

on it. Capitalist development in Arab agriculture was insufficient to provide them employment. The same applies to Arab light industry and services in spite of their growth during WWII. Employment in the rapidly growing European Jewish industry was closed off to them. Perhaps the government's "deliberate staggering" of the "military discharge of civilian personnel"³⁰ was an implicit recognition of the incapacity of agriculture to reabsorb this workforce. However, government officials expressed a contrary view and "anxiously advocated" the "resettlement of laborers back to their villages."³¹ These actions and pronouncements reflect the magnitude of the problem and the government's dilemma: It could not continue to provide employment indefinitely and at the same time was well aware of the socioeconomic and political consequences of a large number of unemployed who, by now, had no meaningful alternative to public wage employment.

It is clear from the above analysis that socioeconomic differentiation was an established fact, and it was that differentiation that accounts for the increase of wage labor. The process of differentiation was intensified and hastened by the intertwined impact of government colonial policies, European settlement, and the spread of market relations.

The impact of Jewish European settlement, the government's trade policies, and its imposition of cash taxes drove the majority of the peasantry, which was primarily engaged in extensive cultivation, into deep debt and thus forced into

³⁰Ibid., 282-3.

³¹Ibid., 281-4.