Arab sector based presumably on craft production. "Arab industry", the report states, "is also diversified (as Jewish industry) and consists of some large undertakings and numerous small ones which, in the aggregate, form an appreciable contribution to the industry of Palestine" (Himadeh, 1938:245). The main urban industries in the Arab sector included soap manufacturing, flour mills, textiles and construction material (<u>ibid</u>). Agrarian capitalism also flourished during the mandate and was based on citrus plantations in Jaffa, Gaza and the Ramla-Lydda regions. Olive oil extraction was the main form of manufacture in the rural sector in which wealthy peasants and landlords invested their capital-although it tended to remain primitive in its technology.

Thus a new class of merchants and manufacturers was growing in the coastal cities of Gaza, Jaffa and Akka--all constituting the Mediterranean outlets of Palestine to Europe. This growth of a coastal bourgeoisie was accompanied by important demographic changes; the town population in general, and the coastal cities in particular, increased substantially. The city of Jaffa had the fastest rate of growth, even before the mandate. It quadrupled its size between 1880 and 1922 alone (Ben-Arieh, 1975:68), becoming the economic and cultural nerve centre of Arab Palestine. The thirties also saw the beginning of large-scale rural-urban migration, which reflected both the increase in the employment potential of the cities, and a rise in the agricultural labour surplus (for figures see Hopkins, 1938:12-15). A new regional dichotomy was emerging between the main coastal cities--centres of trade, newspapers and literary magazines, and of urban Jewish migration; and the inner mountain cities (Nablus, Jerusalem, and Hebron) -- seats of conservatism and the traditional leadership. But this was not a dichotomy between the abode of the bourgeoisie and the abode of the landed classes. For unlike the landed elites, the Palestinian bourgeoisie did not behave as an integrated class during this period. The reasons for that, I propose, lie in the compo-