, administrative and economic conditions as will secure the establishment of the Jewish national home;" "facilitating Jewish land purchase, immigration and settlement in Palestine;" and "encouraging… the *close*

in Late Ottoman and French Mandate Syria" (Ph.D. diss., Georgetown University, 2015), 132–134 and *States of Cultivation* (Stanford University Press, 2023).

15 In 1925, the Palestinian administration transferred P£10,000 to the Transjordanian administration to help the struggling TJOAB. Fischbach, *State, Society, and Land,* 140.

16 Fishbach, *State, Society and Land*, 170-211.

17 The formulation is Norman Bentwich's (one of the key actors in the OAB's story, and the first Attorney General of the Palestine Administration): "The unique character of the Mandate follows, first, from the beneficiaries of the rights granted and, secondly, from the corresponding duties of the Mandatory power." Matthijs de Blois, "The Unique Character of the Mandate for Palestine," *Israel Law Review* 49(3) 2016, 369. Weeks before the British conquest of Jerusalem during the first world war, the then-British secretary of state, Arthur Balfour, issued a declaration pledging Britain's support for the establishment of a "Jewish national home" in Palestine. Balfour communicated his promise, later consequential enough to be known simply as the "Balfour declaration," directly to a prominent British Zionist, Lord Rothschild, bypassing both Britain's allies in the war and the Arab allies who had been crucial to ensuring Britain's successful conquest of Palestine. Balfour did not ask the native Palestinian population its views on the matter. Aside from a few weak blandishments about "not prejudicing the civil and religious rights of existing non-Jewish communities in Palestine," Balfour's statement made no mention of Palestinians' political or economic rights or their right to sovereign statehood. The Palestinians were not named in the statement or informed of its existence and it was not until the spring of 1918 that they came to hear of it via press reports from Lebanese newspapers. This nonchalant erasure of Palestinian rights, voices, and peoplehood, obscured by a pretended safeguarding of their interests, characterized Britain's approach to the Palestinians for the next few decades and set the tone for all its actions vis-à-vis the Palestinian branches of the OAB. The text is at https://www.palquest.org/en/historictext/6705/balfour-declaration.

settlement by Jews on the land, including state lands."[18] The territory east of the Jordan river, which became the Transjordanian Mandate, was explicitly excluded from these terms. No other Mandate ratified by the League of Nations placed such requirements on the Mandatory power.[19]

While later British governments' commitment to the promise explicit in the Balfour declaration wavered in response to changing realities in both Britain and Palestine, the structural constraint imposed by the terms of the Mandate remained as long as it was operational, allowing Zionist leaders and their supporters to argue that it was a *"chose jugée"* – as Herbert Samuel, a leading Zionist figure, who served as the first British High Commissioner of Palestine, was fond of putting it – from which any divergence on Britain's part would be tantamount to a dishonorable abdication of the country's responsibility as the Mandatory power.[20] Zionist influence was not constrained, at that crucial early stage, to mere lobbying; in 1919, the Zionist Office in London established an "advisory committee" headed by that very same Samuel – to "draw up economic plans in preparation for Zionist settlement of the magnitude expected to follow the Balfour Declaration" – the minutes of which indicate that the "expected cooperation between the Zionist Organization [henceforth, ZO] and the Government of Palestine, particularly in the sphere of economic development)" was also, already, a mere month after Balfour's declaration, a "*chose jugée*."[21]

This was no shadowy behind-the-scenes arrangement; the terms of the Mandate clearly and explicitly required it – stipulating that the "Palestine administration work with the close cooperation and advice of the ZO" – and it was this requirement that created the second, crucial, factor for the divergence between the Palestinian and Transjordanian OABs: it was a question, in short, of *personnel and staffing*; of who made the decisions, who implemented them. Unlike in Transjordan, where the British worked with Arab bureaucrats loyal to the Hashemites and committed to the development of the Transjordanian economy, in Palestine, that "unique character" of the Mandate translated, particularly in the crucial early years, into an

[18] The text of the Palestine Mandate is worth reading for its clear preferencing of Zionist over Palestinian interests; as in the Balfour declaration, the Palestinians are not named in the document. The articles of the Palestine Mandate cited in this paragraph are 2, 4, 6, and 25. The text is at https://digitallibrary.un.org/record/829707.

[19] For a discussion of the specific requirements these articles placed on Britain to support Zionist goals of building a "national home for the Jews in Palestine," and the "striking differences" between the Palestine Mandate and all other Mandates, see de Blois, "Unique Character."

[20] The conceit that the Balfour Declaration was a "chose jugée" was coined by Samuel and successively incanted by various British Zionists of the time. Sahar Huneidi, *A Broken Trust: Herbert Samuel, Zionism and the Palestinians* (London: I.B. Tauris, 2001), 73-75 (for Samuel's quote, 236) and Sahar Huneidi, "Was Balfour Policy Reversible? The Colonial Office and Palestine, 1921-23," *Journal of Palestine Studies,* 27, no. 2 (1998): 23–41, here, 27 and 37. By July 1923, the British government felt compelled to assemble a cabinet-level committee to discuss the mounting criticism, from various quarters, of its unstinting support of Zionist goals in Palestine. The committee concluded, having been persuaded by Weizmann, Samuel, and other pro-Zionist figures like Shuckburgh (to whom the following quote is attributed): that "whether the policy was wise or unwise, it is well-nigh impossible for any Government to extricate itself without a substantial sacrifice of consistency and self-respect, if not honour."

[21] Nachum Gross and Jacob Metzer, "The Financial Policy of the Zionist Organization, 1919 – 1939," Falk Institute discussion paper, 1977, 38. Also see Nachum Gross, "Herbert Samuel's Advisory Committee of 1919," *The Journal of Israeli History*, 19, no. I (1998): 5 – 21.

administration that was, as even an Englishman serving in the administration complained in 1921, "Zionist camouflaged as English."[22]

Thus, in the early years of the Mandate, committed Zionists, particularly that phrase-coining Herbert Samuel, whose policy initiatives were focused on maximizing Jewish land purchases and immigration, and, more generally, on fostering the conditions necessary for the establishment and flourishing of the Jewish national home in Palestine, ran almost every branch of the administration, and were granted immense latitude to make major policy decisions and staffing appointments, often without the knowledge or approval of the foreign office in London; sometimes even against its explicit instructions.[23] This in turn explains why, when it came to the OAB, individuals with openly Zionist sympathies were appointed to key decision-making roles, while Palestinians – the only people with any financial stake in the bank's survival – were excluded, despite there being no shortage of suitably-qualified candidates available for the task. It mattered, too, that it was perfectly normal and anodyne, at least until the riots of 1929, for Zionist and other British officials to be willfully, openly, blind and deaf to Palestinian wishes, interests and objections – in short, to practice a particular form of anti-Palestinian racism – with no consequences.[24]This structural exclusion of Palestinians explains every stage of the theft of the OAB's assets, from the first, when the British decided to liquidate the bank without involving Palestinians, to the middle, when the process was entrusted to a Zionist who stole and squandered its funds with impunity, to the last, when Palestinians were formally excluded from the diplomatic deliberations that determined its final fate.

The judge presiding over the trial of that thieving official, marveling that he could have stolen so many of the bank's assets for so long without being caught, blamed the "nobody's child *attitude* which appears to have been adopted towards this institution."[25] The judge was right, and this study of that "nobody's child" institution shows that it is too simple to state that "institutions

[22] The quote is from a letter by E.T. Richmond, who served in Samuel's administration as assistant political secretary, cited in Huneidi, *Broken Trust*, 106.

[23] For a discussion of the many measures promulgated between 1920 and 1921 by Samuel, the Zionist high commissioner, often without the foreign office's knowledge or against its instructions, see Huneidi, *Broken Trust,* 79 – 127. In March 1921, a new Middle East department was created within the Colonial Office, which took over responsibility for Palestine from the Foreign Office. As this new department was staffed with several pro-Zionist bureaucrats, and proved especially susceptible to Weizmann's influence, the tension between the administration on the ground in Palestine and bureaucrats in London largely subsided after this point.

[24] The casual racism of many British officials towards Palestinians at the time cannot be overstated, though space constraints prevent a more detailed discussion here. This cannot be put down to a generic anti-Arab racism, as British officials worked closely with native bureaucrats in Transjordan to keep the TJOAB alive. It was a special anti-*Palestinian* strand of racism, influenced by British attitudes towards Zionism. Winston Churchill's infamous remark, that Palestinians were "dog[s] in a manger who had no right to that manger," and that "no wrong has been done to these people by the fact that a stronger race, a higher-grade race, a more worldly wise race… has come in and taken their place" is germane here. For a discussion of the differences between British anti-Semitism and anti-Arab racism during the Mandate, and the structural impact these differing attitudes had on how the Mandate was run, see Laila Parsons, "The Secret Testimony of the Peel Commission (Part I): Underbelly of Empire," *Journal of Palestine Studies*, 49 no. 1 (2019): 7-24. The Churchill quote is from Winston S. Churchill, "Testimony before the Palestine Royal Commission (Peel Commission)," 12 March 1937, in Martin Gilbert, ed., *The Churchill Documents,* vol. 13, *The Coming of War 1936-1939* (Hillsdale College Press, 2009), 616.

[25]"Homa Case," *Palestine Bulletin*, June 23, 1932. Volume VII. No. 1696. The judge quoted here is a P. L. Cressall, the examining magistrate in the case in question.

matter" when evaluating the impact of colonial rule: it is *why* and *by whom* the institution is run that matters; and the colonial agent's *attitude towards the institution* that determines its trajectory.

This account also indicates that it is only by peering into that scholarly blind spot – at the fate of native-owned financial property – that we can more fully answer the question of the economic impact of colonization on the colonized. Centering native-owned assets – and decentering the story of native debt – has two useful effects here. First, it allows us to more accurately date the decline of investment and growth in the Palestinian agricultural economy to the early years of the Mandate, in the 1920s, *before* other, better-known local and global factors took effect in the mid-1930s.[26] It forces, thus, a reassessment of the accepted narrative, that the agricultural sector in Palestine was thriving in the 1920s, even helped by the waves of Zionist immigration. It was not, not least because, as so many Palestinians of the time lamented, the OAB's liquidation ended the *only* formal avenue then available to cash-strapped Palestinian farmers for affordable credit and interest-bearing deposits.[27]

Focusing on assets has a second, methodological, usefulness: it shows how wrong-footing it can be to look for answers to the question of the economic impact of colonialism in colonial sources. For the official sources on the OAB tell a tale of benevolent colonial custodianship and financial scrupulousness that is entirely at odds with what actually happened; they make no mention of stolen bank assets; in fact, they make no mention of bank assets at all, weaving instead an affecting-if-familiar story of miserable defaulting debtors and an inapposite,

[26] Historians generally date the first major decline of the Palestinian rural economy and peasantry during the Mandate to the 1930s, blaming, depending on their politics, an array of natural and man-made factors: falling European demand for Palestinian citrus exports after the 1929 global depression; successive bad harvests caused by poor rains in 1930 and 1931; inflationary rents and land prices due to Zionist land purchases and immigration; British policies such as regressive agricultural taxes; a restructured land tenure regime; and an array of favorable duties and tariffs to protect Zionist industry, all of which negatively impacted the rural Palestinian agricultural economy. To these we must add the effects of waves of forced evictions of peasants following Zionist land purchases, and, in the late 1930s, the brutal counterinsurgency campaigns conducted by British forces to stamp out the Great Revolt of 1936-39. However, even scholars sympathetic to the plight of the Palestinian peasantry have overlooked the impact on them of the OAB's liquidation, in terms of foregone credit and investment opportunities. For a thorough discussion of the economic problems afflicting the Palestinian peasantry in the 1920s and 1930s, see Charles Anderson, "From Petition to Confrontation: The Palestinian National Movement and the Rise of Mass Politics, 1929-1936," (PhD diss., New York University, 2013), 7; 222-224; 402-403; 444.

[27] Many Palestinian sources from the time, from across the social spectrum, lament that, after the OAB was forced shut in 1917, no other government-sponsored agricultural credit bank existed in Palestine to serve the needs of the native peasantry. In 1933, the privately-owned Arab Agricultural Bank was founded by Abdulhamid Shoman, a Palestinian capitalist. But it struggled to survive in a hostile landscape, with no aid from the British authorities, and went bankrupt in 1941. During its short life, it lent mostly to prosperous Palestinian citrus famers, unlike the OAB, which had served the poorest peasants. see Sreemati Mitter, "Bankrupt: Financial Life in Late Mandate Palestine," *International Journal of Middle East Studies* no. 52 (2020): 289–310. For the Mandate administration's belated and "parsimonious in the extreme" efforts to provide agricultural credit to peasants via the establishment, in 1935, of an Agricultural Mortgage Bank and, later, some poorly-funded agricultural credit cooperatives, both of which catered, by design and in reality – in response to Zionist pressure – to Zionist interests, see Anderson "From Petition to Confrontation," 470-471 and Smith, *Roots of Separatism*, 113-115. See note 145 for a summary of theories of economic growth and development that explain the negative multiplier effect the closure of the OAB might have had on the Palestinian agrarian economy, and tables 6 and 7 for an estimate of the credit and investment opportunities offered by the OAB to Palestinians in 1908.

if consoling, narrative of new loans via colonial largesse. It is only when we have looked at what happened to the assets of the OAB that we begin to plainly see the theft – and the deceit, and the hypocrisy – that lay at the heart of the Palestinian experience of colonialism. The assets, in short, lead us to the truth, via two distinct sets of evidence: the words and claims of the Palestinian asset owners, and the financial statements and accounting ledgers of the liquidated bank.

2. #

A handwritten letter provides us the first clue that the official British account of the OAB's liquidation is somehow lacking. Composed in erratic English, signed in shaky Arabic, this was addressed to the British High Commissioner, the highest-ranking official in British Mandate Palestine, and sent in April 1940 by two Palestinian brothers who gave their names simply as "Mohammed and Munawwar, sons of Paikar;" no last names.[28] Referring to "our necessity and poverty that encourage us to claim this money our mother left for us," the brothers demanded the high commissioner to release their bank deposit, which, they claimed, had been seized by the British "at the time of the occupation," and had since "lain with the British Treasury."

Misspellings notwithstanding, the brothers recounted their story in clear and moving detail: they had been orphaned by their mother's death in 1916, their father having died before her, when they were both infants and when Palestine was embroiled ruinously, as a province of the Ottoman empire, in the first world war.[29] Their mother left behind meagre savings of 1,665 Ottoman piasters, worth at most £14 at the time of her death, and less – no more than £P13, the market price of a cow – in 1940, when they wrote.[30] This, they explained, constituted their sole inheritance.

As the brothers were orphaned minors, the local sharia court deposited this sum on their behalf into an interest-bearing scheme called the "Orphans' Deposit" at the OAB, then the only

[28] Mohammad and Munawwar, "Letter to High Commissioner, Government of Palestine, Funds deposited with the Ottoman Agricultural Bank," 23 April 1940. ISA 296.25M. Errors in original.

