

According to V.O. Segre:

"...total capital transfers between 1949 and 1966 amounted to 7 billion dollars (almost double the amount offered by the Marshall Plan to Europe). Over \$4.5 billion came from unilateral transfers from Jewish institutions, from German reparations to the State (\$775 m.), American grants (\$315 m.), German restitutions to individuals (\$1.1 billion) and private transfers (\$835 m.). The remaining \$2.5 billion came from loans (\$1.650 m.) and private investment (\$880 m.)." 7

In Israel, this inflow of capital was then put into operation through government and public channels (specifically the Histadrut, the Jewish Agency and the Jewish National Fund), thus strengthening considerably their positions against that of private capital, within the economy.

State sector and public sector are not identical in Israel. The public sector refers to Yishuv institutions of colonization mentioned above. Although they have independent sources, they function as instruments of the State.

The Jewish Agency and the Jewish National Fund are, since the establishment of the State, responsible mainly for Jewish settlement, Aliyah recruitment and absorption. These two public institutions serve exclusively Jewish citizens of Israel.

The Histadrut is different. First, it allows for Arab membership (since 1953). Around 70 percent of citizen Arab employees hold Histadrut membership; mainly to get access to the only National Health Care System (Kupat Holim), which is entirely monopolized by the Histadrut.

Second, and more relevant to the discussion, is the fact that the Histadrut is also an industrialist; the largest capitalist (although publicized as a socialist institution) employer in the country. The Histadrut operates in accordance with the profitability imperative.<sup>8</sup>

In the previous chapter we have seen the Histadrut mainly as a trade