

are not confined to interest rates, but also within the organized financial market (Jewish and Arab banks), Metzger, relying on impressionistic and qualitative evidence, adds:

It is likely that while the major foreign banks may have served the population and businesses of Palestine rather indiscriminately, the local Arab banks and credit cooperatives collected deposits from and extended credit primarily to Arabs, and the Jewish institutions, largely to Jews.<sup>58</sup>

Next Metzger deals with differences in the labor market. He starts with a comparison of the age structure of the Arabs and Jews. He derives the dependency ratio and labor participation rates where the Arabs had a higher ratio in the first and lower one in the second. These disparities translate into “production advantages” and “income per-capita differentials” in favor of the Jewish community in addition to the other advantages of the socioeconomic attributes discussed earlier. Then the occupational structure between the two economies is compared in terms of skill levels. That also shows higher skill levels for Jewish labor, which is “consistent with the socioeconomic differences between the two communities.”<sup>59</sup> These factors also, according to Metzger, explain part of the wage differentials between Arabs and Jews in government employment within occupations that “required only plain (unskilled) labor.”<sup>60</sup> Here, Metzger is trying to force his “duality” in explaining wage differentials even for unskilled labor in

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<sup>58</sup>Ibid., 116.

<sup>59</sup>Ibid., 122.

<sup>60</sup>Ibid., 126-7.