

members of the group, including the Arab members. And for this reason we need the approval of the Israeli government, and we will work with the government to achieve all plans.»⁽³⁾ On October 25, 1984, the Israeli newspaper *Haaretz* reported one of the group's members as saying, «The group works to add an economic base to serve as a bridge for a political process.»⁽⁴⁾ Israeli journalist Yehuda Litani wrote in *Haaretz* that the initiators had explained that the present economic structure in the West Bank and Gaza Strip was not healthy for the Palestinians or the Israelis, since unemployment among the former will worsen the security of 'Israel'.⁽⁵⁾

Israeli journalist Odeed Tamrnout wrote: «The main idea was that by creating economic stability in the West Bank, it is possible to encourage the development of a local leadership... to weaken the influence of the PLO and strengthen the circles that support Jordan.»⁽⁶⁾ *Haaretz* noted that the US businessmen's group sees that a political solution for the occupied territories could be achieved by transforming the West Bank and Gaza Strip into demilitarized zones, supervised by multinational forces. The newspaper said that such a solution had the official approval of the US and Jordan, while the Israelis are still silent on the subject.⁽⁷⁾

PRESTIGIOUS PALESTINIANS' REACTIONS

The US businessmen consulted many Palestinian notables in the occupied territories to promote their plan, and invited some of them to the US. The opinions of these Palestinians varied. Some clearly defined the nature of the plan and rejected it out of hand. Others saw it as a chance for solving some of the economic problems in the occupied territories.

Dr. Salah Al Bustami, member of the doctors' association, said: «I was shocked to discover that the political aims of these American businessmen were not in the interests of the people of the West Bank and Gaza Strip. If they invite me again, I won't go, and if they come, I won't receive them, because I know they have suspicious political aims.»⁽⁸⁾ Mr. Ibrahim Abdul Hadi said, «Of course, we look forward to establishing a Palestinian state, but these plans do not consider this point.»⁽⁹⁾

Based on participation in the consultations with the US businessmen, Dr. Hashem Ortani wrote: «We tried to make it clear to the other parties, especially some of the Jewish American leaders, that we will not be the only side that will suffer from the hatred that is building up in the hearts of the thousands of youngsters, those who had hopes of a future they have worked hard for, and were left with nothing but begging before closed doors. Do the US, Israel and the Arab oil states need to have a creative imagination to realize that unemployment of college graduates will become a time bomb whose splinters will fly in every direction.»⁽¹⁰⁾

When we examine what has been said about the plan both by its initiators and those who studied it, we notice two main points: (1) Worry about the security of 'Israel' due to the deteriorating economic conditions in the occupied territories; and (2) the discrepancy between the political tendency in the occupied territories, and the US solution. Therefore, the goal of the plan has two interrelated dimensions: first, to avoid escalation of Palestinian resistance in the occupied territories; and second, to create a political tendency that supports the US solution.

THE SECRET BEHIND THE ISRAELIS' APPROVAL

A. The strategic aspect of the occupation policy

From its inception, the Zionist plan in Palestine was based on the policy of conquering the land and labor, which means depriving the Palestinian people of independent and stable conditions of life. This policy has been consistently practiced, despite the variation of forms and means in different areas, at different times. However, changing conditions, and the local and international balance of power, are no longer conducive to continuing this policy so bluntly and directly.

From this, we can conclude that the Zionist plan continues to collide with all the classes and groups of the Palestinian people. In practice, this has caused the widening of the front rejecting occupation. This is very clearly seen in the occupation authorities' inability to split the unity of the Palestinian people. In

most countries that were colonized, the colonizers were able to gain to their side certain social classes and strata that formed a social base to help the colonizers achieve their goals. With the help of the colonizers, these strata were able to form armies that fought alongside the colonizers against the nationalist forces.

The Zionist occupation authorities have tried to exploit religious sectarianism and tribalism to find a way out of their crisis. Although they succeeded in some cases, such efforts failed in the West Bank and Gaza Strip. The authorities tried through the villages leagues, installed under the pretext of developing the villages and rendering public services, but they failed. The village leagues remained small and isolated, and thus unable to constitute a social base for helping the authorities achieve their aims. On the contrary, the leagues became a burden on the Zionists, which caused them to stop their support. The experience of the village leagues confirms the nature of the position that is allowed for any Palestinian class or strata. This position definitely does not meet the demands of any class or strata that is seeking an independent and respectable economic and social position.

Since the Zionist plan contradicts the development of the Palestinian people's economic base on their land, no Palestinian class, group or strata is allotted an independent economic position. What then is the secret behind the enthusiasm of Israeli politicians, especially the Labor Party leaders, about the US businessmen's plan? What do they want to gain by the plan for «improving the quality of life» in the occupied territories?

B. The occupied territories as a milk cow - tactical aspects of the economic policy

The Israeli economy profits greatly from the occupied territories, as specified below:

1. The occupied territories are the largest importer of Israeli goods. US statistics show that the trade balance surplus between 'Israel' and the occupied territories is \$800 million a year.⁽¹¹⁾

2. The occupied territories provide over one million hours of labor power daily to the various sectors of the Israeli economy at only 40-60% of Jewish laborers' wages. In addition, Palestinians do the manual and menial work.

3. An important part of the national income of the occupied territories is siphoned into the Israeli budget, as follows:

- 15% of the gross local product in VAT (valued added tax);
- 10% of the gross per capita income as income tax;
- a large percentage of the wages of Palestinians working in 'Israel' as various deductions, valued at \$30 million yearly in the eighties;⁽¹²⁾
- different fees; construction licenses; court fees, traffic fines and the many high fines imposed by the military courts.

4. Income from the open bridges amounts to \$1 million daily, from permit fees, customs duties and airport fees alone.

5. The occupied territories are an entry point for hard currencies, mainly coming from Palestinians working abroad.

6. The occupied territories constitute an important bridge for exporting Israeli products to the Arab world, whether through smuggled Israeli products or products of the occupied territories. It is known that there are Israeli elements in every agricultural and industrial product.

In his opening speech at the seminar on unemployment among graduates, Anwar Al Khatib did not exaggerate when he said that 'Israel' has a net income of \$1 billion annually from the occupied territories. On the other hand, the authorities' expenditures in the occupied territories are very low, as shown by official Israeli statistics. The total expenditures of the Zionist authorities and the local administrations together in the West Bank and Gaza Strip was estimated at \$240 million between 1977 and 1983, meaning \$34.3 million a year.⁽¹³⁾

In practice, it sometimes seems that there is a contradiction between the authorities' strategic endeavor to deprive the Palestinians of the conditions of life on the one hand, and their efforts to exploit the occupied territories to serve the Israeli economy on the other. Observers of the Zionist occupation policies will discover the red line that cannot be crossed by the Palestinians in their economic practices. The authorities have hindered any project that strengthens the material base of the occupied territories' economy, or competes with Israeli