[29] The brothers dated their mother's death to the Ottoman fiscal year 1332, equivalent to 1916 in the Gregorian calendar. Richard Rose, "The Ottoman Fiscal Calendar," *Middle East Studies Association Bulletin* 25, no. 2 (1991): 157–67.

[30] The currency conversion is imprecise. Given the fluctuations in the value of Ottoman currency before and during the first world war, 1,665 Turkish piasters (kurus) would have been worth £15 in 1916 only if the official exchange rate (fixed since 1844) of 1.11 Ottoman lira to the pound were correct. For the official rate, see Korkut Boratav, A. Gündüz Ökçün and Şevket Pamuk, "Ottoman Wages and the World Economy, 1839-1913," *Review (Fernand Braudel Center)* 8, no. 3 (Winter 1985): 379–406, here 405. A more accurate picture can be extrapolated from a contemporaneous account, written by a Palestinian Jerusalemite in 1915, who reported the real exchange rate on 15 December 1915 as 120 kurus (or 1.2 Ottoman lira) to £1. This renders the value of the orphans' inheritance closer to £13.875 pounds in 1916, when their mother died. The same source describes "skyrocketing inflation" in Palestine during the war. Salim Tamari, *Year of the Locust: A Soldier's Diary and the Erasure of Palestine's Ottoman Past* (University of California Press, 2011), 143. According to one estimate, by December 1917, at the time of the British occupation of Palestine, the Ottoman paper currency had depreciated in Palestine to less than 10% of its face value. Sa'id B. Himadeh, *Economic Organization of Palestine* (American Press Beirut, 1938), 445. For a summary of the currency exchange rates used here, see Table 1. To contextualize the orphans' inheritance, see summary of prevailing prices in rural Palestine in Table 2.

bank accessible to such "miserables" – their words – as the orphans from Bethlehem.[31] The deposit was to have remained safely there, accumulating interest, until they reached adulthood. But, upon becoming adults, they discovered that they could not retrieve their money because the bank no longer existed.

The orphans' letter left no space for emotions. They did not mention their devastation at learning of the termination of an institution that had served, for years, as a source of affordable credit for thousands of their compatriots. They did not describe their bewilderment at finding themselves deemed subjects of the British empire – and thus forced to abide by its laws – while also simultaneously deemed enemies of that same empire, their financial property thus confiscated, the incongruity exemplified by their having to appeal to the very entity that had dispossessed them.[32] They did not expand on their circumstances: how they were orphaned, who raised them, how they had survived the grueling natural and man-made crises that had battered the local economy since the first world war. A few clues attest to the miserable impoverishment of their lives – the uncertain signatures; the modest sum claimed; the lack of family names; that they wrote to the high commissioner and not some local notable (indicating that they knew none) – but their feelings, the vicissitudes of their lives, can only be imagined, for their letter stuck to the basics: the demand, repeated twice, that the British release "this money our mother left us;" the appeal to the commissioner's "sympathetic consideration;" the plea, invoked in the last line, to not be "rendered hopeless in our claim."

There are no emotions on the British side either. If the personnel at the high commissioner's office felt any sympathy upon reading the letter they did not express it, though the orphans evidently belonged to that very class of "desperate *fellaheen*" that they were – officially at least –committed to helping.[33] The official response came two months later, and was limited to a terse directive, employing the standard form of evasion beloved of bureaucrats the world over, for "further documentation to substantiate your claim."[34] The brothers duly furnished documents from the sharia court attesting to the facts outlined in their letter.

But, thereafter, their case disappeared from the files. The sole further reference, in a handwritten note scrawled on official Mandate notepaper, from one anonymous colonial administrator to another, noted only that: "The books in my possession do not contain any records of sums due <u>*by*</u> the Bank. They are debtors' ledgers of sums due <u>*to*</u> the Bank.[35]

---

[31] Mohammad and Munawwar, "Letter to High Commissioner."
[32] I am grateful to Alex Winder for noting this incongruity.
[33] By 1940, when the orphans wrote, the British in Palestine were officially worried about the Palestinian peasantry, whose impoverishment and landlessness had led to sustained and violent protests against British and Zionist colonialism. The British hoped that financial assistance for the "desperate *fellah*" would remove the danger. For a credulous summary of British efforts on this front, see Roza I.M. El-Eini, "Government Fiscal Policy in Mandatory Palestine in the 1930s," *Middle Eastern Studies* 33, no. 3 (1997): 570-96, 588. For a critical correction, see Charles Anderson, "Will the Real Palestinian Peasantry Please Sit Down? Towards a New History of British Rule in Palestine, 1917-1936," *LSE Middle East Centre Paper Series* 10 (2015): 1-28.
[34] Chief Secretary, Government of Palestine, 26 June 1940 in folder "Funds deposited with the Ottoman Agricultural Bank in favour of Monwar and Mohammad." ISA 296.25M
[35] Cover sheet of folder "Funds deposited with the Ottoman Agricultural Bank in favour of Monwar and Mohammad," 7 June 1940, ISA 296.25M [Emphases in original].

The orphans' £P13, plus interest accrued over twenty years, seemed to have vanished, along with all records pertaining to it.

3. #

This study began as a simple quest to find out what had happened to the orphans' deposit. Were they victims of some clerical error, the sort that befalls those born unlucky? Or were they making a fraudulent claim? A logical place to start would be with the other deposits of the same bank. And it is there that the mystery deepens: the archival record, though copious on the topic of the OAB's liquidation, contains no answers as to the whereabouts or value of its deposits and other assets.[36]

An aside on the archives: when the British abandoned the Palestine Mandate in May 1948, they also abandoned sensitive records from the Department of Land Registration (sensitive because they contained deeds and maps attesting to Palestinian ownership of lands later seized by Israel), which they claimed to have entrusted to "various municipal bodies;" which Israeli troops subsequently looted during the fighting that engulfed Palestine; and "the whereabouts of which," British officials admitted in 1949, "are now unknown."[37] These records are now housed in the Israeli State Archives (ISA), and are inaccessible to researchers.[38] It was there that I came across the orphans' letter, in a trove of files titled "OAB in liquidation."

Up to a point, these documents confirm the facts recounted in the orphans' letter: that British troops had indeed forced shut all thirteen Palestinian branches of the OAB during the war; that they had, in fact, seized the bank's assets, and, acting with surprising efficiency, transferred them to the treasury of the temporary British military administration in Palestine; and that, three years before the League of Nations ratified Britain's Mandate for Palestine, they had placed the bank under the purview of a newly-created bureaucracy – the Custodian of Enemy

[36] The OAB's capital included cash on deposit; properties owned via foreclosures; working capital from the "OAB surcharge on tithes;" and seed capital from two 19th century Ottoman institutions. See notes 5-6 and Tables 6 and 7 for an estimated total in 1907.

[37] Some British officials had, before their evacuation from Palestine, photographed – "at considerable cost" – some of these files and transported the microfilms back to England. But, astonishingly (or not), Foreign and Colonial Office officials colluded to destroy these microfilms in 1951. As a Foreign Office official put it: "CO [colonial office] wants to get rid of these records: let us help them: we do not want to keep them ourselves." Pollock, Foreign Office, to Under Secretary of State, 12 July 1949, British National Archives, London [henceforth, BNA] FO371/91742. See also "Land Registry Books, Microfilms of Certain Records Held by CO." May 1951, BNA FO371/91742.

[38] Since 2017, the ISA's reading room has been closed to all researchers, who are allowed only online access to digitized material. Most sensitive materials remain undigitized. The website often malfunctions, and its catalogue is only in Hebrew. At any rate, records from the Mandate's Department of Land Registry attesting to Palestinian ownership of properties seized by Israeli authorities have always been inaccessible to researchers, whether online or in person. And the ISA's reading room had always been out of bounds to those those unable to enter Israel (including most Palestinians).

Property, lavishly endowed with men and materials, at a time of extreme post-war fiscal austerity – and forced it into liquidation.[39]

It is at this point that the narrative in official colonial sources diverges from the one implied in the orphans' letter. In their subsequent public statements, and representations to the League of Nations (to whom they had to report, as the Mandatory power), the British routinely asserted that their intentions in liquidating the bank were benevolent.[40] A 1921 proclamation by the High Commissioner's office – the same entity to which the orphans wrote twenty years later – promised: "It is the intention of the Palestine Government to use this money [generated by the liquidation] for improving the condition of Arab agriculturalists, in keeping with the original purpose of the bank."[41] Significantly for this story, that statement also promised that all claims and deposits would be paid out "within two months of the end of the liquidation."[42]

In July 1932, after what appears to have been an oddly prolonged process, the British declared the liquidation complete. In all official sources thereafter, and in secondary accounts based on these sources, the narrative remained thus: the OAB was successfully liquidated; its loans collected, deposits paid out, surplus assets redistributed as new loans.[43] But the orphans wrote in 1940. If the British account were true, why had they not yet received their deposit, eight years later?

The first clue that the orphans were telling the truth lies in the corroboration offered by contemporaneous Palestinian sources, which indicate that, for all its later official obscurity, the OAB's liquidation had aroused plentiful brimming outrage throughout the 1920s and 1930s from across the Palestinian social spectrum, from peasants' groups to politicians and intellectuals such as Jamal Husayni, Awni Abd-al-Hadi, Musa Alami, and M. F. Abcarius, who, in their newspaper

---

[39] The law cited by British military officials as justification for their initial seizure of the OAB's assets was passed by British parliament in September 1914 to sanction wartime expropriations of property belonging to "enemy nationals." Daniela Caglioti, "Property Rights in Time of War," *Journal of Modern European History* 12 no. 4 (2014), 523-545. The details relating to Britain's wartime seizure and transfer of the OAB's assets are from *First Liquidator's Report 1925*, 9-10.
[40] See for instance Herbert Samuel, "Interim Report on the Civil Administration of Palestine during 1 July 1920 – 30 June 1921," 30 July 1921 https://www.un.org/unispal/document/auto-insert-204267/ and Société des Nations, "Process verbal de la vingt-deuxième session tenue à Genève du 3 novembre au 6 décembre 1932," Publications de la Société des Nations, VIA Mandats (1932), FOL GW 628 (1932), 10 Sep 1932, Bibliothèque Nationale de France [henceforth BNF].
[41] Office of the British High Commissioner for Palestine, "Proclamation OG No. 43 of 15 May 1921," Section 4. ISA 132.6M. [Henceforth High Commissioner, "Proclamation 15 May 1921"].
[42] High Commissioner, "Proclamation 15 May 1921."
[43] The official version is encapsulated in Colonial Office, "Brief on the OAB of Palestine," 24 June 1949, BNA FO 371/75225 [henceforth, Colonial Office, "Brief"]. The only two scholars who have, as far as I know, studied the OAB in detail repeat these claims. El-Eini, toeing the British line, states that "The assets of the OAB… were advanced to [co-operative] societies." Bunton, though critical of British conduct, repeats this claim that the OAB's assets were redistributed "thirteen years later [i.e., in 1942] [as] loans to Arab cooperative credit societies." Both refer erroneously, as I argue later in this article, to a payment of £3,000 made by Mandate authorities from OAB funds post-liquidation *not* to Palestinian peasants but to Barclays Bank to help it write off loans *it* had previously granted to agricultural credit societies in Palestine. Roza I.M. El-Eini, "Government Fiscal Policy in Mandatory Palestine in the 1930s," *Middle Eastern Studies* 33, no. 3 (1997): 570–596, 588-589 and Bunton, *Land Policies,* 104–106. See note 127.

editorials, petitions, speeches, and complaints to the League of Nations, protested the bank's forced closure and asset seizure, and the unavailability of alternative institutional sources of credit for poor peasants.[44] If the OAB's funds had indeed been paid out as the British claimed, why did an article published in 1932 in *Filastin*, a Palestinian newspaper, flatly ask: "Where is the money of the OAB?"[45]

A second clue as to the veracity of the orphans' claim – more a hint than a clue, for it is so fleeting – lies in a note, undated but buried in a file from 1922, from the Mandate's first attorney general, Norman Bentwich, to its first high commissioner, Herbert Samuel. Bentwich's note mentions a large sum – TL9,165 (approximately £Br8,300) – claimed "by the Supreme Sharia Council on account of *the orphans' funds deposited in the OAB* by the Muslim religious courts."[46] This is a tantalizing bit of evidence, shoring up the orphans' claim and indicating that theirs was not an isolated case. But, as with the orphans' letter, here, too, the official record goes cold. I could find no further mentions in the archives of this claim, or of the bank's orphans' funds, or of any other kinds of deposits.

This is particularly strange, for the British appeared to have kept detailed records of the loan-collecting activities they conducted during the liquidation, bestowing to the archives thousands of pages of debtors' ledgers listing names and locations of debtors; amounts owed; dates due.[47] But there are no corresponding depositors' ledgers with names and locations of depositors or amounts deposited, and no records of any depositors' claims being settled at any point during the Mandate. In a perfect echo of the note scribbled by the anonymous British official quoted earlier, the archives are full of records of sums owed *by* Palestinians to the bank – preserved in minute detail, and accessible a century later – while the records of sums owed *to* Palestinians by the bank seem to have vanished.

---

[44] The Palestinian politician Jamal Husayni gave a speech denouncing the OAB's liquidation in June 1923, and formally complained about it to the League of Nations, in October 1924: Jamal Husayni, Executive Committee, Palestine Arab Congress, "Report to League of Nations," 6 October 1924. http://www.churchillarchiveforschools.com/themes/the-themes/key-events-and-developments-in-world-history/did-the-league-of-nations-matter-in-the-1920s/the-sources/source-2. Another Palestinian leader, Awni Abd al-Hadi, included a similar critique in the Arab Executive's official response to the 1930 White Paper. Anderson, "Petition to Confrontation," 346. The Palestinian economist Abcarius bitterly criticized British actions vis-à-vis the OAB in his memoirs, as did Musa Alami, a Palestinian bureaucrat. M. F. Abcarius, Palestine Through the Fog of Propaganda (London, Hutchinson & Co, 1946), 143. Alami's views on the OAB are reported by his biographer, Geoffrey Furlonge, *Palestine Is my Country: The Story of Musa Alami* (London: John Murray, 1969), 90-91. On the other end of the social spectrum, peasant protests regarding the OAB's closure and lack of suitable alternatives were so frequent in the 1920s and 1930s that they warranted comment in various British reports and enquiries, such as the Shaw Commission Report of 1930. See Anderson, "Petition to Confrontation," 494-7; Anderson "Real Palestinian Peasantry," 14; Bunton, Land Policies, 117. The OAB's liquidation was such an emotive issue for the peasantry at the time that it warranted a mention in the film *Palestine 1936*, dir. Annemarie Jacir, pr. Ossama Bawardi (2025)
[45] George Farrah, "Ayna amwāl al-bank al-zirāʿī al-ʿUthmānī?," *Filastin*, 12 August 1932 (translation mine).
[46] Undated note by Norman Bentwich, Attorney General, in file titled "Letter from Herbert Samuel, High Commissioner, to Duke of Devonshire, Principal Secy of state for the Colonies," 1 Dec 1922. BNA CO 733/27/42. Emphasis added. See Table 1 for currency conversions.
[47] A simple keyword search for "OAB in Liquidation" yields hundreds of results containing debtors' lists and ledgers in the ISA's online repository; see, for instance, files 5178.10M and 5178.1M.

