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The Economy of Mandatory Palestine: Reviewing the Development of the Research in the Field

Jacob Metzger

This article reviews the multidisciplinary research on the economy of Mandatory Palestine which has been on going for the last eighty years, from the inception of the systematic collection (and production) of demographic and economic data in the early 1920s up to the end of the 20th Century.

The first part of the survey deals with the statistical and economic knowledge which was established, and with the foundations for research which were laid down during the Mandate period itself. The second part concentrates on the work done in the 1950s and 1960s, when the study of the Mandatory economy turned into the study of the economic history of Mandatory Palestine. The third part of the article examines the research agenda, the methods and the findings of the last three decades, during which the economic history of Palestine under the British rule became a mature field of scholarly investigation.

Why Didn't the Inhabitants of Tel-Aviv Wear a Red Riding Hood? Idealism vs. Realism in the Interpretation of the History of the *Yishuv*: Tel-Aviv as a Metaphor

Ya'acov Shavit

In this article, the city of Tel-Aviv serves as a test case for examining the relationship between idealism and realism in interpreting the history of the Jewish *Yishuv* in Eretz-Israel during the Mandatory period.

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The dominant notion in the historiography of the *Yishuv* society - one shared by those holding opposite views - is that the ideology of the Labor Movement, (and as a result - its policies), played a decisive role in shaping the character of the Jewish society during this period. The main argument in the article is that the Labor Movement and its agents, (first and foremost the General Federation of Labor), in contrast to its ideological declarations and political intentions, was unable to influence the socio-economic development of a large segment of the Jewish society, and consequently was incapable of shaping its social character.

As evidence of this, the article points to the Labor Movement's inability to influence the social character of Tel-Aviv, a city run by Jews. In 1946, about thirty-five per cent of the Jewish population of the country lived there, (as well as the largest percentage of workers, members of the Labor Federation - about thirty percent in 1947). The movement lacked this ability because it had no means of controlling the development of the urban economy and society. The Labor Federation was able to attain some impressive achievements in organizing the labor market and wages, and even in shaping an urban sub-culture for its members. But the major factors that determined the socio-economic structure were outside its control.

Tel-Aviv as a metaphor, shows that from a realistic standpoint, when the focus was on the possibilities of action within a given space rather than on a declaration of aims, the Zionist political and settlement institutions did not have enough control over the market, the resources, or the Jewish space (in particular the urban space). Therefore, they could not create a socio-economic structure based on a model they preferred, regardless of whether or not they tried to do that. Tel-Aviv was a space that had a key status in the economy and society of the *Yishuv*, and in it the mechanism of the private market was dominant. Hence it illustrated the fact that the image of the *Yishuv* society as one dominated by ideological-political mechanisms of control was an idealistic description. It reflected a positive or negative perception of that society, but ignored the historical circumstances.

The *Histadrut* and the Government Sector: Strategies for the Employment of Jewish Labor and Their Limitations

Deborah S. Bernstein

The article deals with a seldom noticed aspect of the Labor Market of Mandatory Palestine. A consistent struggle was waged by labor leaders and by the political

leadership of the Jewish *Yishuv* to secure the incorporation of Jewish workers in the government sector of Palestine. The split labor market, the higher wages of Jewish as compared to Arab workers, posed obstacles to the employment of Jewish workers. Strategies devised to ensure the employment of Jewish workers in the Jewish sector of the economy, (*Avoda Ivrit*), by closing it to Arab workers were not applicable to the government sector. The *Histadrut*, as a result, attempted to initiate alternative strategies which would secure the Jewish workers a 'fair share' for 'fare wages', without substantially increasing government costs. Two such strategies are discussed in detail: First, the support for a 'minimum wage' policy and at a later stage, for 'equal pay', thus closing the gap between the cost of Jewish and Arab workers. Second, subcontracting work in the government sector to Jewish contractors who would employ both Arab and Jewish workers without adding to government costs.

