ference is mainly to U.S. subsidiaries. By 1977, more than 200 U.S. subsidiaries were already operating from Israel, investing mainly in high-technology military industry.[17]

In Israel, unlike the other developing countries, foreign capital invests not in the production of primary goods (agricultural plantations and extraction of minerals, etc.), as in the case of Latin American countries, Asia and Africa. It rather invests mainly in the production of capital goods (weapons production) and other high technology finishing levels of production that require very technically trained labor (similar to the case of U.S. investment in West European countries). Therefore, foreign capital in Israel tends to employ mainly the more skilled Jewish labor, particularly European-American immigrants who are more familiar with Western technology. It is less likely to employ Asian-African immigrant Jews and unlikely to employ Palestinian-Arabs. There is a high degree of compatibility between the mobilization and absorption of European-American Jewish immigrants and the penetration of foreign capital.

Having surveyed the various sources of capital or sectors of employment, we are now going to rank them by a specific criterion. Clearly, as our concern is the segmentation of the proletariat (productive workers), we are considering only productive capital, ignoring commercial and other capital in circulation.

The rate of exploitation (the rate of surplus value, profit) is an appropriate criterion for ranking employment sectors (sources of capital), especially so if the ranking is done from the point of view of labor. It is appropriate specifically for our attempt to answer the question regarding the possibility of segments of the working class benefiting from sur-