This archival "black hole" – to borrow a phrase, and the suggestion that what is missing in an archive can sometimes tell us more than what is there – seeds in us the suspicion that there are no innocent reasons for the lack of records on deposits (and payments thereof).[48]

The rules of financial accounting offer a final check: if the British had, in fact, paid out the bank's depositors post-liquidation, and had also, as they claimed, granted new loans, these payments would necessarily have been recorded in the OAB's balance sheet as debits. The same rules also dictate that the OAB's liquidation, like any liquidation, would have generated cash which would, in turn, *necessarily* have been recorded as a credit. Financial laws operative in Britain at the time (and still in effect, with minor modifications, today), stipulated, meanwhile, that *any* cash generated from a bank's liquidation must first be used to pay the bank's depositors before settling other claims (including employees' salaries and liquidation costs).[49] This collection of financial norms suggests that the bank's balance sheet should provide at least some answers.

4. #

For all their constraints, the Israeli archives yield treasures once in a while, offering, to those who dig deep, a trio of financial documents – the OAB's 1932 "closing balance sheet;" a "Liquidators' Report" prepared in April 1932; and an "Auditor's report" issued a month later by a private British accounting firm, Russell and Company, whose elaborate letterhead (boasting multiple branches in Palestine and elsewhere) lends the hefty collection a stamp of professionalism – that finally provide proof of what the Palestinians in this story had been saying all along.[50]

From the first of these, the OAB's 1932 balance sheet, we learn, from the credit side, that the liquidation resulted in the collection of an impressive £P76,109 in loans, interest payments

[48] Sarah Abrevaya Stein, "Black Holes, Dark Matter, and Buried Troves: Decolonization and the Multi-Sited Archives of Algerian Jewish History," *American Historical Review* 120, no. 3, (2015): 900 – 919. I am grateful to the anonymous reviewer who pointed me to this source.

[49] British financial law stipulates that a bank's liquidation, whether voluntary or forced (as in the case of the OAB) must generate cash by shutting down operations and selling off assets in order to pay creditors before other claims and costs. David Parker, *Closing a Failed Bank: Resolution Practices and Procedures*, chapter 6. https://www.elibrary.imf.org/display/book/9781616350277/ch06.xml#ch06app02. Bentwich, the military administration's legal advisor (and a key character in this story), drafted, on behalf of the British military administration, the Companies Ordinances of 1919 and 1921, which replaced Ottoman law on the ground with British Companies Law. British law consistently stipulates, from the British Bankruptcy Act of 1883 to the present Banking Act of 2009, that a bank's depositors are the senior-most claimants in the event of a bank's liquidation, in the absence of other senior creditors. https://www.legislation.gov.uk/ukpga/2009/1/notes/division/5/2.

[50] C.D. Harvey, "Report of the Acting Liquidators, OAB in Liquidation" [henceforth *Liquidators' Reports 1932*], ISA132.6M; Russell & Co., "Receipts and Payments Account for the period from the 7th December 1920 to the 16th April 1932 together with our report thereon," 19 May 1932, [henceforth, *Auditor's Report*]. ISA 131.17M. Russell and Company was described as "a good British firm of Chartered Accountants who are well established in Egypt, Palestine and Syria" by a Cypriot newspaper in 1937, as cited in Peter Clarke and Andrekos Varnava, "Accounting in Cyprus during the Last Four Decades of British Rule: Post–World War I to Independence (1918–1960)," *Accounting History* 18 (2013): 293– 315, 303.

and foreclosed properties, extracted from the OAB's debtors between 1920 and 1932.[51] (Table 3). In stark and telling contrast, the debit side shows no payments to the bank's depositors, and no payments of new loans. The second document, the 1932 liquidators' report, provides the following helpfully unambiguous confirmation: "the accounts under review include no payment of any claims."[52]

So what happened to those £P76,109, which ought – by law, norm, and colonial promise – to have been used to pay the orphans and the bank's other depositors?

The balance sheet shows that an eye-watering sum – £P43,504; 66% of the total liquidation proceeds – was spent on "ordinary expenses of liquidation."[53] (Table 5). The liquidator's report acknowledges this an "excessive amount, out of proportion to debts collected," and attributes the profligacy to "the lack of supervision and improper expenditure…as fully explained in the Auditor's report." Turning to this vital third document, we learn that the blame for this "excessive expenditure" is placed squarely on one official, a "J. Homa," the "Assistant Public Custodian of Enemy Property," who supervised the liquidation from June 1920 to April 1932 and apparently exerted complete control over the process throughout that time, despite the subordination implied in his title.[54]

The auditor's note explains that this official steadily squandered the OAB's funds by paying certain favored members of staff "inordinately high wages;" offering "irregular salary increases" to a "Miss Leah Bacharach" and a "Miss Anna Epstein," while also "granting himself frequent irregular increases and advances on salary…drawn entirely from the funds of the OAB."[55] The auditor qualifies this bureaucratic excess with the observation that such salary expenses, "if directly and legitimately concerned with the liquidation, may properly be charged against bank assets," though the next sentence diminishes the impact of that string of adverbs by reporting that Homa also "took a year and a half of paid sick leave without proof of illness" and "paid no taxes for twelve years on the (incorrect) grounds that he was a public official."[56]

It gets worse. The auditor's report refers to additional "extraordinary" and "unsubstantiated" expenses "charged against the bank's assets… owed to certain misappropriations and irregularities." Readers looking for explanation are referred to yet another document, an "Appendix A," buried after a further hundred and sixty pages of discussion on the OAB's debtors and debts. There we find further answers as to where the OAB's assets had vanished: a staggering £P8,808 – *six hundred times* the orphans' claim; *more than £P500* the *total* orphans' funds claimed by the sharia council in 1922 – was, as it turns out, *stolen outright* by this same enterprising Homa, via the following methods: "cashing checks paid by debtors and misplacing receipts;" "withdrawing unexplained amounts from the bank's cash account;" "paying mythical bribes to villagers;" "obtaining full-time services of a car for personal use;"

[51] *Liquidators' Reports 1932*, 26-27.
[52] *Liquidators' Reports 1932,* 19.
[53] *Liquidators' Reports 1932, 19.*
[54] *Auditor's Report,* 222 – 248. All details in this and the next paragraph are from this document, which implies that Homa operated without the supervision of anyone in the Mandate Administration or the British Treasury.
[55] *Auditor's Report*, 240.
[56] *Auditor's Report*, 240.

making "unexplained payments of over £P2,000," to a company for "unexplained nighttime trips between 8 p.m. to 3 a.m. to Tel Aviv, where the OAB had no branches."[57] Appendix A makes for diverting reading – we learn, for instance, the times and destinations of Homa's nocturnal car journeys charged to the OAB – but the comedy curdles at the next paragraph, when we learn that he also "tampered manually" with the OAB's cash ledgers, erasing accounts and thereby transferring a further £P1,867 into his personal account at the Anglo-Palestine Bank, the official bank of the ZO.[58]

Appendix A does not explain which accounts Homa erased or whose deposits he stole. It merely reports that he was eventually caught (by the audit) and brought to trial in May 1932. From the local Jewish press of the time, we learn that he was defended by Bernard Joseph, a prominent Zionist figure and a celebrated – and expensive – lawyer (whom Homa had kept on retainer, according to Appendix A, since 1926, and whose fees of £P1,138, he charged, of course, to the OAB), and that, unrepentant at trial, Homa admitted to stealing "only" "£P1,400 from the OAB's assets," which he claimed he took as "*an advance honorarium* for the liquidation." [59] An advance honorarium *for what*?

The judge, not "accepting this explanation," sentenced Homa to nine months and required him to repay £P1,867, a fraction of the total sum he had stolen. Appendix A briefly covers this outcome before adding in closing, almost as an afterthought, that "as the remaining balance of Homa's 'irregular expenses' were considered unrecoverable… general authority was given to allow these against expenditure."[60]

Wait. What? This is when we realize that this is not merely a story about one corrupt official. This extraordinary use of the passive voice – general authority given by *whom*? – and absence of further explanation indicates that Appendix A obfuscates, despite – or via – its exhaustive numbers and tables, a larger, more dismaying, structural story. The questions abound: why was Homa not made to repay the full amount he had stolen? why was he given such a lenient sentence and released upon posting a £P1,000 bail (paid on the spot, indicating an easy privilege)? why, in short, *did he get away so lightly*? and why was the balance of the stolen amount – £P6,941; an enormous sum for the time; the price of a palatial property in central

[57] Details from "Appendix A," 217. ISA 132.6M. Emphasis added. The auditor saw fit to add, on Homa's nighttime car journeys: "During these years there were only four agencies of the liquidation, in Gaza, Jenin, Tulkarem and Nazareth. There are no records in the office of any journeys undertaken by Homa to these places."
[58] "Appendix A," 222-248.
[59] Homa's trial and subsequent appeal were covered extensively in the *Palestine Bulletin*, an English-language newspaper which, according to its masthead, was "read by the most intelligent class of Hebrews." See issues between May and September 1932 (especially 20 July 1932) available at https://www.nli.org.il/en/discover/newspapers/jpress. Bernard Joseph (later, Dov Yosef) was one of the most eminent Jewish lawyers during the Mandate, and also legal advisor and deputy head of the Jewish Agency's political department. He also served, in 1948, as Jewish-occupied-Jerusalem's military governor. After the establishment of Israel, Yosef was a member of parliament and held various ministerial and administrative posts into the 1960s. Jewish Virtual Library, "Dov Joseph (Yosef): (1899–1980)," American-Israeli Cooperative Enterprise, https://www.jewishvirtuallibrary.org/joseph-yosef-dov.
[60] "Appendix A," 244.

Jerusalem – subtracted from the liquidation proceeds with no further comment from the auditor?[61]

Of the many concentric scandals here, this last is the most striking: that Homa's "irregularities" were deducted from the proceeds of the liquidation – which, by law, should have been reserved for paying the bank's depositors – instead of from the OAB's pre-liquidation cash balances.[62] The longer we look at this collection of financial documents, the less credible they seem: why, for one, do those pre-liquidation balances look so small? The statements indicate that the OAB had £P22,771 in cash on the balance sheet in April 1932. But, oddly, they make no mention of the "£E4,361 in Turkish notes" "discovered" by British troops when they first seized the bank's branches in December 1917, or the "TL10,018 in properties owned by the bank before 1920," both amounts reported by the first British custodian in 1925, and both constituting an integral part of the OAB's pre-liquidation assets.[63] Nor do these documents mention, or offer any estimate, of the OAB's other pre-war capital, which secondary sources drawn from Ottoman registers, and my own estimates based on Palestinian macroeconomic data and comparative cases, suggest were rather more substantial than the paltry amount (£P22,771) reported in 1932.[64] Had all the bank's pre-liquidation capital already been spent – or stolen? –before 1932? The "archival black hole" swallows; we do not know.

An inescapable impression gradually forms that this collection of financial statements contains, despite its two hundred and seventy eight pages, grave omissions. From the writings of contemporaneous Palestinians – the economist Abcarius; the politician Jamal Husayni; the petitions of peasant groups – we learn that the OAB had more than just cash and properties before the British colonized Palestine.[65] A crucial component of its capital, indeed, the very innovation that had made it unique (and a precursor to present-day microcredit institutions) came from the "special OAB surcharge" on tithes levied by the Ottomans on local cultivators throughout the empire.[66]

---

[61] Homa's light sentence might be compared to the many months of imprisonment suffered by thousands of impoverished Palestinian peasants "for lack of debt repayment" at the time: as a British official reported: in Haifa subdistrict alone, local courts issued 2,756 warrants for debt imprisonment in 1929; in 1930, the Supreme Court reported (excluding Jaffa and Haifa subdistricts) 2,677 warrants for debt issued, and 599 imprisonments in two months alone. John Hope Simpson, *Palestine: Report on Immigration, Land Settlement and Development* (His Majesty's Stationery Office, 1930), 51. To contextualize the amount left unpaid in Homa's sentencing, a property known as the Palm House, today comprising the grounds of the luxurious American Colony Hotel, was purchased by American missionaries in 1933 for £P6,396 (£P500 less than the balance of Homa's theft). This property was located in the most desirable quarter of Jerusalem, then the Mandate's capital and most expensive city; comprised an area of "1 standard dunam and 724 square meters;" and bordered properties owned by two wealthy Palestinian families, the al-Husaynis and the al-Nashashibis. "Palm House Mortgage," 15 June 1933. 2/14, American Colony Hotel Archives, Jerusalem.

[62] See note 42.

[63] Table 4 lists these amounts, converted into pounds, as reported in *First Liquidator's Report 1925,* 8.

[64] I estimate that the OAB's Palestinian pre-war capital amounted to £P600,000. See Tables 6 and 7.

[65] Abcarius complained that the "fellah is left alone while the government continued to collect the additional tithe which now accrued to public funds." Husayni protested to the League of Nations that "the OAB increment on tithes is still collected though the bank exists no more." Abcarius, *Fog*, 143-144; Husayni, "Report League of Nations."

[66] The tithe was an annual tax levied by the Ottoman state on producers, calculated as a percentage of their gross crop yield. Traditionally 10%, it was increased to 11% of total crop revenues after the establishment of the OAB,

This is where it gets interesting, or, depending on one's perspective, appalling: when the British conquered Palestine, the military administration's legal advisor, Bentwich (on whom more shortly), deemed that this "OAB surcharge" should continue to be levied on native cultivators, even though the bank had been shuttered and its credit operations curtailed.[67] Bentwich also decided, against Ottoman practice, that all tithes thus collected should be absorbed into the administration's central treasury and marked for "general purpose" – that is, "buried in general revenues" – rather than allocated specifically for agricultural loans.[68] This doubly-dubious practice continued well after the Mandate was established, approved by the Mandate's attorney general – as it happened, the same Bentwich – until protests from Palestinians forced them to abandon it in 1925.[69] But, by then, this surcharge had added at least £P76,000 to the Mandate's treasury, by the high commissioner's own estimate.[70] What happened to these funds, which, along with the bank's other pre-liquidation assets, should have been used to offset both "ordinary" and "extraordinary" expenses of the liquidation? (Table 5).

We do not know; the 1932 financial statements never mention them; it is only by reading Palestinian sources that we know about them at all. And so, an essential lesson for students of colonial financial history: to be skeptical when reading colonial sources; to be aware that colonial financial reports and statistics, however professionally presented, and however useful – for they confirm what was otherwise a mere suspicion – have too many lacunae to be fully trusted; to recognize the ultimate foolishness of looking for answers in numbers divorced from the politics that produced them.

Two hundred and seventy eight pages. And no answers to the following questions: why did the British collect the "OAB surcharge" on tithes for years without spending them on agricultural loans as intended? why did they not use the OAB's pre-liquidation funds to cover the expenses of the liquidation, saving the liquidation proceeds for the bank's depositors and new loans? what did they do with the "closing balance" of 1932, which largely sufficed for paying the orphans' and other depositors' claims, even after deducting the amounts Homa stole (and even if counting only the balance of the proceeds of the liquidation, disregarding the pre-liquidation amounts)?[71] And why – we return, again and again, to the original question – was the bank liquidated in the first place?

