

and the post-1967 phase is the subject of a following chapter.

It was necessary to provide the reader with a more detailed background on the Yishuv phase in order for the changes in the post-1967 era to be more adequately comprehended.

In reviewing the second and third phases, it is only necessary to briefly point out the general features peculiar to each phase, because nation-building is only a transitional phase, and the post-1967 phase becomes the very subject of this thesis. It is the link between the phases: how one emerges from the other as simultaneously the point of both rupture and continuity is what concerns us most.

We have seen how the contradictions inherent in the theory and practices of proletarian Zionism resulted eventually in the transfer of Arab labor surplus across the borders and of Arab lands into Jewish hands; transforming the material conditions against bi-nationalism and in favor of a wholly Jewish Nation State. A Palestine exile is established and the "engathering of Jewish exiles" begins. The latter results in the over-development of the Jewish State and of the productive forces at the disposal of Israel's ruling class.

Further Jewish capitalization was fettered by confinement to the political objective of Aliyah absorption -- meaning, in effect, priority given to Hebrew labor, often at the expense of profitability. The essential internationalization of capital (as capital accumulation cannot be confined to national boundaries) motivated by the state of development and requirements of the productive force and facilitated by the overdevelopment of the State had finally to express itself in the Six-day War. This was a turning point, the emergence of the expansionist phase with immense territorial