

Israel today. To be more specific, concentration of capital in Israel today signifies not only the expropriation of small bourgeoisie by bigger bourgeoisie, but also the expropriation of petty Jewish capitalists by Jewish and foreign capitalists. Two processes are taking place simultaneously: the transformation of some petty industrial production (workshops) into capitalist production (factories) and the replacement of many smaller factories by few larger factories, specifically foreign subsidiaries.

This theoretical introduction focuses our attention on the possible relation between the concentration and proletarianization processes.

#### B. Concrete Illustrations

Viewed historically in Israel, petty capital seems to have paved the road for productive capital. Kibbutz and co-operative capital are now paving the road for the penetration of foreign capital and, in many cases, are merging with it. How petty Jewish capital paved the road for factory production and the emergence of local industrial capital is similar to the concentration processes of the present phase, but on a narrower scale and slower pace. This is not to imply that all local industrial capital have emerged from local petty capital. Another source of local private capital is the "naturalization" of foreign private capital through Jewish immigration. Many Jewish immigrants came with small productive capital and established small factories.

Historically, the petty commodity form and low-capacity, small-scale production predominated in the pre-1967 War period. Most factories were small, semi-primitive enterprises employing from 1 to 49 workers. According to 1963/1964 statistics, these comprised 94.2 percent of all factories and employed 52.8 percent of the industrial workers. This should not be