---

with the additional 1% specifically allocated to the OAB. Later this surcharge was raised to 1.5%. Owen, *World Economy*, 205; Himadeh, *Economic Organization*, 313.

[67] Bentwich claimed that the "status quo principle," which obliged occupying powers to refrain from making "substantial changes to the laws of any occupied country," required the continued collection of the OAB surcharge on the tithe. Bunton, *Land Policies*, 104–105. As the British Palin commission noted in 1920, Bentwich evidently disregarded this very same "status quo" principle when legalizing the seizure of the OAB's assets and writing a host of other consequential measures that advanced Zionist goals in Palestine. Huneidi, *A Broken Trust*, 302.

[68] Bunton, *Land Policies*, 104. Abcarius noted: "All these additions were collected by the [British] administration and carried to general revenue." Abcarius, *Fog*, 143-144.

[69] The British subsequently used this cancellation as evidence of their goodwill towards the Palestinian peasantry, without acknowledging that they had collected it for five years without spending any portion of these tithes on agricultural loans for peasants, as the Ottomans originally intended.

[70] Bunton, *Land Policies*, 104.

[71] See Tables 3 and 5 for the possible range of assets in 1932.

The only way to answer these is by digging deeper; by asking *who* made these decisions, and *why;* and so, by going back, to the beginning of the British colonization of Palestine during the first world war, and forward, to the violent end of the Mandate and establishment of Israel, and examining, through this consequential stretch of time, how the OAB's liquidation was orchestrated, structured, staffed, and concluded.

5. #

It is useful to think of the OAB's liquidation as a bureaucratized theft conducted over three distinct stages.

The first occurred between 1917 and 1920, during the crucial foundational period of the British military occupation of Palestine, when the die was cast. It is shrouded in obscurity, like the other stages, its details only partially decipherable. It is clear that it begins as a wartime story, sometime in the spring of 1918, a few months after the British dispatched the Ottomans from Palestine, when it was decided – *by whom*? *no document specifies* – that the OAB should be liquidated.[72] The timeline is odd: the war was not yet over; the Ottomans had not yet surrendered; the allies had not yet agreed on norms regulating enemy property expropriations; the League of Nations had not yet been formed, leave alone ratified Britain's future role as the Mandatory power in Palestine.[73] And yet, the British managed the business at breakneck speed, seizing, in June that year, the bank's assets, and instituting, by early 1920, a cumbersomely-titled Office of the Public Custodian of Enemy Property to conduct the liquidation.

This institutional cladding is puzzling, too: though the official record never tires of reminding readers that the British in Palestine were forced by Treasury in London to operate with extreme fiscal constraint, especially during that period of military occupation, the new Custodian's office was extravagantly outfitted with men and materials, initially counting, alongside a chief liquidator, a staff of forty-one, and an operating budget that eventually ran through, as we have discovered, an "excessive" £P43,504 of "ordinary" costs.[74]

The matter seems all the more singular when we consider the immediate vicinity, their French allies having refrained from expropriating the bank's Syrian assets to the north, as did, a year later, *their own colleagues* in Transjordan next door, who, far from shuttering the bank's

---

[72] The first liquidator's report cites a proclamation issued by the British military administration in January 1920 (OG No 14) instituting the office of the Public Custodian and announcing the liquidation of the bank. *First Liquidator's Report, 1925*. ISA 132.6M

[73] The Ottomans surrendered in October 1918. The allies had discussed approaches to enemy property during the Paris Economic Conference in June 1916, but it was only during the post-war peace talks in Paris in 1919 that norms on expropriation of enemy property were formalized by a subcommittee of the Economic Commission. The League of Nations was formed in January 1920 and formally conferred the Mandate for Palestine on Britain in July 1922; it did not become operational until 1923.

[74] Both first and last Liquidator's reports acknowledge that "The cost of administration has… been very heavy." The first notes that "at one time a staff of 41 persons was engaged." *First Liquidator's Report, 1925,* 10. ISA 132.6M

branches there, openly championed the institution, doing everything they could to ensure its post-war survival.[75]

Two interrelated factors explain the Palestinian exception. The underlying political context meant that the British, having only recently committed to supporting Zionist goals in Palestine, deferred to Zionist concerns – voiced early, often, and in the right ears – regarding policies on the ground. No *official* document establishes direct Zionist culpability for the OAB's liquidation, but it is entirely consonant with the better-documented instances of the ZO's – and particularly, Weizmann's (then the leader of the movement) – concurrent opposition to an alternative loan scheme proposed by British officials on the ground worried about native peasants left adrift by the OAB's shuttering.

Because it has direct bearing on the fate of the OAB, it is worth reviewing briefly the following sequence of events in 1919: in April, the storied British general Allenby (head of the military administration in Palestine) proposed, along with other military officials, a new loan scheme envisaged as a temporary emergency measure, funded by a loan from the Anglo-Egyptian Bank, to tide native peasants over before a new agricultural bank could be constituted from the OAB's funds. In July, Weizmann, hearing of this scheme, wrote directly to the British Foreign Office to urge its cancellation.[76] The Foreign Office, bowing to his wishes, immediately ordered Allenby to "postpone the scheme until it can be studied further." Allenby, responding that he reported to the War Office and not the Foreign Office, declined to obey. In August, the War Office, duly toeing Weizmann's line, commanded Allenby to "suspend *any* agricultural loans." [77] In September, the scheme was aborted.

A March 1920 discussion at the House of Lords, and an official commission of enquiry (the first in a long line of such commissions) dispatched to Palestine the following month, both plainly blamed "Zionist objections" as the sole reason for the cancellation of this scheme "which was in working order and giving great satisfaction."[78] But, since this alternative scheme had not yet got off the ground at the time, it is likely that these British sources had confused it with the military administration's plans, also hastily discarded, to reboot the OAB. Several secondary sources, in discussing the ZO's (and Weizmann's) "strenuous objections" to agricultural loan

---

[75] See notes 13-15.

[76] Stein comments that: "Weizmann believed that the proposal would have worked more to the advantage of the *fellaheen* than to the Jewish cultivator and […] placed the blame for [its] origin on the shoulders of Colonel Vivian Gabriel, financial adviser to the military administration [whom Weizmann] characterized as an open enemy of the Jews." Kenneth Stein, *Land Question in Palestine*, 1917 – 1939 (University of North Carolina Press, 1984), 41 – 43.

[77] Emphasis added. This account of this sequence is from John J. McTague Jr, "The British Military Administration in Palestine 1917-1920," *Journal of Palestine Studies* 7, no. 3 (1978): 55–76, here, 65.

[78] The Palin Commission of Enquiry, drawn from members of the British military stationed in Egypt, was sent to Palestine to investigate the root causes of the Nebi Musa uprising, or, as the British called it, the "Jerusalem disturbances" of April 1920. It devoted an entire paragraph of its report to "The incident of the veto on the Agricultural Loans," which it blamed on "Zionist objections," and which, it stated, "had a great effect in inflaming the growing irritation of the population against the Zionists." The text of the Palin Commission report is here: https://www.palquest.org/en/historictext/6709/palin-commission-report. For the House of Lords debate on March 17 1920, see Barbara J. Smith, *The Roots of Separatism in Palestine: British Economic Policy, 1920-1929* (Syracuse UP, 1993), 112-113.

schemes during this period, also conflate the two; the error is logical, as the function of both was the same, to offer affordable micro-credit to native farmers.[79]

As an indication of the degree to which the ZO and Weizmann were able to decide policy in Palestine at the time, the question of the OAB's liquidation does not appear to have been discussed then at any length in London (at either the foreign or the colonial offices) n; the first parliamentary discussion of the matter (that I could find) occurred in 1929, almost a decade after the liquidation had begun, when a Colonel Bury pointedly asked, at the House of Commons, why the bank "whose capital had been raised by taxes from Arab peasant farmers, had been abolished." The answer then given, by the Secretary of State, was that "the OAB's Palestine branches had been liquidated because their affairs had been found in a very involved condition."[80] This was a near-perfect-parroting of the dismissive language habitually used by Zionists to denigrate the OAB, and, in general, any Ottoman investments in the Palestinian economy.[81] But it stands against the facts, as reported in those hefty British-audited financial statements – that the OAB had at least £P15,729 in cash and other assets and £P89,977 in outstanding loans prior to liquidation – and does not explain why the OAB's branches in Transjordan, which were demonstrably more "involved" than their Palestinian counterparts, were spared.[82]

Contemporaneous Palestinian sources provide, as elsewhere in this story, more clarity and precision: Jamal Husayni, a Palestinian politician, named and excoriated Weizmann, in a speech in June 1923, for "liquidating the bank so that the people of the country be weakened," while Musa Alami, a Palestinian technocrat who had served in the British administration,

[79] For the ZO and Weizmann's opposition to agricultural credit schemes geared at native peasants in this period, see Martin Bunton, "Government land policies in occupied enemy territory: the case of British rule in Ottoman Palestine, 1917–1920" *Historyka Studia Metodologiczne*, T52, 2022; Bunton, *Land Policies,* 106; Huneidi, *Broken Trust* 210, 218, 323; McTague, "Military Administration;" Smith, *Roots of Separatism,* 112-113; and Stein, *Land Question*, 41 – 43. The reference to Weizmann's "strenuous opposition" is from Smith, *Roots of Separatism*, 113.
[80] The entire exchange is worth perusing: Bury complained that the abolition of the OAB "by the Palestine government had… impoverished the Arabs, compelling them to sell their land to the Jews at a low price," to which the Secretary of State saw fit to respond, against ample evidence to the contrary, that he was **"**unaware of any general impoverishment which compelled the sale of land at unreasonably low prices." "Parliament Discusses Abolition of Palestine Agricultural Bank," *Jewish Daily Bulletin,* December 4, 1929, 2.
[81] The ZO was so intent on dismissing Ottoman investments in the local agrarian economy that it hired propagandists to write columns in the Arabic press to that effect, by which it hoped to convince local landowners and peasants that Zionist land purchases would be more beneficial to their interests than Ottoman policies. The persistently dismissive rendering of the OAB and its "involved condition" in Zionist sources (and British and secondary sources drawn from these) ought to be read in this light. Samuel Dolbee and Shay Hazkani, "Impossible is not Ottoman," *International Journal of Middle East Studies* 47, no. 2 (2015): 241-262. For an example of the dismissive language habitually used by Zionist sources to describe the OAB, see Iris Agmon, "Foreign Trade as a Factor in the Arab Market in Palestine 1879-1914," *Cathedra* 41 (1986): 107-132, 122-125. We have to read this against the many Palestinian sources from the period which routinely asserted the OAB's pre-war size and importance: M. F.. Abcarius, a Palestinian economist, estimated in 1946 that the OAB's Palestinian assets "ran to a quarter of a million pounds," while George Farrah, writing in *Filastin* in 1932, put it at "hundreds of thousands of pounds." Abcarius, *Fog*, 143 and Farrah, "Ayna amwāl."
[82] See tables 3 and 4.

credited Samuel and Bentwich, both close associates of Weizmann, as the "astute brains" who "originated… the abolition of the OAB without putting anything in its place."[83]

The consensus from these and numerous other coeval Palestinian sources (and later secondary scholarship) is that Weizmann's opposition to the OAB was grounded in the fear that its lending policies would dampen the incidence of land sales (by financially-distressed Palestinian landowners) and title-deed forfeitures (by financially-distressed Palestinian peasants), both outcomes which he desired in order to achieve those goals of a "close" and "pure" settlement of Jewish immigrants in lands freed of native peasants.[84]

Whatever Weizmann's motivations, we must, if we are to understand the OAB's story, first understand the implacable zero-sum logic with which Zionists approached the miserably entangled relationship between land sales and indebtedness in late Ottoman Palestine. Zionism was, at that early stage, like any nascent nationalist movement, a collective of individuals with differing backgrounds and aims, who disagreed on matters of policy, and changed their minds when faced with evolving realities on the ground. But, by 1918 a dominant strain had coalesced around that desire for "close" and "pure settlement," which required not only the purchase of contiguous and fertile plots of agricultural land, but also the settlement of those lands by *exclusively* Jewish immigrants.[85] At the time, both ambitions seemed far from practicable: though Zionist agents had managed to make a few significant purchases from landowners living in greater Syria (at a remove from their lands in Palestine), it was proving harder to find local sellers, apart from those in extreme financial distress.[86] And it was proving impossible to convince either category of seller to dislodge the peasants who thought they owned, per Ottoman-era usufruct rights, the lands on which they had lived, worked and paid tithes for years.[87]

[83] Husayni's speech is cited in full in Huneidi, *Broken Trust,* 322-23; Alami's views as reported in Furlonge, *Palestine Is my Country*, 90-91. See note 44 for other Palestinian voices protesting the OAB's liquidation.
[84] Article 6 of the Mandate explicitly specified, in a phrase inserted by Samuel, that the British administration in Palestine should facilitate the "close settlement" by Jews on the land. See notes 18 and 19, and, for Samuel's insertion, Stein, *Land Question*, 39 and Smith, *Roots of Separatism*, 86. For Zionist debates converging on the goal of "pure settlement," see Gershon Shafir, *Land, Labor and the Origins of the Israeli-Palestinian Conflict, 1882-1914* (University of California Press, 1996). For secondary scholarship on the ZO's and Weizmann's opposition to agricultural loan schemes, see note 80.
[85] Kristen Alff, "Changing Capitalist Structures and Settler-Colonial Land Purchases in Northern Palestine, 1897–1922," *International Journal of Middle East Studies* 55 (2023): 675–692. Also see note 86.
[86] For the challenges faced by Zionist land purchasing agencies in realizing their goals during this early period, see Stein, *Land Question,* 3 – 80. For the difficulties posed by their requirement that the lands they purchased be "free of Arab inhabitants" to further their goal of "pure settlement," see Alff, "Changing Capitalist Structures."
[87] On the knotty problem of Ottoman-era usufruct-based property rights (which conferred both collective and individual rights to land ownership, mortgage, and sale to peasant tenant-cultivators), see Doumani's treatment in *Rediscovering Palestine,* 131 – 182, in particular, 156. For how these property rights were misunderstood and mangled by British ideas of individual property ownership, see Roger Owen, "Introduction," and Martin Bunton, "Demarcating the British Colonial State" in *New Perspectives on Property and Land in the Middle East,* ed. Roger Owen (Harvard University Press, 2001), x-xviii; 121-129. For more on "Jewish brokers' refusal to accept land until it was clear of all tenants twisted the arm of both government and landlord," see Smith, *Roots of Separatism,* 97. For a detailed discussion of peasant resistance to mass eviction orders following Zionist land purchases, see Anderson, "From Petition to Confrontation," 223 – 400.

