

stages and a widening gap with regard to Jewish industry. In 1935, Arab industrial produce amounted to £P 1,545,000, as compared with £P 6,046,000 of Jewish industrial produce, i.e., 20 percent of total industrial produce.<sup>25</sup> Moreover, in 1945 there were 1,558 Arab establishments employing £P 2 million capital input, producing £P 5.6 million, as compared with 1,907 Jewish establishments employing £P 12 million capital input and producing £P 29 millions.<sup>26</sup> The latter figures are even more indicative than the former of the relative structural weakness of Arab in comparison with Jewish industry, as they point out major disparities in the organic composition of capital, as between the Jewish and Palestinian economies.

Having roughly characterized the indigenous social formation during the first phase of Jewish settlement in Palestine, we identify two features with special bearing on promoting the creation of native labor surplus, and on its absorption in modern production:

- (a) concentration of land ownership, feudal plunder, resulting in peasant dispossession and landlessness.
- (b) the underdevelopment of Palestinian-Arab trade by colonial policies, depleting possible savings and thus impeding the development of modern Palestinian industry.<sup>27</sup>

The latter point becomes more important if it proves to be responsible for the nonemergence of a progressive Palestinian bourgeoisie capable of revolutionizing the productive forces at the disposal of the native population, and hence, offsetting the effects of the Zionist boycott of Arab labor, discussed in a following section.

One cannot simply attribute the nonemergence of a Palestinian industrial bourgeoisie to Zionism. This point requires a special study, to inves-