In conclusion, the article points to the inability of the *Histadrut* to repeat its relative success in ensuring the employment of Jewish labor in the Jewish sector, in the far more competitive conditions of the government sector. The cases discussed clearly indicate the intricate interplay of economic and political-ideological factors in the complex relations among the British, the Arabs and the Jews in Mandatory Palestine.

‘A Queen Without a Kingdom’ Jewish Women Workers in the Labor Force in Mandatory Palestine

Bat-Sheva Margalit Stern

This article attempts to assess the plight of Jewish women workers in the labor force in pre-statehood Israel. In recent years, the paradigm prevalent in Zionist historiography of two separate economic systems existing in Mandatory Palestine, the Arabic and the Jewish, has been challenged by various scholars. As some of these works postulate, the boundaries between the two ethnic groups were less profound than was at first assumed.

Indeed, Jewish institutions struggled to gain Jewish dominance in the labor market and intended to direct and manage the human capital available to the Zionist movement. As the case of Tel-Aviv, the largest city of the Jewish *Yishuv*, proves this policy met with great success. In Tel-Aviv's swelling labor market, Jewish women workers seldom encountered non-Jews in factories or in workshops.

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Similar to other developing countries, in pre-state Israel blue collar women workers fell into the familiar pattern of immigrant cheap labor, easily disposable when economic conditions started to sore. Despite the popular assumption in the Zionist Historiography, women workers concentrated in traditional, highly segregated professions. Since gender was a crucial factor in determining women's position in the hierarchy of employment, many women held jobs requiring lesser skills and earning less money. Income differentials were very pronounced, with women workers earning only one third of their male counterparts' average wages. Being aware of that, employers sought to hire Jewish women workers. By doing so, they also abided by the dictates of the national solidarity that was expected of them. Thus, Jewish women workers became a suitable substitute for cheap labor otherwise provided by Arab workers.

As this paper proves, labor policy' led by the *Histadrut* (The General Workers Federation), weakened women's position in the labor market. Taking into consideration the volatile state of the Jewish economy, women workers were expected to put aside any aspirations for a better position, arguing that the time for such changes had not yet arrived. Therefore, women workers had to postpone their claims for equality and place national interests before their own.

Searching for acceptable solutions, women workers had to overcome immense obstacles, many times to no avail. Deplorable working conditions, frustration and misery forced women to seek alternatives. Acting in despair, some chose prostitution, some committed suicide. Choosing such extreme measures only prove that women workers in the *Yishuv*, especially single women, had fewer chances to cope amidst economic turmoil. Hence, in Mandatory Palestine, like in other developing economies, the 'queen' lacked her equal share in the promised 'kingdom' of the emerging Jewish national home.

Nation, Immigration and Settlement: Was there any Zionist Absorption Policy?

Hagit Lavsky

The Zionist Movement sought to revive the Jewish nation by mobilising immigration and settlement. As such, it was caught in a dilemma between two scales of priorities - to let settlement direct immigration - or vice versa. Under the domination of Labor Zionism the first option was chosen, and as this article argues, this meant

that the Zionist absorption policy was actually limited to, and identified with the settlement policy. In the 1930s, there seems to have been a turning point and in the response to the new challenge of Central European immigrants, the national authorities developed a whole network of absorption policies and institutions. This, however, did not mean any revolution in the prevailing priority of settlement requirements. The real construction of an independent absorption policy as the dictating force would come about only later, during the first years of the State of Israel.

Immigration According to the Economic Absorptive Capacity

The Guiding Principles, the Implementation and the Demographic Ramifications of the British and the Zionist Immigration Policy in Palestine between the World Wars.

Aviva Halamish

Jewish immigration to Palestine between the World Wars was officially regulated according to the economic absorptive capacity of the country. The British authorities and the Zionist Organization had agreed that the economic absorptive capacity was the best yardstick for determining the measures of immigration. However, the sides were disputed over the interpretation and application of this principle, with the British always having the last word.