This was the crux of the problem: it was not just a question of finding willing land sellers; it was essential that peasants living on lands already sold (or impending sale) be prevented from finding the means – by purchasing individual titles or defending their existing usufruct rights through the courts – with which to resist eviction; it was paramount that financial pressure on already-squeezed landowners be intensified to grease their willingness to sell; and it was *crucial* that the OAB, or any other institution geared at offering credit to Palestinian peasants and landowners, be prevented from accumulating the means with which to compete (and drive up prices) against Zionist agents in distressed-sale land auctions.[88] From the ZO's perspective, then, it was logical to wish for the destruction of an institution which kept solvent exactly those categories of Palestinians – landowners, peasants, and land purchasers – whose insolvency furthered its goals; and it was logical that Weizmann should have characterized this wished-for-destruction as a matter of "*life and death* for the cause of the Jewish nation."[89]

We are less interested, however, in Weizmann's motivations than in the established and provable facts: the Palestinian OAB was liquidated; the Transjordanian OAB was not; the former's assets were seized (and, as we have seen, stolen, and, as we will see, never returned); the latter's were not; and when British officials tried to float an alternative loan scheme to make up for the OAB's demise, that plan was squashed by Weizmann and other ZO leaders. The only explanation that fits these facts is that Weizmann – who had helped draft the text of the Balfour declaration, and who yielded an outsize influence on key decision makers in the British cabinet, and, especially, its newly-created Middle East Department – was as opposed to the continued existence of the OAB as he was to the alternative loan scheme, and was able to influence policy on the matter while Palestine was still under British military occupation, before dissenting opinions as to the bank's future could have been voiced.[90]

But Weizmann's views alone were not sufficient for ensuring the denouement of this story. Had the OAB been placed in capable Palestinian hands – or in the hands of a British official who did not concur with the prevailing Zionist view – it is possible it would have had another, happier, ending. The second, crucial, factor had to do with the ZO's ability to not only influence British policy towards Palestine in London (and, during post-war peace talks, in Paris

[88] Tellingly, after the OAB was forced shut and liquidated, there were no other agricultural credit banks in Mandate Palestine targeting Palestinian farmers. See note 27. The problem posed to Zionist goals by the presence and tenancy rights of native peasants was identified by Zionist thinkers from the very outset; as Theodore Herzl famously mused in his diary in 1895, when the project was still *in utero*: "We must expropriate gently... We shall try to spirit the penniless population across the border… Both the process of expropriation and the removal of the poor must be carried out discreetly and circumspectly." Benny Morris, *The Birth of the Palestinian Problem Revisited* (Cambridge University Press, 2004), 41. For a dissenting view of the accuracy of these much-quoted sentences, see Efraim Karsh, "Benny Morris's Reign of Error, Revisited," *Middle East Quarterly*, Spring 2005, Volume 12 Number 2. On the logic of exclusion and displacement of native Palestinian peasants inherent (as he sees it) to labor Zionism, see Zachary Lockman, "Land, Labor and the Logic of Zionism: A Critical Engagement with Gershon Shafir," *Settler Colonial Studies*, 2:1, 9-38.

[89] The quote is from Stein, *Land Question*, 42. See notes 76-78.

[90] By July 1920, when the OAB's liquidation started, some British politicians, parliamentarians, journalists, and citizens (including the prominent Jewish politician, Edwin Montagu), as well as military officials on the ground in Palestine, had begun to criticize the government's commitment to furthering Zionist goal's at the expense of the interests and wellbeing of the native population. It is possible that some Zionists also disagreed with Weizmann's opposition to government funded agricultural loan schemes aimed at the native peasantry.

and San Remo) but *also on the ground in Palestine*, where it was able to ensure that the military administration was replaced in July 1920 – for the transgression of "not carrying out policies in pursuance of the Balfour declaration" – by a far more pliant civil administration that was staffed, from the inception, at the highest and most consequential levels, by committed and capable Zionists who could be counted upon to implement its central goals of land purchase and settlement.[91] Thus it was that the two "astute brains" of Alami's phrasing, Samuel and Bentwich, both close associates of Weizmann, became the civil administration's first high commissioner and attorney general respectively, and appointed, in turn, a host of fellow Zionists to key roles, including – to manage the OAB's liquidation – our dark star of Appendix A, Jacob Homa.[92] This trio of Zionist officials sealed the OAB's fate.

Samuel was a prominent British Jewish politician (who enjoyed the advantages of a well-connected banking family, an Oxford education, and an upward trajectory as rising star in Britain's Liberal party) and an impatiently-ambitious Zionist who had authored, in 1915, a memorandum – calling for Britain to "annex Palestine" so as to "give facilities to the [ZO] to purchase land and found colonies" – which exhibited such frank disregard for the views and interests of native Palestinians, whom he variously cast as "backward," "blighted," "sunk in squalor," and "[having] produced neither men nor things useful to the world for hundreds of years," that it renders Balfour's text, which he helped draft two years later, almost toothless in comparison.[93]

Far from disqualifying him, Samuel's vision of a radical settler-colonial-developed-from-the-bootstraps-Zionism won him the position of the first British high commissioner of Palestine.[94] From 1920 to 1925, while serving as the highest-ranking colonial official on the ground, he proved a remarkable political operator, showing that it was possible to establish facts on the ground by briskly pushing through an impressive hundred and fifty ordinances – often against the Foreign' Office's instructions; sometimes even contra Weizmann's; almost always without Palestinian accord – that would create the conditions necessary for the "Jews," as he had called for in his memo, "to avowedly reoccupy the country."[95]

---

[91] The quote is from a letter sent by Richard Meinertzhagen to British prime minister Lloyd George in April 1920, during the San Remo conference. Meinertzhagen, a staunch Zionist ally, criticized Allenby and others in the military administration for being insufficiently committed to Zionist goals. Weizmann, Samuel and other Zionists lobbied hard at San Remo for the military administration to be replaced by a civil administration headed by Samuel. Huneidi, *Broken Trust*, 43, 93.

[92] See note 104 for a (far from comprehensive) list of the many Zionists appointed to key roles during the civil administration.

[93] Herbert Samuel, *The Future of Palestine*, January 1915. https://www.un.org/unispal/document/future-of-palestine-by-herbert-samuel-government-of-united-kingdom-memorandum/

[94] Samuel was appointed by prime minister Lloyd George, himself an arch- Zionist.

[95] The quote is from the memo cited in note 95. For a comprehensive assessment of Samuel's policies – which included opening to Jewish purchase and settlement vast swathes of previously-protected private and public land; awarding major industrial concessions to Jewish firms; instating tariff and customs policies designed to promote nascent Jewish industries; altering the land tenure regime and instating regressive agrarian taxes – and a discussion of the Foreign Office's displeasure that so many of these were promulgated without its knowledge or approval, see Huneidi, *Broken Trust,* 99 – 127. See note 20 for the FO's replacement by the far more Zionist-friendly Middle East department at the Colonial Office.

In May 1921, not yet a year after he had taken office, Samuel appointed a "Public Custodian" to liquidate the OAB.[96] While there is no direct proof that he subsequently shaped how the liquidation unfolded – direct proof being on short supply at every stage of this murky business – there is the incriminating confession, in his secret telegram to a colleague in 1921, that he was "anxious to liquidate the Palestinian branches of the OAB;" the undeniable chronological fact that it was during his tenure that the process turned into a merciless and expensive debt-collecting exercise; and the curious consistency with which every promise he had uttered prior to the liquidation – that its proceeds would be used to "issue new loans to native peasants;" that "acts of grace" would be awarded to debtors unable to repay; that properties "originally foreclosed by the bank will be restored to former owners;" that deposits would be paid "within two months" – was left unfulfilled at its end, having nevertheless bestowed upon the proceedings an air of bureaucratic and financial beatitude, mistaken for truth by successive historians.[97]

Though Samuel appeared genuinely convinced, in his later writings, that he had done much for native Palestinians – being the sort of Zionist who believed Zionism was advantageous to native Palestinians – at least two other compromising details implicate him in the OAB's tragedy: here he is in 1920, barely two months into office, promulgating a new land transfer ordinance – against a chorus of Palestinian voices, and Foreign Office disapproval – allowing Zionist institutions to purchase vast swathes of public and private lands previously unavailable to them, *including those soon to be forcibly foreclosed,* as we will see, by the OAB's liquidator, whom he appointed.[98] And here he is again, in 1923, "reluctantly" ordering, overriding the recommendations of a committee formed to discuss the matter, the "immediate halt" to all government-funded agricultural loans "pending the establishment of *an official credit bank*," while ignoring the fact, proclaimed by so many Palestinians at the time, that the OAB, then still in liquidation, was the obvious candidate for the job.[99]

[96] British High Commissioner, "Proclamation Appointing Public Custodian as Liquidator of the OAB," 15 May 1921. ISA 132.6M.

[97] The telegram about his being "anxious to liquidate Palestine branches of the OAB" also mentioned "a new bank" to be established after the liquidation. Herbert Samuel, "Confidential crypted telegram from High Commissioner Herbert Samuel to Sir A Block regarding the liquidation of Palestinian branches of OAB," 27 February 1921, BNA CO 733/1/15: Folios 183-183a. The quote about foreclosed properties being returned (if repurchased) by original owners is from a letter from Herbert Samuel to Duke of Devonshire, Principal Secretary of state for the Colonies, 1 December 1922, BNA CO 733/27/42. These and other promises were repeated in the following: *First Liquidator's Report*, 6–8; *Liquidators' Reports,* 19–21; Colonial Office, "Brief;" and High Commissioner, "Proclamation," 15 May 1921." For the Mandate administration's later, ineffectual, efforts to provide institutional agricultural credit, see note 27.

[98] The Land Transfer Ordinance of 1920 was the first of ten (ten!) ordinances Samuel issued (drafted by Bentwich) between 1920 and 1925 to open up for Zionist purchase lands previously out of their bounds. This replaced a 1918 ordinance issued by the previous military administration preventing all transfers of immoveable property, which Samuel badgered the Foreign Office – telegraphing seven times in five weeks! – to overturn on the grounds that it went against Britain's commitment to the Balfour declaration (which he had drafted). For a review of Samuel's efforts to pass this and other land legislations, see Smith, *Roots of Separatism,* 86 – 115. For a discussion of the changing legal landscape of land ownership and sale under Samuel and its impact on the Palestinian peasantry (and for Samuel's frenzied telegraphing) see Anderson, "Petition to Confrontation," 417 – 496.

[99] Samuel vetoed the committee's majority report, supported by all Palestinian members. A later committee confirmed that the Palestine administration had issued no agricultural loans between 1923 and 1930. Smith, *Roots of Separatism,* 113.

In these endeavors, Samuel was greatly helped by Bentwich, who, in that crucial early period, dealt the many successive blows, gloved in legalese, cumulatively lethal, against the OAB. Bentwich emerged, like Samuel, from well-heeled, well-schooled (St Paul's; Cambridge) British Jewish circles; was a self-described "ardent Zionist;" a regular participant at annual Zionist Congresses before the war; and, as the military administration's legal advisor and then the Mandate's all-powerful attorney general, a beneficiary of that early British preference for appointing Zionists to key roles in the Palestine administration.

Like any man, Bentwich had many parts. But wherever we look when investigating the OAB's demise, we find his fingerprints: it was he who decreed that the British military administration was "*clearly entitled* to the OAB's debts," and "to *proceed* with the liquidation… and *at liberty to do whatever it wanted* with the OAB's funds;" he who, citing, of all people, Adam Smith, justified the continued collection of the "OAB surcharge" on the tithe despite the bank's having been shut; he who argued that those funds should be "absorbed into general revenues" rather than used to fund new agricultural loans; and he who received, ignored – and likely buried – the sharia council's 1922 claim for the OAB's orphans' funds.[100]

Widening the lens, we learn, too, that it was Bentwich who deleted the clauses containing protections of native peasants' cultivation and tenancy rights in the many (Samuel-championed) land ordinances; he who legalized the previously-prohibited sale of public lands to Jewish institutions; and he who, in his unambiguous, cartoonishly-fixed view that the Mandate "was the application *in law* of the idea that "memory also gives a right"" advanced Zionist goals to the exclusion of other considerations, earning the lifelong enmity of many Palestinians (the capitalist Abdulhamid Shoman consecrating an entire bitter chapter of his autobiography to describing how Bentwich had obstructed his own bank "because he wished to prevent us from acquiring the means to assist Arabs in land transactions)."[101]

[100] Bentwich justified the use of wartime enemy property laws for the seizure of the OAB's assets by claiming this was accepted under the rules of international law and the provisions of Article 240 of the Treaty of Sèvres, though legal scholars, both at the time and later, disagreed. Caglioti, "Property Rights" 535, 540; Nicholas Mulder, "The Trading with the Enemy Acts in the Age of Expropriation, 1914–49," *Journal of Global History* 15, no. 1 (2020): 81–99. Emphasis added. For sources on the rest of Bentwich's actions summarized in this paragraph, see notes 46, 49, 67 – 69, 98.

[101] As Shoman saw it, Bentwich blocked the creation of his Arab Bank (established 1930) and Arab Agricultural Bank (established 1933), the first and only Palestinian-owned-and-funded such institutions, "because he wished to prevent us from acquiring the means to assist Arabs in land transactions... so that Arab landowners will be forced to continue seeking the services of Jewish banks who will do all they can *to dispossess them."* ʿAbd al-Ḥamīd Shumān, *al-Muḥāmī: Sīrat ʿAbd al-Ḥamīd Shumān, 1890–1974* (Beirut: al-Muʾassasa al-ʿArabiyya lil-Dirasat wa-l-Nashr, 1982). (translation mine; emphasis added). The Arab Agricultural Bank went bankrupt in 1941, largely due to the lack of governmental support. Shoman's views are supported by the fact that Bentwich wrote the Credit Banks Ordinance (1922), which prohibited banks registered in Palestine from purchasing land, effectively targeting Shoman's banks while sparing the major Jewish land-purchasing institutions – Jewish Colonial Trust; Anglo-Palestine Company; Palestine Land Development Company – which were registered abroad. Ron Harris and Michael Crystal, "Some Reflections on the Transplantation of British Company Law in Post-Ottoman Palestine," *Theoretical Inquiries in Law* 10 no 2. (2008): 1565-3404.1226. Bentwich also drafted the land ordinances referred to in note 100. The quote is from Huneidi, *A Broken Trust,* 15.

