

Palestinian-Arab labor power) is new. It represents a special phase in the integration of the indigenous population into the settlers' economy and more precisely into the dominant mode of accumulation, currently being advanced capitalism.

This type of integration through the transplanting of agricultural and industrial enterprises by the Israeli national capital is considered by some Israeli officials as community development for the absorption of Palestinian refugees, hence the settlement of their national question. We argue that this tendency of Israeli investment capital to move into traditional Palestinian communities is essentially related to the intensification of the tendency of the rate of profit to fall with the persistence of the economic crisis since the 1973 October War. The intensification of this structural tendency of a falling rate of profit in turn urges capital to extract a higher relative rate of surplus value. The latter is economically more feasible and politically more appealing through the mobility of Israeli-Jewish capital into Arab communities than in the case of Palestinian-Arab labor mobility into Jewish work places. This way, the Israeli national bourgeoisie:

(a) rids itself of paying for work permits when the employed are non-citizen Palestinians;

(b) reduces the cost of production because subsistence cost is lower in Arab villages and falls mainly on the extended family and the traditional sector of production;

(c) increases the realized profit from accumulated surplus value through centrally-provided tax exemption incentives for investment in rural frontiers;