

time, he offers no explanation for the stability of manufacture's share in employment and output in the Arab economy throughout the 1930s and into the end of the Mandate. The "massive inflow of capital imports" and other resources that Metzger assigns as the primary reason for the growth in the Jewish economy could not but inhibit competition from the Arab economy in general but especially in manufacture.

This applies to the period preceding WWII and during the war. The massive spending during the war and especially its demand for manufactured products would have had a more positive impact on Arab manufactures if it did not have to compete with Jewish European manufacture. A discussion or acknowledgment of competition nullifies, or at least substantially weakens, the two separate economies postulate because competition implies mutual impact.

Trade was dealt with as external trade and bilateral trade (i.e., between Arabs and Jews and between each with the outside world). External trade grew substantially and fast during the Mandate period and was primarily determined by Jewish imports. The external trade of each economy varied substantially in volume and composition. In 1922, the Arab economy's share was 62 percent of the total external trade of the country. By 1935, the situation was reversed such that the Jewish economy's share rose to 70 percent of the total.<sup>80</sup> The composition of trade also varied. The Jewish economy had a much higher share of its total imports comprised of durable and capital goods.

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<sup>80</sup>Ibid., Table 5.8, 168.