In the 1920s, the economic absorptive capacity determined the scope of Jewish immigration almost exclusively. In the 1930s, as Jewish immigration seemed to drastically change the demographic composition of Palestine, the British gradually abandoned this principle and finally replaced it with the principle of 'political high level' in 1937.

Until then political considerations did not always necessarily curtail Jewish immigration since the British commitment to facilitate the establishment of the Jewish National Home in Palestine, prevented bringing Jewish immigration to a complete lull, even when the economic situation called for it. The deviance from the principle of economic absorptive capacity due to political-demographic considerations actually limited the scope of Jewish immigration only during the period of economic prosperity, (1933-1935).

The Zionist Organization submitted to the government demands for labor

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immigration quotas based on cautious and realistic evaluation of the absorptive capacity of the Jewish economy, but they were ignored by the authorities. All in all, the influence of the Zionist Organization on the scope and composition of the immigration flow was negligible.

Due to the principle of economic absorptive capacity labor immigration had a young age structure, low dependency ratio and an unbalanced sex composition with a high percentage of males. Although all these features were more balanced in the other immigration categories, they had a remarkable imprint on the demographic profile of the Jewish community as a whole.

Jewish Banking and Economic Growth during the Mandate Period

Nachum T. Gross

This is a survey of developments in Jewish banking, 1918-1947, and their interactions with the growth of the Palestine economy and its cycles.

Attention is paid to the various types of banks, their differential degree of risk aversion, and other characteristics of business management. In particular, the leading role of Barclays Bank and of the (Zionist) Anglo-Palestine Bank is discussed. Ideologies determined some of the banking system's features and role, as did the specific weight of capital imports in the Jewish economy.

On the whole, banks contributed to the country's modernization, and some of them encouraged and assisted investment in production and construction. However, as a result of the monetary regime and the absence of a Central Bank, the banking system itself was a net exporter of capital. Some banks actively encouraged private savings, especially for housing purposes. Government regulation and supervision was introduced only after the banking crisis of 1935.

Private Credit Cooperatives in Mandatory Palestine

Nahum Karlinsky

During the British Mandate period in Palestine, the country was thriving with cooperatives. Almost every adult man and woman in the *Yishuv* belonged to a cooperative. The number of cooperatives in Palestine remained constant even as

the Mandate approached its termination. Despite the scale and diversity of the phenomenon, no study has been made that deals exclusively with the cooperatives in Mandatory Palestine. Notably, however, various researchers have turned their attention to the history of the cooperative movement in Palestine. The theme that links these studies is their concentration on cooperative activity in the Zionist Labor Movement. In this way, Labor Movement cooperatives and their values have come to overshadow another cooperative sector in the *Yishuv* - the private cooperatives.

The aim of this article is not to present an all-inclusive history of the private cooperatives during the Mandate but to outline an initial framework of their history, while focusing on the largest and most important branch of the private cooperative sector - private credit cooperatives.

Private credit cooperation in Mandatory Palestine was more than just a type of economic activity. It included theoretical and philosophical postulates about the role of the middle classes in the capitalist system, a broad social common denominator, and economic activity. Furthermore, it was organized within the framework of socio-economic institutions and defined itself both positively and negatively, i.e., it distinguished itself from the socialist cooperative movement and from more liberal entities that sought domination, such as the Central Bank.

An important characteristic of private credit coordination in Palestine was its continuity with its origins, Eastern European Jewry. Its urban nature and economic areas of activity in the *Yishuv* seem to have been quite helpful in the acculturation of many immigrants who shunned the return-to-the-soil dictate of the dominant (Labor) Zionist ideology.

In economic terms, the credit cooperatives greatly helped their thousands of members and their families obtain credit on better terms than those offered by the commercial banks, secure a place to deposit their meager savings, and in many cases acquire a piece of land and build their homes. From the beginning of the Mandate period to the eve of World War II, private cooperatives played a major role in the *Yishuv*, furnishing thousands of households with credit and protection for their wealth, even though they also took their share of risks.

