

industry. For example, the Zionist authorities set impossible conditions for granting a license for the cement factory in Hebron (Al Khalil) and the bank in Nablus. They halted co-operative housing projects, and hindered efforts to raise the production capacity of the Jerusalem District Electric Company and the Nablus municipal electric company. They hindered plans to utilize irrigation water, etc. Yet the authorities do not oppose the establishment of some small industries which would supply the demands of the construction sector; this caused a surplus in the production of cement blocks and other construction materials. Also allowed was some traditional industry, with high production costs, such as clothing.

In agriculture, the authorities determine which crops can be cultivated, and in what proportion, to meet the needs of the Israeli economy.

It is clear what types of projects the Zionist authorities will allow. They have confidence in the US businessmen's plan, despite Sharon's critical statements, for they have the right to veto and hinder any projects that violate the security of their economy.

C. Activating the role of the occupied territories in the Israeli economy

Knowing the strategy and tactics of Zionist policy towards the occupied territories, one can understand the differences that many times surface between the two poles of the Israeli political spectrum - Likud and Labor. These differences surfaced again concerning the plan for «improving the quality of life» in the occupied territories. The plan was heavily criticized by Likud, whereas Labor was very enthusiastic about it.

We will enumerate some of the thoughts that were discussed on the subject. Ifraim Aharam, one of the most famous lecturers of Tel Aviv University, said: «It is to the interest of the US to look for developing the West Bank economically, because this will help absorb laborers (in the occupied territories). I believe that Israel should exploit this chance to the maximum.» Aharam explained how 'Israel' can benefit from this chance: «Israel should get rid of some of the industries that have become a burden to the economy. This should be done by transferring them to the West Bank. This would enable Israel to release part of its technical labor force and transfer a huge capital to more developed industries.» As examples, Aharam talked about the textile and diamond industries. Everyone knows that the process of transferring parts of the textile industry to the West Bank has been going on for years. Now there are scores of tailoring and clothing factories in Tulkarm, Nablus, Ramallah, Bethlehem and many other towns of the West Bank and Gaza Strip, based on subcontracting with Israeli factories. Aharam adds that the process of industrializing the West Bank and Gaza Strip «will open a big export market for 'Israel' east of Jordan, to a value of \$100 billion dollars.»⁽¹⁴⁾

From this, we can conclude that 'Israel' will have to utilize this chance (the US businessmen's plan) to stabilize the foundation of a system that will bring many benefits, by transferring to the occupied territories costly industries and industries that are bankrupt or nearly so, such as the Atta textile factory. Aharam also confirms the importance of the occupied territories as a bridge for expanding into the Arab markets. We all know that benefiting from this bridge requires normalizing relations with the Jordanian regime.

JORDAN'S CHANCE TO GAIN POWER

Although Jordanian officials were silent about the plan to «improve the quality of life,» there were many indications of direct coordination with the Israeli rulers, with consultations taking place behind closed doors. All that we heard was that Jordan demands to play a bigger role in implementing the plan.

Some of the practical things that have been going on for a while are the plans for reorganizing the villages of the West Bank and Gaza Strip. These plans are being financed jointly by Jordan and 'Israel'. Coordination is apparent in many acts of preparation for this project, specifically the campaign for appointing new municipal councils in some West Bank towns. Coordination was also apparent in consultations on important projects, such as the Jerusalem District Electric Company.

The Jordanian regime spared no efforts to isolate the PLO from the political arena; it is now achieving its goals in the open by cooperating with the Israelis. The Jordanian regime sees that the US businessmen's plan gives it a chance to gain power and supporters in the occupied territories. Having elicited the support of the Zionist authorities and the Jordanian regime, the plan for «improving the quality of life» is the economic gateway to the US-style settlement based on Camp David and the Reagan plan. This plan is expected to achieve what the Israelis failed to achieve by invading Lebanon. The Israeli invasion aimed at reversing the regional balance of power - once and for all - in favor of the US plans, marginalizing the PLO and spreading Camp David to all or most Arab countries.

On the economic level, this plan is expected to even more closely link the economy of the occupied territories with the Israeli economy, through a division of labor. This means more exploitation and marginalization of the economy of the occupied territories. It is also expected to tie the occupied territories' economy to US finances, via Jordan and 'Israel'. Through this process, it is expected to normalize economic relations between Jordan and 'Israel'.

The social dimension of this process is to further the comprador nature of the Palestinian bourgeoisie, pushing them into joint projects with US capital where they will be allotted a limited role in the division of labor between the occupied territories and the Israeli economy, as Dr. Aharam talked about. In the future, this strata will be developed as a middleman between the Israeli economy and the Arab economy, after political obstacles are removed. At the same time, this strata will be prepared for a political role opposed to the PLO, posing as an alternative to it.

The political dimension of this process involves normalizing and strengthening relations between the Palestinian people under occupation and the civil administration. The civil administration will be prepared for new tasks, by giving a bigger role to local Palestinians. In addition, the role of the group that supports the Jordanian solution will be strengthened. Chances will be improved for the US solution that aims at liquidating the Palestinian cause. Peres' proposal for a «Marshall plan» reveals the nature of the broader maneuvers to materialize the US concept of «strategic consensus» by close cooperation between 'Israel' and the Arab reactionary regimes.

The plan for «improving the quality of life» is an attempt to exploit the deteriorating economic situation in the occupied territories, in order to seduce the Palestinian bourgeoisie in particular. They are to be led to believe that doors are open for them to expand and accumulate capital through the role they will be prepared for, as middlemen, in the normalization process between 'Israel' and the Jordanian regime, and probably with all of the reactionary regimes eventually.

(1) Members of the Businessmen's Association for Peace and Development:
 - Steve Cohen, professor at Queens City College, New York, chairman
 - Steve Shalom, New York banker
 - Lester Braden, Chicago, general manager of General Dynamics
 - G. Britsker, Chicago, owner of Hyatt Hotels
 - Najeeb Halaby, businessman, in charge of the association's political committee, King Hussein's father-in-law
 - Robert Arno, Robert Stuber, businessman
 - Bill Baroudy, director of an investment company in Washington, and president of the American Studies Institute
 - Henry Kaufman, economics expert
 - Alfer Moses, Washington attorney
 - Arnold Forrester, former president of the Association to Defend Jews in America
 - Cyrus Vance, former Secretary of State
 - Philip Habib, US envoy to the Middle East
 - Howard Squadron, US Zionist leader
 - Al Khashoggi, Saudi billionaire.
 (2) *Al Biader Al Seasi*, Jerusalem, issue 135, January 12, 1985, p. 16.
 (3) *Al Awda*, Jerusalem, issue 53, 1984, p. 49.
 (4) *Al Ittihad*, Haifa, October 26, 1984.
 (5) *Al Quds*, December 16, 1984.
 (6) *Al Mithaq*, Jerusalem, November 1, 1984.
 (7) *Al Ittihad*, Haifa, October 26, 1984.
 (8) *Al Awda*, issue 53, p. 5.
 (9) *ibid.*
 (10) *Al Quds*, November 3, 1984.
 (11) *Al Quds*, June 23, 1986.
 (12) *Al Khatib*, issue 54, «Cuts in wages of laborers in Israel,» by Taysir Al Arouri, p. 31.
 (13) *The Israeli Annual Census Book for 1985*.
 (14) *Al Biader Al Seasi*, issue 125, November 3, 1984.