

small rural industries out of business.

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

Economic Competition

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

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

The Olive Oil Industry

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