By the end of World War II the credit cooperatives were much weaker than before the war. The growth of the Labor-dominated, *Histadrut*-controlled sector of the economy, the concentration of financial activity in the hands of the Anglo-Palestine Bank, and the maelstrom of the approaching War of Independence contributed to the private credit cooperatives' enervation after the establishment of the State of Israel.

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Palestinian Society and Institutions during the Mandate: Changes, Lack of Mobility and Downfall

Avraham Sela

Towards the end of the Mandate, the Arab-Palestinian population found itself to be in a very weak situation as a political community. Notwithstanding exogenous factors such as the Mandate's policies and the socio-economic dynamics triggered by the Jewish community, this weakness stemmed primarily from built-in structural reasons: Traditional mode of production, socio-political immobilism and, typically among pre-modern societies, lack of modern institutionalization. All this led to ineffectual political mobilization and collective action. The absence of effective institutions and socio-political immobilism was particularly crucial given the rapid processes of social and economic changes among the Arab-Palestinians, primarily the emergence of an urban middle-class and the immense growth of salaried workers' population from a hitherto purely agrarian society. This society remained under-represented and out of the decision-making process. As the Mandate drew to an end, these inherent weaknesses surfaced in their utmost severity as was demonstrated on both the local and the national levels. These structural weaknesses may better explain the relatively rapid disintegration and collapse of the Arab-Palestinian society during the last six months of the Mandate, along with the intensifying civil war with the Jewish *Yishuv*.

The *Waqf* in Changing Circumstances: The Economic Management and Political Role of the *Waqf* in Mandatory Jerusalem

Yitzhak Reiter

At a time when the *waqf* (religious endowment) institution tended towards extinction in most Muslim countries, it continued to occupy an important place among the Muslims of Mandatory Palestine. The new political circumstances - the Arab-Zionist struggle under the British administration in Palestine - allowed the *waqf* to maintain its status and centrality in Muslim society, and, to a certain extent, even to strengthen it.

The *waqfs* were regarded (unjustifiably so, as this study shows) as neglectful of their properties and as holding back economic development and agrarian reform, thereby harming the economy as a whole. This traditional image of neglect,

inefficient management and economic conservatism is not corroborated by the Islamic archival records of Mandatory Jerusalem. The studied documents show many instances of renovation and maintenance of *waqf* properties and of new construction and development on *waqf* estates. The credit for this change should go to the *qadis* who found ways to permit modern economic management of the *waqfs*, overcoming traditional *shari'a* constraints.

The Supreme Muslim Council, until 1937 headed by the *mufti* Haj Amin al-Husayni, made a substantive contribution as an administrator and supervisory body to the evolution of the modern market attitude. For political reasons the Council leased out large tracts of land at nominal rents, adopting an attitude of *dirigisme* to Arab national economic development in Palestine.

Immigrants, Elites and Popular Organizations among the Arab Society of Haifa from the British Conquest to 1939

Mahmud Yazbak

It is common knowledge that Haifa was a city of immigrants during the British Mandate. From a population of 22,000 in 1918 - one-third Jewish - Haifa grew to 140,000 in 1947 - 50% Jews. A considerable amount of the Arab population stemmed from natural growth, but Arab immigration to the city was the most significant factor in the demographic increase. The majority of Arab immigrants, almost 75%, were of Palestinian origin and the rest came from Syria and Lebanon.

This article examines the influence of Arab immigration to Haifa on the social and political fabric of the city's Arab population, and shows that the period can be divided into two main sub-periods: from the British conquest of Palestine until 1929, and from the 1929 riots until the failed 1936-1939 Arab Revolt.

A two-way trend may be observed until 1929. On the one hand, the strength of traditional Arab elites of the Ottoman period began to decline and new elites rose, some of the new people were immigrants from Syria and Lebanon whose power derived mainly from their economic success. On the other hand, another trend may be discerned, one that characterized Haifa's Arab society until the end of the Mandate. This was the profuse contention among the various elites - among the old elites, Christians against Muslims, and among other elites within the Muslim community who were divided chiefly over the question of attitudes towards the British and Zionism.