By 1931, Bentwich's anti-Palestinian prejudices had become so "embarrassing" and "disastrous," even for the British, that he was dismissed (in fact, ignominiously retired while on holiday); Samuel too, had returned to England in search of greener, less turbulent, political pastures; but the damage had been done, these two "astute brains" having long provided the legal and bureaucratic ammunition with which to destroy the OAB, and leaving their friend, Homa, in place to fire the shots.[102]

Like Samuel and Bentwich, Homa was a highly-educated and committed Zionist with distinguished Jewish pedigree (educated at the Sorbonne; father and grandfather both rabbis); like Bentwich, he had served in the British army's Palestine campaign (under Allenby) during the war.[103] It is unclear how he became the OAB's liquidator, though it is entirely in line with Samuel and Bentwich's remarkably consistent hiring of Zionists in consequential roles throughout the Mandate administration.[104] The social pages of the Jewish newspapers of the era suggest an intimacy between the men arising from shared and concomitant interests: all three were members of the Jerusalem Relief Society (Bentwich chairing; Homa executive committee-ing; Samuel taking "an active interest in its works"); Homa and Bentwich were also both "devoted" officers of the Jerusalem Musical Society "for a number of years" (Bentwich chairing its executive committee; Homa its two-term treasurer – and apparently, in 1931, its "much appreciated" procurer of "new and comfortable chairs").[105] While it is possible that these men limited their conversations to the relative merits of the bass versus the tenor – or to those of comfortable versus hard chairs – it is likely that Homa was chosen as the OAB's liquidator because he was, like so many other Samuel-and-Bentwich appointees, "in perfect sympathy with Zionism."[106]

Whatever his route to the post, it is worth noting that Homa was chosen over many qualified Arab candidates – to take just one example, George Antonius, a Cambridge-trained economist – who might, if allowed, have been able to transform the post-war OAB into a new national agricultural bank, like its counterparts in Transjordan and Syria.[107] It is worth noting, too, that, though official records state that he was appointed only as as "Assistant Public Custodian" – and temporarily borrowed from the administration's audit department for the job – we know, from the 1932 Auditor's Report, that he was left unsupervised for years, free to run

[102] Memorandum by the Secretary of State for the Colonies, "The Situation in Palestine: Position of Bentwich, Attorney General," 12 March 1931. BNA CAB 24/220/17.
[103] Born in present-day Lithuania to a distinguished rabbinical family, Homa was raised and schooled in England by his grandfather, also a rabbi. All biographical details in this paragraph from http://www.tidhar.tourolib.org/tidhar/view/11/3856 and https://gen.rlzm.co.il/en/persons.
[104] A cursory and incomplete list of Zionists (not all of whom were Jewish) appointed by Samuel and Bentwich includes Albert Abramson and Hayim Kalvarisky (to the Land Settlement Commission); AH Webb to the Development Department (replacing, at Bentwich's insistence, R.C. Tute, whom he thought in "imperfect sympathy with Zionism"); Harry Sacher (to draft the Correction of Land Registers Ordinance April 1926); Hyamson (to the Immigration Department); Harari (to the Customs Department). The quote is from Stein, *Land Question*, 149.
[105] The information here is from the following issues of the *Palestine Bulletin*: 15 June 1925; 1 November 1927; 11 January 1928; 26 October 1931; 10 November 1931; 23 November 1931. See note 59.
[106] Refers to Bentwich's opposition to Tute. See note 104.
[107] Rashid Khalidi discusses how Antonius and many other "highly qualified Arabs were constantly passed over for high office in the Mandate administration." Rashid Khalidi, *The Hundred Years' War on Palestine: A History of Settler Colonialism and Resistance, 1917–2017* (New York, 2020), 266.

amok with his "irregularities and misappropriations," while also somehow managing to earn the admiration of the person who was technically supposed to be the custodian, who noted, in 1925, that "on [Homa] the whole burden of office has fallen, and I cannot speak too highly of his ability and devotion to duty."[108]

Homa's "devotion to duty" played such an outsized role in shaping the outcome for the OAB that his tenure as its liquidator, from 1920 to 1932, constitutes the second and crucial phase of the theft of its assets.

6. #

Luckily, we can evaluate this chair-procuring-check-pilferer's "devotion to duty" for ourselves, for he left behind a voluminous correspondence, mainly angry letters to his staff.[109]

It is easiest to state first what these letters do not mention: there is nothing on the OAB's deposits or depositors; nothing on new loans; nothing on the bank's assets; nothing on the excessive expenses of the liquidation; and nothing on the £P8,808 he stole. What he did write about – his sole subject, in thousands of pages of letters – was debt, debt, debt: the necessity of chasing the OAB's debtors for collection; the necessity of foreclosing defaulters' properties; the necessity of acting "efficiently" – a favorite word; thirty-two instances in as many letters – by selling foreclosed properties in auction promptly, publishing notices of sale after the fact.[110]

Homa's methods were simple, violent, and effective. Here he is, early in the process, in December 1921, ordering his staff to launch "a case or two in the courts" against debtors in village of Saffurieh, because "a little stricter action would be very useful, help settle the whole question in short time… and set an example for others."[111] His preferred method of "settling the question" was to seize and sell "without delay" a defaulter's property unless "they paid what is owed."[112] If a defaulter should protest this forced sale, Homa's response, rank with condescension, was, "let them go to the courts."[113] If a defaulter was too poor to own any land, Homa ordered the seizure of *any other property* they might possess: "one jar of olive oil and five kilos of olives" from a family in Hebron; a carpet from another – "anything of value."[114] If a debtor worked for the government, Homa deducted (without permission) the amount owed from

---

108 *First Liquidator's Report*, 10. The quote is from Edward Keith-Roach. See notes 54-56.
109 These are preserved, in all their excoriating detail, in the ISA. See for instance ISA 5022.16M and ISA 5181.1M.
110 The 9 September 1931 edition of the *Mirat Al-Sharq*, a Palestinian newspaper, is littered, for example, with such notices of sale. ISA 5022.16M
111 J. Homa, Assistant Public Custodian, to Omar Eff Shehab el-Din, c/o OAB Nazareth, 26 Dec 1921. ISA 5181.1M
112 J. Homa, Assistant Public Custodian to Omar Eff. Shehab el-Din, c/o OAB Nazareth, 26 Dec 1921**.** ISA 5181.1M
113 J. Homa, Assistant Public Custodian to Khaled Effendi Jarrah, c/o OAB Jenin, 17 September 1931**.** ISA 5022.16M.
114 For confiscation of olive oil, see J. Homa, Assistant Public Custodian to Khaled Effendi Jarrah, Jenin, 17 February 1931. ISA 5022.14M; for carpet seizure, see July 1931, Hebron. ISA 5022.16M.

salary, as in the case of Salem Moussa, public works employee in Haifa, and Abdul Hijazi, policeman in Ramleh, each owing less than £P2.[115]

Homa's letters drip with venomous contempt not only for the OAB's Palestinian debtors – who he evidently thought needed schooling in financial responsibility; a monstrous irony, given his own adjacent thievery – but also for its Palestinian staff, inherited from Ottoman times and now forced to work under him, whom he harangued for "not working efficiently" – (that word again!); "not watching the bank's interests;" "poor efforts;" "irregular habits;" and "working without system." Above all, he railed at them for being too slow to collect debts and foreclose properties. Here he is, raging at an agent in Tulkarem – "if I have written to you once I have written a hundred times asking for more active work in the settlement of debts" – and threatening to dismiss the entire staff in Jenin – "unless you justify with *real work* the emoluments you receive (an interesting threat, given Appendix A's reporting of his "frequent and irregular" salary increases to himself and certain favored female Jewish employees).[116] His agent in Gaza was a particular, repeated, offender, for "not foreclosing enough properties" (in 1921); "failing to inform me of the details of seizure" (in 1928); "not pushing forward the action in execution against this debtor" (in 1931)."[117]

But the brunt of his cruelty and rage was reserved for the OAB's debtors, against whom nothing could stay his hand: upon a debtor's suicide in Gaza, he regretted only the "delay in carrying out seizure of property."[118] We do not, happily, have statistics for the number of "OAB suicides," but his letters make plain the insincerity of Samuel's promises of "acts of grace" and "moratoria on interest," for Homa showed no mercy in any instance to anyone. In Nazareth, in 1922, a debtor asked to be forgiven £P2.460 remaining on a loan. Request denied; property seized.[119] In Tulkarem, in 1931, seven people asked to divide a £P5.400 balance and repay in installments. Request refused; property seized. In Jenin, in 1922, three debtors failed to repay £P0.200 – (pennies!). Property seized. And a last, grotesque example: in Nazareth, in 1921, he threatened "action to safeguard the interests of the bank" against a debtor who owed £P0.111, while concurrently stealing *eighty thousand* times that. Another number, for context: in 1930, a British official estimated that the average peasant family's *annual* income had fallen to – in his words, "a vanishing point" – £P3.600.[120]

We already know, from Appendix A, that Homa was a straight-up crook. From his letters he also emerges, in a crowded field, as possibly the Palestine Mandate's least loveable personality. But we are less concerned here with personalities than structures. And while we can dismiss his malevolence as one person's quirk, we have to take seriously, and make sense of, the

[115] For policeman, see letter from Assistant Public Custodian 24 July 1931, Ramleh; for public works employee, see 14 September 1931, Haifa. ISA 5022.16M.
[116] All citations in this paragraph are from letters sent by Homas to his staff found in ISA 5022.14M and ISA 5022.16M. Emphases in original.
[117] All citations in this paragraph are from letters sent by Homas to his staff found in ISA 5022.14M; 5022.25 M; 5022.14M; 5022.13M. Emphases in original.
[118] Assistant Public Custodian to Mahmoud Effendi Jarrah, Gaza, 27 July 1931. ISA 5022.1M.
[119] The examples cited here are all from ISA 5022/14M and ISA 5022/16M.
[120] Hope Simpson, *Report*, 56. To contextualize the amounts collected by Homa: see list of prices prevalent in Palestine during the liquidation in Table 2, as well as note 63 for amounts stolen by Homa.

steady repetitive drum of the words "seizure" and "foreclosure;" the chasing of carpets and jars of olive oil; the dismissal of underlings who failed to foreclose properties quickly; the grim numbers from the 1932 balance sheet – £P65,338 in loans and interest extracted from the poorest Palestinian peasants; £P10,771 in properties foreclosed; £P8,808 of bank funds stolen – in short, of the sum total of Homa's "devotion to duty," which ensured that he had "recovered," by 1932, 85% of the loans thought to be outstanding to the OAB when the liquidation first began. (Table 3). Viewed from one perspective, thus, the liquidation was, in fact, a great success.

We have to set this success, and Homa's words and actions, against the following previously-discussed facts: the passage, by Samuel and Bentwich, of land ordinances that allowed the immediate (previously-forbidden) sale of properties foreclosed by the bank to Zionist purchasers; Homa's obsession with "efficient" foreclosures and sales of defaulters' property; his light sentence relative to his enormous crime; and his reference, during his trial, to an "honorarium for the liquidation" to which he seemed to feel entitled.[121] Let us set those facts, in turn, against the synchronous stagnancy of the Palestinian agricultural economy; the spiraling impoverishment of its peasantry; the steadily-increasing rates of forced-and-distressed-land-sales between 1920 and 1932; and the ZO's goals of "pure" and "close" settlement.[122] Though there is

[121] It is clear that the OAB had foreclosed properties belonging to defaulting debtors during the Ottoman period: the first liquidator's report notes that the OAB owned TL10,018 (£P9,025) in "properties foreclosed" in 1920 (i.e. pre liquidation) (Table 4). While no lender, institutional or informal, is ever overly-generous to a defaulting debtor (and we know, from Doumani, that informal moneylenders in Palestine were extortive debt collectors), there were three essential differences between the Ottoman-era OAB and the OAB-in-liquidation under Homa: (1) The Ottoman-era OAB continued to offer credit and interest-bearing deposit facilities, while the OAB-in-liquidation did not, since under Homa all normal banking activities ceased (2) The legal context had changed, due to Samuel and Bentwich's land transfer ordinances and amendments: there is no evidence to suggest that the Ottoman-era OAB foreclosed properties only to resell them "efficiently," as Homa did, at below-market prices in distressed-sale auctions to Zionist agents without granting the original owners the time or credit facilities to repurchase or refinance their original loans; the fact that those TL10,018 in "properties foreclosed" remained on the OAB's books through the war years – when Zionist purchasing agents were actively trying to buy land in Palestine – indicates a more conservative approach to foreclosed sales than the one adopted by Homa. (3) The very nature and temporality of foreclosures had also changed: in Ottoman times, debtors could repurchase their property, if seized by the creditor, upon repayment of debt (such seizures being more akin to deposits or surety on debt), whereas, during the mandate, land sales to Zionist agents had a distinctive, permanent, "once-and-for-all" quality. Doumani, *Rediscovering Palestine*; Owen, "Economic Development in Mandatory Palestine;" Owen, "Introduction," *New Perspectives on Property and Land in the Middle East.* The "once and for all" quote is from Owen, "Economic Development," 17.

[122] Though reliable statistics of land sales in this period are unavailable, given the deeply politicized nature of this question, most sources agree that Zionist purchasing agents had managed, after an uncertain start, to increase their rates of land purchase and peasant evictions after 1920, exactly when Homa began liquidating the OAB. Stein reports a steady year-on-year increase of "registered Jewish land purchases" from 1920, when Jews acquired 450,000 dunams, to 1932, by when they owned 1,025,079 dunams. Stein, *Land Question*, 76 -79; 121; 226-227. Alff cites two Zionist sources, Granott and Ruppin, to conclude that "by 1930, Jewish organizations had purchased approximately 800,000 dunams of the most fertile land in Palestine as private property," resulting in the expulsion of "approximately 1,270 Palestinian peasants from these lands." Alff, "Changing Capitalist Structures," 691. We do not know how many of these land sales and resulting peasant expulsions resulted from Homa's tactics, but the dates of the OAB's liquidation coincide with the dates of the increased success of Zionist land purchases. For a discussion of the effect of increased Zionist land purchases in this period on the Palestinian peasantry, see Anderson, "Petition to Confrontation" 344-498; especially 441. (Anderson argues that Stein's figures are exaggerated, see 442 note 111.) We do not have gross or individual income data for the Palestinian economy until 1944, but scholars have shown that the Palestinian agricultural sector remained stagnant in the 1930s, with prices for basic agricultural crops plummeting, despite soaring land prices and rents and a thriving Jewish industrial sector, which gave the overall

no simple way to quantify the precise effect of the OAB's liquidation on the Palestinian economy (the last section of this paper provides an estimate, drawn from comparative cases and macroeconomic data), it is easy enough to connect the dots between Homa's plunder of the OAB's assets, his single-minded pursuit of its debtors, the devastation of the Palestinian rural sector in the 1930s, and the slow materialization, dunam by dunam, of the dream of the "Jewish reoccupation of the country" envisioned in Samuel's memo.[123]

As is typical of Zionist and British writings from the period, Homa's letters give no voice to the OAB's Palestinian customers. They are relegated offstage, mute recipients of his violence. A moving social history might nevertheless be read from these files, which seep with the misery and poverty of their lives, the tragic absurdity of the miniscule sums they owed, their suffering in the face of appalling economic adversity. But this story, of debt-driven-dispossession-and-land-loss is only one part of the story of the OAB's liquidation. For all their voluminous vituperation, Homa's letters leave us with no answers on that other part which interests us more: the fate of its deposits and depositors.

If this were merely the story of one maleficent official, the OAB's depositors should have been paid once Homa's thieving came to light in April 1932. We know, having done the sums, that the OAB had between – depending on what we count – £P25,664 and £P140,164 in assets in 1932.[124] In 1932, we know, too, that the liquidation was over. Politically, things had changed; since the riots of 1929, the British were careful to placate the Palestinian peasantry.[125] Homa had been charged and imprisoned. Bentwich had been retired. Samuel was back in London, ladder-climbing. So, we might allow ourselves to anticipate a happy ending, thinking, *finally,* now the depositors will be paid; now the long-promised new loans issued.

