

remaining 11 percent for the government.<sup>55</sup> The substantial increase in the share of the Jewish economy reflected the “extremely high investment to GNP [gross national product] ratio: an average of 31.3 percent for 1922-47 . . . and 39.3 percent in 1922-39.” Most of this investment was generated externally and “followed the combined pattern of immigration and capital imports.”<sup>56</sup> According to Metzger, 75 percent of total investment was private and the rest were transfers by the World Zionist Organization, its affiliates, and other donations. “This influx of capital, which was closely associated with that of immigration, enabled the Jewish community to undertake massive investments before WWII without having to resort to foreign borrowing or to domestic savings.”<sup>57</sup> It is my contention that the growth of the Jewish economy, to the extent it did, was primarily determined by this massive inflow of capital imports without which all the other demographic and socioeconomic traits of the settlers would have come to naught.

Then there were the differences between the “organized financial markets” in the Jewish economy and the “unorganized” ones in the Arab economy, where the former consists of mainly commercial and credit banks and so on, and the latter involves mainly money lenders, relatives, and cooperatives. These differences meant that borrowers in the unorganized financial markets paid much higher interest rates than that in the organized financial markets. The differences

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<sup>55</sup>Ibid., 105.

<sup>56</sup>Ibid., 106.

<sup>57</sup>Ibid.