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The 1929 Riots, and even more so, the 1936-1939 Revolt, signaled the rise of a completely new elite - an outgrowth of the many immigrants pouring into the city from Haifa's hinterland, *fallahim*-immigrants who were pushed to the margins of Haifa's economic and social life. From among them emerged a new, radical elite that employed the method of violent struggle. This new elite was opposed to the traditional bourgeoisie elites that had cooperated with the British authorities and the Zionists. The most well-known of these radical leaders was Sheikh Izz al-Din al-Qassam whose death in battle with the British in 1935 turned him into a symbol of the new elite. It was the radical, militant elite that led Haifa's Arabs during the 1936-1939 Revolt, when the heads of the older elites kept silent or fled for their lives out of fear of assassination by the radicals.

After the failure of the Arab Revolt, Haifa's former leadership was reinstated and went on to lead the city's Arab population up to and during the 1948 War.

Social Transformations in Haifa's Arab Society: Merchants and other Entrepreneurs

Joseph Vashitz

The purpose of this paper is to examine changes and degrees of continuity in the social composition of Haifa's Arab society during the British Mandate period.

In Haifa's Arab society, a 'model' of class-tiers is interlaced with status and leadership tiers in the social, political and economic spheres. This 'model' encompasses three layers: 'dualistic society' (Arab-Jewish interrelations); 'civil society' (internal processes in Arab society); 'political society' (the state and political system).

The changes in the Arab society of Haifa, as well as the degrees of continuity, are examined in this paper by having the strata/class of the merchants and entrepreneurs serve as a 'test case'. What emerged was an Arab 'civil society' in Haifa whose very existence reduced the governance of the Arab political system on city events. In addition, the dualistic economy included elements of cooperation, competition and conflict, all of which surfaced in Arab-Jewish interrelations that were closely linked to internal changes taking place in Haifa's Arab society.

The Emergence of a Geographical Heartland in Israel

Amiram Gonen

In the region, commonly known in Hebrew as *Merkaz Ha'arezt* (the country's center), a large part of the Jewish population is concentrated and a predominant proportion of the country's economy is clustered. In almost all aspects of Israeli economy and society this region functions as the heartland of the country. The emergence of this heartland crystallized in the 1920s, as a result of the rise in Jewish immigration into the country and the accelerated economic development brought about by the change from Ottoman to British rule at the end of World War I. Such a trend was already heralded in earlier decades, when the port city of Jaffa adjoined by the Jewish city of Tel-Aviv, grew into an important urban center for Arabs as well as for Jews, increasingly rivaling Jerusalem as the focus of demographic and economic development in the country. Several factors, such as advantageous accessibility, contiguity and the autonomy of Jewish settlement as well as innovative and entrepreneurial spirit, underlie this rise of Jaffa and Tel-Aviv and subsequently the entire metropolitan region and beyond into the country's heartland.

This paper, while drawing on the experience of other heartland regions, traces the particular circumstances in which the Israeli heartland has evolved: The rise of Jaffa as an important port city; the evolution of a supporting land transport system; and the rise of agriculture, which was first to respond to these new developments and to turn the region into a major citrus growing area, based overwhelmingly on export. The role of Jaffa as a port city had its impact on the settlement patterns of Jewish immigrants, moving into the country in larger numbers with the rise of the Zionist movement. Many of these immigrants settled in their port of entry and did not disperse into the rest of the country. As a result, Jaffa and later Tel-Aviv, attracted the lion's share of the Jewish immigration into the country, rising appreciably in the 1920s and the 1930s.