Alas, no. The orphans wrote asking for their dead mother's money in 1940. And a steady chorus of Palestinian voices kept asking, years after the liquidation, after the OAB's funds; as a Palestinian journalist put it – less politely than the orphans – "*Eleven years have passed*, and we still don't have the right to know: where are the OAB's funds, worth at least hundreds of thousands of pounds?"[126]

7. #

Once again it is a balance sheet that provides the beginning of an answer. This time it is the Mandate's closing balance sheet, issued in 1948 by the British treasury after the termination of

impression of a booming economy. See Amos Nadan, "No Holy Statistics for the Holy Land: The Fallacy of Growth in the Palestinian Rural Economy, 1920s-1930s," in *Britain, Palestine and Empire: The Mandate Years*, ed. Rory Miller (Ashgate Publishing, 1998), 101-117. For the closing off of avenues of agricultural credit and investment available to Palestinians in this period, see Mitter, "Bankrupt," 295 – 298. Also see notes 26, 27 and 88. For a summary of prevailing prices and estimated incomes in rural Palestine during the period that the OAB was being liquidated, see Table 2.

123 See note 93.

124 See Table 5.

125 See note 33.

126 Farrah, "Ayna amwāl?"

the Mandate, which informs us that the only payment made after 1932 from the OAB's funds was a £P3,000 transfer in 1942 to Barclays – the British bank operating as the quasi-official bank of the British administration in Palestine – to help "liquidate debts owed by certain Arab agricultural cooperative societies." Beyond this, the balance sheet confirms, there were "no investments of these funds" and "£0 in payments."[127]

Despite changing policies and shifting allegiances on the ground, thus, the OAB's liquidated assets had languished, unspent, for sixteen years in the Mandate's treasury, while calls from Palestinians about them went unanswered, and the financial condition of the peasantry diminished, as a British official put it, "to vanishing point."[128] As the judge presiding over Homa's trial had correctly diagnosed, those almost-two decades of administrative purgatory originated in the "nobody's child attitude adopted" by the British administration towards the OAB, and the fact that no Palestinian – not one – was tasked with managing its funds post-liquidation.[129]

We arrive, thus, at the last stage of theft: after the termination of the Mandate in 1948, the Mandate's assets, including the OAB's balances, were transferred to the British Treasury as part of the colonial office's plan to close the books and wash its hands of the Palestine mess. A year later, Treasury officials discovered, apparently much to their surprise, £P30,635 representing "unspent balances of the OAB" sitting on their books. Initially baffled by the existence of this money, they discovered, after some digging, that these funds "represented OAB assets held by former Palestine government… *meant to have been spent assisting the Arab agricultural community*."[130] Handwringing ensued. Some felt these funds "should be handed over to a successor Arab state." Others thought it easier to "merge them with other Mandate accounts generally."[131] *No Palestinian was consulted.*

Eventually, it was decided that the "tidiest course of action" would be to merge the "unspent OAB assets" into the Mandate's "general account," and apportion these between the two states recognized by Britain as official successors to the Mandate: Jordan, and the newly-created Israel.[132] The British duly embarked on separate bilateral negotiations with representatives of each of these states. No Palestinians were invited to these talks or consulted on the matter; no Palestinians informed of what transpired; with remarkable colonial consistency, the same logic that had determined the fate of the OAB in 1917 applied to it again in 1951. As one Foreign Office official explained:

[127] Colonial Office, "Brief on the OAB of Palestine," 24 June 1949, BNA FO 371/75225 [henceforth, Colonial Office, "Brief"].
[128] See note 120.
[129] "Homa Case," *Palestine Bulletin*, June 23, 1932. Volume VII. No. 1696.
[130] Colonial Office, "Brief." This source provides no provenance for this sum. Emphasis added.
[131] Foreign Office, Draft Anglo-Israeli Financial Agreement, "Details of Kadoorie Bequest," 1 April 1950, BNA FO 371/82555 and Colonial Office, "Brief."
[132] The OAB balance was combined with the funds of the Kadoorie Bequest, another, private, agricultural fund created by a Jewish philanthropist. Both amounts were classified as "special funds of the former Palestine Government not vested in the Crown Agent for the Colonies," and folded into the general Mandate account. British Legation Tel Aviv, "Memo on formal opening of Anglo-Israeli negotiations," 1 July 1949. BNA FO 371/75235.

> Theoretically [the Palestinians] should be represented, but *since the Israelis may be expected to take exception* to this, and *since no Arab successor authority* yet exists, the delays caused by such a course would outweigh the advantages.[133]

The two resulting bilateral financial agreements contain the final clue as to the fate of the orphans' inheritance. The Anglo-Israeli Financial Agreement (1950) stipulated that the just-born state of Israel would receive *all remaining balances* of the former Mandate administration.[134] The Anglo-Jordanian Financial Agreement (1952) formalized Jordan's relinquishment of all but its small share of the balances of the disbanded Palestine Currency Board.[135] Both agreements were hailed as a triumph of diplomacy, and the negotiators lauded, in British and Israeli presses, for having produced an "eminently sensible document."[136]

And so, the OAB's funds, comprising, as a British Treasury official frankly acknowledged, "money collected from Arab villagers," were transferred in 1951 to Israel.[137] That Israel was, at the time, murdering and expelling thousands of Palestinians from their homes, and legislating a permanent ban on their return, gave the British no pause.[138] No requirement was placed on the Israeli government to transfer the funds to the OAB's depositors, or to any Palestinian or independent entity.

Once transferred, the OAB's funds were promptly re-confiscated by Israeli authorities and subjected to new "absentee property" laws promulgated in 1950, which declared it illegal for any entity in Israel to have financial dealings with "absentees" (technically, Palestinians who had "left," in the euphemism favored by Israeli law, Israeli territory after November 1947, but in practice all Palestinians anywhere).[139]

Our story ends in 1951, with the OAB's funds transferred from one (British) treasury to another (Israeli) – colonial, post-colonial; it made no difference for the owners – and there, in yet another temporary-turned-permanent custodian, justified by yet another set of wartime enemy property laws – slightly modified from the ones wielded against them thirty years earlier – they

---

[133] Foreign Office, "Draft brief for Mr. Helm on private claims v Israeli Government," 12 May 1949. BNA FO 371/75234. Emphasis added.
[134] The agreement makes no specific mention of the OAB funds, but, as per note 112 these had been folded into the Mandate's general account. Anglo-Israel Financial Agreement, 30 March 1950. BNA FO 371/82556.
[135] It was decided that Jordan's share of the remaining balances of the Mandate's accounts was negligible. Letter from Treasury to Hulland, Colonial Office, 6 March 1951 and Note, Hunter, 4 December 1951. BNA FO 371/91388.
[136] Telegram from British Delegation, Tel Aviv to Foreign Office, London, 14 April 1950. BNA FO 371/82556.
[137] Foreign Office, Draft Anglo-Israeli Financial Agreement, "Details of Kadoorie Bequest," 1 April 1950, BNA FO 371/82555.
[138] Very many scholars have detailed these gory episodes, including Nur Masalha, *Expulsion of the Palestinians : the Concept of "Transfer" in Zionist Political Thought, 1882-1948* (Institute of Palestine Studies, 1992).
[139] The Absentee Property Law was promulgated by the Israeli parliament in 1950. Among other clauses, it required that all financial assets belonging to "absentees" be confiscated and transferred to a new Israeli bureaucracy, the "Custodian of "absentee" property." The application of this law to justify Israeli seizures of Palestinian property has been widely studied in the case of Palestinian-owned physical assets (lands, houses); for the lesser-known confiscation of private Palestinian financial property in 1948, see Sreemati Mitter, "A History of Money in Palestine: From 1900s to the Present" (Ph.D. diss., Harvard University, 2014), 24–37. For landed property, see Yifat Holzman-Gazit, *Land Expropriation in Israel: Law, Culture and Society* (London, 2017); Michael Fischbach, *Records of Dispossession: Palestinian Refugee Property and the Arab-Israeli Conflict* (New York, 2003).

came to rest, this time vanishing forever, leaving not the faintest archival trace. A tidy theft, ending as it had begun, obscured by the proverbial fog of war, disguised in the legitimating languages of international diplomacy and finance, dressed up as a routine transfer from old to new "successor" regime, and signed, sealed and executed by well-placed and perhaps even well-intentioned international diplomats who never paused to mention, involve, or inform the very people whose property was at stake.

8. #

Right until they handed the remaining balances of the OAB over to Israel, British officials continued to refer to the "generosity" with which they had treated the Palestinian peasantry.[140] Reading the documents they left in archives, we can almost believe in their sincerity, for they make no mention of the three-staged theft of the OAB's assets; of loans and interest collected – at such cost from the peasantry – but never redistributed; of tithes levied for years but never spent; of properties foreclosed and sold; of deposits erased and stolen. This offhand reference to colonial generosity thus neatly encapsulates this story's larger lessons: the importance of numbers over words; of actions over sentiments; of listening to – and *believing* – native voices; the perils of histories drawn exclusively from colonial sources; the fallibility of scholarship that uncritically parrots colonial preoccupations and conclusions; and, above all, the blind folly of evaluating any model of colonial rule without first paying attention to the essential factors that determine the outcome: who are the colonial agents? what are their incentives? under what political imperatives do they operate? and, most importantly, to what extent do they involve native participation in the drafting and implementation of policies?

As for outcomes, how – returning to the initial question of the impact of colonial rule on native economies – might we measure those in this story? A social scientist might argue that we cannot evaluate its importance without knowing the size of the loss, in economic terms, that the OAB's liquidation represented to the Palestinian economy. A skeptic might insist that such loss be weighed against the benefits – the "schools, roads and railroads" argument – of British rule on the Palestinian economy.[141] Others might judge, whatever the costs of the liquidation, that these were outweighed by the greater tragedies that engulfed the Palestinians during and after the Mandate. Measurement, thus – what and how and when to measure – remains a major hurdle in the debate on colonialism.

One way to cross that hurdle is by looking at comparative cases, at the "what might have been" scenarios. Luckily, the case of the OAB offers a natural experiment of the sort rarely occurring in history: we can point to the Transjordanian and Syrian OABs, initially trapped under mandatory tutelages just like their Palestinian neighbor, but, unlike it, nurtured by colonial administrators, surviving into independence, and existing today as the Jordanian Agricultural

[140] Memorandum by JF Spry, (former) Assistant Director of Land Registration, Palestine, "The Ottoman Agricultural Bank," June 1951. BNA FO 371/91742.

[141] For a discussion of the measurement problem, see Leigh Gardner and Tirthankar Roy, *The Economic History of Colonialism* (Bristol University Press, 2020). For an almost parodic summary of the "schools and roads" perspective, see Bruce Gilley, "The Case for Colonialism," *Third World Quarterly*, Gilley, 2017: 1–17.

Credit Corporation and the Syrian Agricultural Cooperative Bank respectively, each a source of funding to its national agrarian economy, each offering a vision of what the OAB might have become had there been in Palestine a more benevolent form of colonialism; had it been run by agents invested in its success, who wished to use its funds to make the local economy prosperous and stable.[142]

We might even look further afield, for we also have what economists would call a "control" case, where there was no colonial regime at all, the ultimate what-might-have-been scenario. In 1922, shaking off its Ottoman mantle, the new state of Turkey emerged from the detritus of the war. The OAB was crucial to its survival: in 1922 – just when Homa was chasing pennies from Palestinian debtors and driving them to suicide – the bank's agents "smuggled bank funds" to pay Mustafa Kemal's rebel army during the war of independence.[143] Renamed, post-independence, the *Ziraat Bankasi*, it thrives today as Turkey's largest financial institution; remains entirely state-owned; owns TL8,712 billion in assets; operates 1,770 branches; employs 26,000 staff; and continually extols "its past as the first agricultural credit bank in the region," its "critical role in funding the war of independence," its "great contributions in overcoming the many difficulties of the early years of independence," and its present status as "Turkey's leading provider of agricultural finance."[144]

Another way to answer the "schools and roads" crowd would be by doing the sums, estimating the OAB's operations in pre-war Palestine, thus quantifying, and rendering visible, the loss its liquidation represented to the local economy. Borrowing methodology employed by economic historians, I estimate – using historic macroeconomic data (trade surpluses and population growth); statistics from Ottoman registers for the OAB's overall operations in 1908; the size of the Palestinian economy relative to the other southern Ottoman Syrian provinces; and factoring in the number of OAB branches in Palestine vis-à-vis other provinces – that the Palestinian OAB had, in 1908, some £600,000 in assets; £200,000 in loans; and fifty thousand Palestinian customers. (Tables 6 and 7). But, as in the case of our famous Appendix A of 1932, these numbers are speculative and should be treated with caution, for another lesson offered by this story is that, though numbers are important, we cannot write a financial history of colonialism from numbers alone, for even seemingly-neutral numbers can mislead, conceal, dissemble.

---

[142] British colonial agents in Transjordan reshaped the TJOAB in 1923 as the State Agricultural Bank. Fischbach, *State, Society, and Land,* 140. After independence this bank was renamed the Agricultural Credit Corporation, and funded by the Jordanian government. Its website proclaims its mission to "contribute to agricultural development in Jordan by funding projects for farmers… to curb poverty and unemployment in rural areas." https://www.acc.gov.jo/en/node/336 In French Mandate Syria, the OAB's branches were merged in 1932 to form a new Syrian state agricultural bank which exists today as the Agricultural Cooperative Bank of Syria, "owned by the Syrian state and dedicated to providing finance to Syria's agricultural sector." https://agrobank.gov.sy/

[143] The OAB's capital not only funded Ataturk's troops during Turkey's War of Independence; it also funded aid for soldiers' families and medicine for malaria prevention, while resuming its agricultural credit activities as early as 1924. Sertaç Dokuzlu "The Agricultural Credit System in the Ottoman Empire between 1863 and 1888," *Rural History* 28, no. 2 (2017): 177–188.

[144] Financial and other figures from Ziraat Bank's website and May 2026 "Investor Presentation." https://www.ziraatbank.com.tr/en/our-bank/about-us/history-of-our-bank and https://www.ziraatbank.com.tr/en/investor-relations/financials/presentations/investor-presentation

Perhaps the only honest way of solving the measurement problem, and of evaluating the significance of the OAB's liquidation, is by looking at, and accounting for, individual pain: the cost of lives crushed; of the Mohammads and the Munawwars robbed of their inheritance, of their chance to buy a cow, to escape the "miserableness" of their lives. Growth and development economists have long argued that private capital accumulation, no matter how modest – even the humblest £13 deposit counts, via a multiplier effect – is the crucial element that enables investment, consumption, and, ultimately, growth in a developing economy.[145] The OAB's 19th century founders were convinced of this, which is why they decided that the bank should offer interest on deposits.[146] And so, perhaps the most important contribution of this story is to recast the Mohammads and Munawwars of Palestine, and to remember them, – not as poor peasants, but, instead – as *asset owners*, potential engineers of growth, whose private financial property could have contributed to developing the Palestinian economy had it not been seized, liquidated, stolen, transferred, and stolen again, all without their consent or involvement, for a hundred and nine years, and counting.

