

and the core of the labor force, they are more likely to reflect the normal trends in the employment structure of the country. The comparison, therefore, highlights the peculiar features in the industrial structure of employment of the Arab citizens.

1955 is chosen here as the base year because it is just prior to the first war (1956 Sinai War) since the establishment of the State of Israel. The figures in Table K-1 therefore reflect the effects of three wars, which helps indicate that it is not war per se, but rather the peculiarities of the 1967 War compared with the Sinai and October Wars, that had the most crucial effect on the penetration of Palestinians (citizens and non-citizens) into the Israeli labor market. Also, to demonstrate how the two wars that resulted in territorial expansion and Jewish immigration have steered the demand for Arabs in the construction industry, much more than the October War. As the aftermath of which is distinguished by decline in immigration as well as in territorial gains.

Furthermore, 1955 represents the time of laying down the foundations of the country's modern industrial infrastructure, starting with the inflow of German reparations into Israel.

To sum up the general direction of change in the features of the Arab versus Jewish industrial structures of employment in Israel, guided by the figures in Table K-1, is to indicate the following:

A. During the twenty-year period between 1955-1975, Arab citizens seem to penetrate into all branches of the economy at a much higher rate than Jews (Row A). This feature, however, must not mislead us to conclude that the change in absolute terms is equally dramatic. We must be aware