The municipal autonomy of Tel-Aviv, described in the Zionist narrative as 'the first Hebrew city,' was an outstanding reality in those decades. It was joined by a contiguous series of Jewish settlements, all having some measure of local autonomy. Under the political circumstances of those years, characterized by intensified conflicts between Arabs and Jews, such geographical contiguity and local autonomy were important factors in further drawing additional Jewish residents and entrepreneurs to this part of the country, and particularly to Tel-Aviv itself. Thus, as

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it emerged as the major economic center of the new Jewish population (*Yishuv Hadash*), it also evolved as the center for the Jewish public sector organizations. This, in spite of the fact that Jerusalem, perceived as the bastion of the old order (*Yishuv Yashan*), was chosen as the site of the Zionist headquarters soon after the British declared that city the capital of the country. In later years of the British Mandate, the contiguous nature of Jewish settlement in the hinterland of Tel-Aviv proved to be a dominant factor in promoting further growth. No other region in the country assumed such magnitude and intensity of Jewish metropolitan dynamics. Jerusalem, in particular, was lacking in this respect for it hardly had a Jewish suburban hinterland during the British Mandate period.

The Jewish National Fund and the Palestine Land Development Company - From Cooperation to Separation: The Establishment of the JNF's Independent Land Purchasing Office during the Mandate

Yossi Katz

During the first decade of the Twentieth Century, the Zionist establishment initiated two central organs that directed the purchasing of land for the Zionist Organization until the establishment of the State of Israel. From the early 1920s till the mid-thirties, this work was carried out mainly by the *Hevrat Hachsharat Hayishuv* (Palestine Land Development Company PLDC), which in fact was financed by the *Keren Kayemet LeIsrael* (Jewish National Fund - JNF). Commercial, personal and ideological differences and tensions led to the separation of their ways.

The JNF acquired land by agents who were solely associated with the Fund. The offices and agents were each responsible for a certain region. These regions were defined by the Lands Department of the JNF which was headed by Yosef Weitz. Thus Weitz ensured that in each district there would be only one Jewish purchaser for the JNF. Both this system and the independent organization which the JNF developed, were in fact similar to those of the PLDC when it had the sole control of the Zionist land purchasing.

The JNF's independent work increased the gap between itself and the PLDC. This led to the exacerbation of the PLDC financial crisis and it became only a minor factor in contributing to the construction of the Land of Israel. However, one can argue that if the cooperation between the JNF and the PLDC had continued the

Zionist establishment would have succeeded in purchasing far more land during the 1940s. These lands were so vital in order to resolve political issues prior to the establishment of the State. Full cooperation would have expressed the relative advantages to be gained by both organizations. Therefore, it would have been more beneficial than the split. But alas, both organizations did not succeed in overcoming their differences in order to rise together to the common challenge.

Labor and Social Insurance Legislation: The Policies of the Palestine Mandate Government

Abraham Doron

The evolution of the Mandate government policies toward labor and social insurance legislation in Palestine can be divided into two main periods. The first period lasted through the 1920s and 1930s and ended at the beginning of the Second World War. Despite a flurry of activity, this period was characterized by the passing of a few very basic labor laws. The poor record of the period with regard to labor legislation mostly reflected the liberal non-interventionist policies of the period, and the severe budgetary limitations of the Palestine administration.

During the second period, from the early 1940s till the end of the Mandate regime, a new Department of Labour was established that was very active in improving government functions in the protection of labor. With the change of times and the corresponding political climate, and under the direction of the new department, a range of intensive activities were taken to improve the very meager existing labor laws and to introduce new and advanced labor legislation. In line with this approach, for the first time serious consideration was given to the possibility of introducing some basic social insurance programs. Eventually, these plans regarding social insurance were not realized as the Mandate regime came to an end in 1948.

After a thirty years rule, the Mandate government left behind it a legacy that was comprised of only a very limited and rather basic core of labor legislation. A wide variety of factors influenced the Mandate government's policies in this area and the limited scope of labor legislation passed by it. The more important factors of influence were: The colonial nature of the Mandate administration and its almost total dependency on the decisions of the Colonial Office; the rather low level of economic development of the country; the gaps and the ongoing conflict between

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the Jewish and the Arab national communities; the political climate of the period in Britain - the colonial power and the attitudes of the Palestine government officials responsible for the labor policies during the 1930s and 1940s.

