

peasant; (c) the penetration of Israeli commodity and inflationary price structure, forcing peasants out of semi-subsistence production into wage-earning.

Third, the traditional industrial labor force, i.e., the small-scale commodity petty producing craftsmen, who could not survive the competition with Jewish industrial capital, and the loss of their internal market upon its invasion by the more competitive Israeli commodity.

This is not different from the transformation of Palestinian agricultural petty production and Jewish petty manufacturing and crafts shops starting earlier in Israel but intensified most after the 1967 War.

Upon proletarianization the majority of these skilled petty producer craftsmen were de-skilled or at best entered semi-skilled labor categories in Israeli-owned capitalist factories in Israel and in the territories themselves. The size of the modern industrial labor force remains relatively small in relation to the size of the productive labor force at large. In 1973 around 32,000 of the total of employed persons who are residents of the Gaza Strip and the West Bank (then totalling 196,000) were employed in industry. This is to say, the industrial labor force constituted 12 percent of the total. 38 percent (12,000) of these industrial workers were employed in Israel.<sup>22</sup> This represents an increase of 1100 percent in the size of the industrial labor force employed in Israel in the period 1968-1973.

In light of the figures in Table F-BA, the size of the territories employed labor force reaches its maximum expansion in 1974, totalling