

Largely for its economic disadvantages, but partly also for its political implication, this policy was resented by various sections within the Jewish bourgeoisie. Despite the influx of Jewish settlers to Palestine, Arab labour, which was cheap and more experienced, particularly within the agricultural sector of the economy, was still heavily in demand.

The strongest rejection of the policy of mandatory employment of labourers listed in the Histadrut's Labour Schedules came from the capitalist farmers for whom cheap labour, which came primarily from the indigenous Palestinians but also from the Yemenite Jews, was indispensable to the operation of their private farms.

In a response to the Histadrut's policy, Smilansky, the Head of the "Jewish Farmers Federation" wrote:

Jewish farmers were not prepared to erect a Chinese wall between themselves and their Arab neighbours. Such a basis was unjustified on economic as well as political grounds... Farmers were quite prepared to accept it as their duty to employ a majority of Jewish labour but they must have the right to employ some Arabs as well. To take their Jewish labour only from the Exchange of the Labour Federation would involve difficulties and expenses, it limited the free field of recruitment of labour and specially militated against the employment of Yemenites who were excellent agricultural workers but for the most part did not belong to the Labour Federation. (49)

In the early 1930s, when none of the political mechanisms proved adequate, the Histadrut resorted to the use of force and violence in implementing its exclusivist labour policy. Terror squads, referred to by the Histadrut as "Labour Guards", were formed in almost all settlements employing Arab labour and were also sent to various construction sites with Arab employees including those operated by