On the whole, the Mandate government's policies regarding the protection of labor did not satisfy the aspirations of the Jewish community in general and, in particular, they did not meet the expectations of the Labor Movement. However, in spite of these limitations, the core of labor legislation left behind created a basis on which Israel could later build its more extensive system of labor and social insurance institutions.

Politics in Health: The Establishment of Sick Funds in Eretz-Israel during the British Mandate

Shifra Shvarts

The Israel Health Insurance Law (1994), determined that public health services would only be provided through the Israeli HMOs (*Kupot Holim*), which are non-profit organizations. Although the legal status as exclusive health providers in Israel began only towards the end of the last century, the activities of the HMOs had actually begun seventy years earlier, towards the end of the Turkish Empire, and expanded during the time of the British Mandate.

The rise of the Israeli HMOs is characterized by the political background of the founders of each one who wished to provide health services to their party, or movement members, while combining a societal need and the creation of a source for political, organizational and financial attraction. The political separatism and the establishment of social organizations on a political basis were very common among the Jewish community in Eretz-Israel. Therefore, there was nothing unusual about the establishment of HMOs with political affiliations. In this way, the *Clalit* Health Group was founded by socialist workers and operated under the auspices of the Federation of Labor. Members of the Revisionist movement, the right wing of that time, established the *Leumit* Health Group. Immigrants from Germany, members of the liberal parties founded the *Macabee* Health Group and the *Amamit-Meuchedet* Health Group was founded by *Hadassah* and operated amongst the land-owning farmers. This research examines the steps leading to the establishment of the HMOs in Israel and the powers that shaped their status as the exclusive health agencies in Israel from that time onward.

The Labor Trend Workers' Organization during the British Mandate: An Educational Movement and a Unique Professional Organization

Yuval Dror

The Labor Trend Workers' Organization was a unique professional organization as well as an educational movement. It was established in 1925 and was active till 1953. This article concentrates on the British Mandate period, till the establishment of the State of Israel in 1948. The Labor Zionist-Socialist Trend (and its Workers' Organization) was one of the three Hebrew educational trends in that period, and a part of the *Histadrut*, the Hebrew Workers' Trade Union. The article details the autonomy and the unique duality between the professional and educational missions of the Labor Trend Workers' Organization: Its internal and external structure, within the *Histadrut* and the Zionist organizations; the criteria of belonging to the Workers' Organization and of the differentiation in its members' salaries; the relationship between the rural and the urban members; the balance between the professional-organizational activities and the cultural-educational ones; the mutual assistance and the social-professional rights of the members while at the same time - fulfilling national tasks. The Labor Trend Workers' Organization was a professional organization that from time to time had to struggle against the Trend's clerks and leaders, but also shared the moral and practical responsibilities for the existence and the uniqueness of the Labor Trend. Therefore, its leaders and members tried to balance both the above mentioned dilemmas that represented the duality between the professional and the educational missions during the time of the British Mandate.

The Society and Economy of Mandatory Palestine in Retrospect

Moshe Lissak

Any discussion of the history of the political, cultural, social and even the economic development within the Jewish community in Mandatory Palestine has to be based on two assumptions:

- i) That the Jewish community, since its very early beginning (in the late 19th century), preferred separation from its Arab neighbors rather than integration.
- ii) The existence of a drive for 'productivization' of the Jewish people, or in the

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words of D.B. Borochoy, 'inversion of the occupational pyramid'. This was an integral part of the ideology of the Zionist settlement in Palestine from its start.

The realization of this goal required the creation of an entire new stratification system in which the Jewish population would be dispersed among all occupations. Realization of this ideology was not possible under conditions of an integrated Arab-Jewish society and economy in Palestine, since on the one hand the Arab population was already predominantly rural, and on the other hand the Jewish population lacked a solid workers strata.

The paper deals with successes and failures of the leadership of the workers organizations (especially the Histadrut), to realize a comprehensive productivization of the Jewish community and to shape a powerful workers social class. However, even the partial success had far reaching impact on the social and political history of the Jewish community even many years after the establishment of the state in 1948.