

investment is another level of the essential internationalization of capital undertaken by the Jewish State on behalf of big Jewish capital as an integral part of international monopoly capital.

Investment in high technology military industry was the optimal choice of development strategy capable of stabilizing the crisis-ridden economy of Israel and of furthering the development of its productive forces. This was an optimal development strategy for Israel in the sense of having a comparative advantage in this field of production, as well as a competitive position in the international commodity market.

Israel possessed very little national resources and local market possibilities. However, Israel constituted a pool of scientifically trained immigrant labor force whose cost of training was therefore exogenous; it falls, by-and-large, on the immigrants' countries of origin -- a condition that reduces the cost of high technology production in Israel, and consequently, promotes Israel's position in the sphere of circulation. The arms industry, therefore, soon became the leading exporting sector in Israel's civilian economy. The requirements for, and the effects of, high productivity in this sector stimulated concentration of production and further division of labor in the country at large.

These are features of stabilization effects necessarily inflicted by military industrialization.

In the face of concentration resulting from higher productivity, small capital had either to get engulfed by bigger capital or to increase the concentration of workers and reap super profits. This is the only way for small capital to accumulate and increase its organic composition in the initial stages. Local capital thus moved into Arab communities.

On the other hand, the increased division of labor necessary for effi-