

that technically, the rate of change index is influenced by the size and distribution of the labor force in the base year. In this sense, however, the higher rates of penetration among the Palestinian-Arab citizens do correspond with reality. They reflect the obstruction of their participation in the Israeli labor market in the fifties, concomitant with the massive waves of Jewish immigration into Israel.

The differential penetration of Arab and Jewish citizens is most striking in the post-1967 War and more specifically during the period of rapid economic growth in between the two recent wars. In that time, when labor shortage, both in skilled and unskilled labor, became acute and labor power was imported from occupied territories and Europe, citizen-Palestinians then penetrated all the expanding productive branches of the economy at rates that are disproportionately higher than those of Jewish penetration. (See Row C, specifically E and F, and more specifically, Columns 2, 4, and 5.) The only branches into which Jews penetrated at a higher rate than Arabs are those in the sphere of circulation (Column 8, Rows C, E, and F). The latter include commerce, restaurants and hotels, financing and business service, primarily controlled by Western Jews. Simultaneously, the 1967 War seems to represent a dramatic turning point in the penetration of Arab citizens into personal services (becoming the least attractive to all Jews) and into public and community service (becoming the most attractive of all economic branches to Oriental-Jews), as in Column 7 and 6 in Row E.

The direction and rates of change in the employment structures of Arab and Jewish citizens of Israel in the post-1967 period in general (Row C) and in the period between the two wars in particular (Row E and F) do again re-