[145] For the positive multiplier impact of individual assets on private investment, see Bengt Holmström and Jean Tirole, *Inside and Outside Liquidity* (MIT Press, 2011), who emphasize that such assets can be used as collateral for new loans, generating, in turn, additional income which can be used to further increase the borrower's investment capacity. Private losses matter, conversely, because they reduce capital accumulation and investment capacity: a borrower who has no collateral is likely to be refused a loan. In the orphans' case, thus, their £13 inheritance could have been used by them as collateral for a new loan, with which they might have bought a cow, which in turn would have generated further income. For the negative *aggregate* impact of credit rationing and asset freezes on economic growth, see Abhijit Banerjee and Esther Duflo, "Growth Theory Through the Lens of Development Economics," *Handbook of Economic Growth*, 1 no. A (2005): 473-552. These arguments, by separate sets of Nobel Prize-winning economists, show that, by liquidating the OAB, stealing its assets, and aborting its loan-issuing activities, the British thus cut off a vital economic lifeline not just for the individual depositors involved but for the Palestinian economy *as a whole*, at a time when it was suffocating.
[146] See note 6.

Table 1: Currency exchange rates in Mandate Palestine

Pre-first world war currency exchange rates in Palestine

Date	British £	Turkish (Ott) lira official fixed rate[1]	Turkish (Ott) lira (real prevailing rate)[2]
1915	£1.00	TL1.110	TL1.200

1. The official exchange rate of Ottoman lira (TL) to British pound was set in 1844, determined by the gold minting values of each currency.
2. By 1916, the official exchange rate was inaccurate due to the depreciation, more pronounced in Palestine than in Turkey itself, of the Ottoman currency before and during the war. See note 34.

Post-first world war official currency exchange rates in Palestine

Date	British £	Egyptian £[1]	Turkish lira[2]	Palestine £[3]
1918 - 1931	**£1.00**	£Eg0.9750	TL1.110	**£P1**
1918 - 1931	£0.9009	£Eg0.8775	**TL1.000**	£P0.9009
1918 - 1931		**£Eg1.0000**		£P1.0256

1. In December 1917, after conquering Palestine, the British outlawed Ottoman currency (notes and coins) in areas under their control and imposed the Egyptian pound (£Egyp) as the sole legal tender. Between December 1917 and November 1927, Palestine was effectively in a currency union with Egypt (then also a British colony). In practice Ottoman coins continued to circulate throughout Palestine for years, and private individuals and commercial entities continued to quote prices in Ottoman currency (Turkish lira). Himadeh, *Economic Organization of Palestine* , 445-448.
2. The fixed exchange rate of 1TL = £Egyp 0.8775 reflected not the actual (market) rates but the official rate imposed by the British; the "mint parity" between Ottoman and Egyptian coins was actually 0.8893.
3. In November 1927, the British introduced a new currency for Palestine, the Palestine pound. This was pegged at parity to the British pound. The official rate for converting Egyptian to Palestinian currencies was fixed at £P1 = £Egy0.975. (See below). In practice, to convert between Palestinian pounds and Turkish lira, the British followed a roundabout method of first converting all sums into Egyptian pounds via arbitrary fixed rates. For years after the introduction of the Palestine pound, individuals and commercial entitites used varying rates to convert pre-war sums expressed in Egyptian or Turkish lira into the new Palestinian pounds. This exchange rate uncertainty caused locals much economic distress and confusion. See Sreemati Mitter, "A History of Money in Palestine: From 1900s to the Present" (Ph.D. diss., Harvard University, 2014), 24–37.

To convert currencies circulating in Mandate Palestine using official (inaccurate, as per above) exchange rates, use the following guide:

To convert P£ to TL (multiply by)	To convert TL to P£ (multiply by)	To convert Eg£ to P£ (multiply by)
1.11	0.900900901	£P1.0256

Throughout this paper 1£P = 1000 mils = 100 piastres; 100 kurus (also denoted as gurus or piastres) = 1 turkish lira

Table 2: Prices and incomes in rural Palestine in the 1920s and 1930s

	Palestinian £
Average market price of 1 ton of wheat, between 1924 and 1927[1]	£P11.400
Average market price of 1 ton of wheat, 1930[1]	£P5.900
Average market price of 1 ton of wheat, 1939[2]	£P8.000
Market price of 1 ton of barley, 1930[1]	£P3.000
Market price of 1 ox or camel, 1929[1]	P£15 to P£20
Market price of 1 cow, 1929[1]	P£6 to P£10
Market price of 1 cow, 1935[3]	P£10 to P£15
Average annual net income of a Palestinian family of owner cultivators, 1930[1]	£P11.8000
Average annual net income of a Palestinian family of tenant farmers, 1930[1]	£P3.6000
Average indebtedness of a Palestinian family of tenant farmers, 1930[1]	£P27.000
Palestinian per capita income, 1936[4]	£P16.100

1.The fluctuating wheat prices reflect the impact on the agricultural sector of the global depression and other local adversities. Most prices quoted here are from the Hope Simpson report, which in turn cites *The Fellah's Farm* by Yitzak Wilkansky, a Zionist agronomist, an unreliable (and far-from-neutral) source. Though British officials themselves questioned (in their reports to the League of Nations in 1931) the more speculative income and debt estimates in the Hope Simpson Report, the market prices here are accurate, as they were published; in some instances set by the government; and corroborated by various other sources from the period. Sir John Hope Simpson, *Palestine: Report on Immigration, Land Settlement and Development* (His Majesty's Stationery Office, 1930),100-01, 103, 108, 174.
2. M. F. Abcarius, *Palestine Through the Fog of Propaganda* (London, Hutchinson & Co, 1946), 149
3. Alex Winder, study of collective fines in Palestine, 2020.
4. Owen estimates that Palestinian per capita income (PCI) was a third of Jewish PCI by 1936, with a large spread. Owen provides this figure based on Jacob Metzer's numbers for Jewish PCI, and caveats it as "highly speculative." Roger Owen and Sevket Pamuk, *A History of Middle East Economies in the Twentieth Century* , (Harvard University Press, 1998), 60

Table 3: Amounts Collected During OAB's Liquidation 1920 –1932

	Palestinian £
Total loans collected during liquidation[1]	£P54,687
Total interest collected during liquidation[1]	£P10,651
Total properties foreclosed during liquidation[1]	£P10,771
Total collected during liquidation	£P76,109
Original loans outstanding in 1920[1]	£P89,977
% of outstanding loans collected during liquidation	*85%*

1. *Liquidators' Reports 1932*

Table 4: Cash and Other Liquid Assets on the OAB's pre-1917 Balance Sheet

	Turkish lira	Palestinian £
Cash[1]	TL 2,468	£P2,223
"Discovered notes"2	TL 4,973	£P4,480
Properties foreclosed[1]	TL 10,018	£P9,025
Total cash and liquid assets	TL 17,459	£P15,729

1 *First Liquidator's Report 1925* , 8

2. The Liquidator's report mentions "£Egy4,361 in Turkish notes" "discovered" by British troops when they first seized the bank's branches in December 1917. For conversions see Table 1

Table 5: The OAB's 1932 Balance Sheet, and Estimated Remaining Cash Balance after Liquidation

	Palestinian £
Amounts collected during liquidation	
Total loans collected through liquidation process[1]	£P54,687
Total interest collected through liquidation process[1]	£P10,651
Total properties foreclosed through liquidation process[1]	£P10,771
Total collected through liquidation, 1932	*£P76,109*
Expenses during Liquidation	
"Ordinary" expenses of liquidation[1]	£P43,504
"Extraordinary expenses" ("Unrecoverable" Homa's theft)[1]	£P6,941
Total expenses of liquidation, 1932	*£P50,445*
% expenses to total collections	*66%*
Net assets: collections minus expenses	**£25,664**
Estimated balance after liquidation	
Net assets: collections minus expenses	£P25,664
Cash and properties on balance sheet in 1932[1]	£P22,771
Cash and other liquid assets from Ottoman era pre-1917[2]	£P15,729
Sums collected by British as "OAB surcharge" on tithe between 1918-1925[3]	£P76,000
Remaining balance OAB's assets	**£140,164**

[1] *Liquidators' Reports 1932* , 26.

[2] *First Liquidator's Report 1925* , 8 (table 4)

[3] Bunton, *Land Policies* , 104.

Table 6: Estimating the size of the Palestinian OAB in 1907: Part 1, Loans

Year	Total loans granted by OAB (Turkish lira)[1]	Value of loans granted in Anatolia (Turkish lira)[2]	Value of loans in rest of Empire (Turkish lira)[3]	Estimated value loans in Palestine (Turkish lira)[4]	Palestinian exports 1903- 1907 (British£)[5]	Estimated value loans in Palestine in 1907 (British£)[5]	Estimated number of loans in Palestine 1907 [6]	Estimated number of Palestinian debtors 1907[7]	Reported loans outstanding in Palestine in 1920[8]	Estimated shrikage of OAB Palestine 1908-1920
1907	TL 1,097,469	TL 658,481	TL 438,988	TL 219,494	£774,000	**£197,742**	27,437	54,873	**£89,977**	**54%**

1. Quataert "Dilemma," 219, Table 2

2. Quataert estimated that 60% of the OAB's overall operations were conducted in Anatolia, leaving 40% for its operations in the rest of the empire's non-Anatolian provinces. Quataert, "Dilemma" and Donald Quataert, "The Age of Reforms, 1812–1914" in Halil Inalcik with Donald Quataert, ed.s, An Economic and Social History of the Ottoman Empire, 1300-1914 (Cambridge, UK,1994), 761–800.

3. Netting out Anatolian loans from total loans

4. My estimate, *assuming 50% of non-Anatolian OAB loans were given in Palestinian provinces.* A starting point for my estimate is the relatively large number of OAB branches in Ottoman Palestine compared to Syria and other non-Anatolian Ottoman provinces (thirteen in Palestine compared to six in Ottoman Syria in 1908) before the war. Trade statistics between 1860 and 1908 indicate that the Ottoman Palestinian provinces maintained export surpluses while other Syrian provinces (Damascus, Beirut, and Aleppo) suffered deficits. See Owen, World Economy, 173–180 and 264–273 and Alexander Schölch, "The Economic Development of Palestine, 1856–1882," JPS 10, no. 3 (Spring 1981): 35–58. Owen notes that these trade surpluses were matched by a "steady overall economic growth in Palestine if measured by the conventional indices (population growth in cities)." These suggest the stronger economic position, when measured by agricultural exports, of the Palestinian provinces vis-à-vis the other Syrian Ottoman provinces during the late 19th century. Quataert, meanwhile, noted that the Ottoman economy suffered from the loss of many economically important (non-Anatolian) European provinces (Bosnia, Herzegovina, Bulgaria, Cyprus, Crete, Cyrenaica, Tripoli, Macedonia, Albania) in this period. From these three facts – (1) Palestinian trade surpluses from increased agricultural production and exports; (2) relative Syrian trade deficits; and (3) overall Ottoman macroeconomic shrinkage – it is reasonable to estimate that the Palestinian provinces contributed at least a fifth of the bank's total business in 1907 (i.e., half its non-Anatolian business).

5. The OAB's Palestinian loans as estimated in column 4 equaled roughly a third of the combined exports from Jaffa, Haifa, and Gaza (the three major Palestinian ports) over the previous four years. This seems a reasonable ratio, given that the OAB granted loans specifically for export-oriented agricultural production. Owen, *The Middle East in the World Economy* , 265. See Table 1 for exchange rates.

6. My estimate, assuming size of average loan in Palestine was 8TL (Quartaet's estimate for Anatolia)

7. My estimate, assuming each loan was shared, on average, between two farmers. This seems a reasonable estimate: Owen cites an Ottoman census (dated 1909) indicating that 17,000 peasant families owned small plots in the three main sanjaks of Jerusalem, Nablus and Acre. If two members of each such family took loans from the OAB, and if we were to add similar numbers of smallholders from Jaffa and Gaza and other parts of Ottoman Palestine, we would arrive at the same approximately 50,000 total debtors. Owen, *The Middle East in the World Economy* , 205, 269.

8. Amount reported by the British in the report to the League of Nations in "Process verbal de la vingt-deuxieme session tenue à Genève du 3 novembre au 6 decembre 1932 » Société des Nations, Publications de la Société des Nations, VIA Mandats (1932), FOL GW 628 (1932), 10 Sep 1932.

Table 7: Estimating the size of the Palestinian OAB in 1907: Part 2, Assets

Post-war Capital of the Transjordanian OAB (TJOAB) and estimated pre-war capital of the OAB in Palestine

Year	Total post-war TJOAB (Turkish Lira)[1]	Total post-war TJOAB (Palestinian£)[2]	Estimated pre-war TJOAB (Palestinian£)3	**Estimated pre-war OAB in Palestine (Palestinian£)[4]**
1918	TL 61,111	£55,055	£119,685	**£598,423**

1. From Jordanian governmental registers. Fishbach, *State, Society and Land* , 62.
2. Converted from previous column using exchange rate as in table 1
3. I assume a *50%* contraction in the TJOAB's operations after the war, based on (1) the heavy economic and social costs of the war in the Ottoman Syrian provinces as reported in Gal Gilbar, *Ottoman Palestine, 1800-1914: Studies in Economic and Social History* (Leiden: Brill, 1990). (2) the British reporting £90,000 in loans outstanding on the Palestinian OAB's books in 1920, in "Process verbal de la vingt-deuxieme session tenue à Genève du 3 novembre au 6 decembre 1932 » Société des Nations, Publications de la Société des Nations, VIA Mandats (1932), FOL GW 628 (1932), 10 Sep 1932. This implies a 54% wartime reduction in the OAB's credit operations (see Table 6). (3) Rounding this to 50%, I assume the same rate of wartime contraction to the TJOAB's operations.
4. Given the greater number of pre-war OAB branches in Palestine compared to Transjordan (12 versus 4), and the larger size of the Palestinian economy, as described in table 6, note 4, I assume the Palestinian OAB's pre-war assets were *five* times that of the TJOAB's pre-war assets.

Post-war Capital of the State Agricultural Bank in Syria (SAB) and estimated pre-war capital of the OAB in Palestine

Year	Post-war SAB (Syrian£)[1]	Post-war SAB (Turkish Lira)[2]	Post-war SAB (Palestinian£)[2]	**Estimated pre-war OAB in Palestine (Palestinian£)[3]**
1926	£Syr 756,926	TL 1,376,229	£1,239,846	***£619,923***

1. Himadeh notes that the French reconstituted the Syrian OAB into five separate autonomous state agricultural banks in 1923. The largest of these, the State Bank of Syria, was comparable in size and character (having its own branches and agencies) to the pre-war Palestinian OAB. The number here is only for the State Bank of Syria; it does *not* include the assets of the State Banks of Lebanon, Latakia and Alexandretta. Himadeh, Economic Organization of Syria (1936), 315.
2. Exchange rate of 550 Syrian piastres = 1 Turkish lira (TL) as per Himadeh, *Syria* , 271. For all other exchange rates see Table 1.
3. Since Himadeh's numbers are from 1926 (whereas Fishbach's are from 1918), I assumed ten years of growth in the SAB's assets post-war (after establishment of French Mandate), and estimated the SAB's assets in 1926 were twice as large as the pre-war Palestinian OAB's.

Average of estimates from TJOAB and SAB comparisons	***£609,173***