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to this minimum.

(2) Uneven cost of reproduction on daily and generational bases:

the rate of exploitation is not intrinsic to the source of capital. It depends on the social organization of production in society at large, and on features peculiar to the social formation, the site of production, consumption, and reproduction. We can illustrate this point by attempting to explain why in Israel foreign capital ranks lowest in terms of "rate of exploitation". Unlike the case in most situations, and given the peculiarity of Israel's social formation, wages and profits do not in all cases have to stand in an inverse relation with each other. This is so because Israel consists basically of an imported population and continues to depend heavily on Jewish immigration. Israel is a net importer, not only of capital but also of wage and non-wage labor force, both of very high skill and very low skill, and therefore, the cost of reproduction of labor power in Israeli industrial production is almost invariably exogenous to the system. To be more precise, the exogenousness of the cost of reproduction of labor power applies more directly to European-American Jewish immigrants, who represent the most highly trained proportion of the labor force with sophisticated technical and scientific backgrounds, whose labor power is the most costly to reproduce, as we have argued in Chapter IV.

Capital, therefore, can afford higher wages without altering the wage-profit ratio, without lowering the rates of profit. This is made possible partially by the fact that the capitalist employer of this labor in Israel does not have to include in his cost of production the cost of propagation and training for the reasons indicated above, and can, therefore, afford higher wages and maintain the same or higher rate of profit simultaneously