

processing and textile factories have suffered a 10-25% decline in sales due to the uprising. In Jerusalem alone, in March, there was a 97% decline in the sale of dresses and shoes. Israeli Economy Minister Gad Yacobi has said that the Israeli losses in trade with the occupied territories, due to the uprising, were \$200 million in the first three months of the uprising. This figure can be compared to the value of last year's Israeli exports to the West Bank and Gaza Strip, which totalled \$1.5 billion (Associated Press, March 24th). The Israeli agricultural products export company suffered losses amounting to \$600,000 from the beginning of the uprising until early March.

The manager of Shnova dairy company in Tel Aviv, Menachem Reintes, has stated that their sales decreased by 15% in Nablus and Tulkarem, and by 5% in Qalqilia. Mel'oot food company in the Western Galilee is suffering huge losses due to the trade boycott by West Bank and Gaza merchants, estimated at thousands of shekels monthly. The Meloram Company is unable to dispose of half of its production and is looking into laying off 20% of its employees, which would affect Jewish employees too. The United Textile Company has decided to stop production at its Peta Tikva branch because of the Palestinian workers' strikes. The decline in the textile sector is estimated at 30% and some agents are taking the distinctly Israeli labels off clothing so that it can be sold in the occupied territories. A study by the Israeli industrialists' federation showed that 51% of Israeli factories have reduced their production by 20% due to the Palestinian boycott.

### 3. MILITARY EXPENDITURES

Israeli military expenditures have increased vastly since the beginning of the uprising. Currently there are more than 3,000 Israeli policemen, 2,000 border guards and 110,000 soldiers in the occupied territories. 'Israel' has moreover had the expense of building six new detention centers in occupied Palestine, in addition to transforming more than twenty schools in the occupied territories into detention centers and army barracks. The Defense Ministry has stated that the military budget was 30 million shekels short because of the uprising. According to *Yediot Aharonot*, equipment needed by each soldier for dispersing

demonstrators costs \$552. Israeli Minister of Economy Yacobi stated that the cost of extra security by police and security forces was \$60 million (Associated Press, March 24th). As early as late February, estimates appeared in the international press that the Zionist state had so far used \$330 million in its attempt to put down the Palestinian uprising.

### 4. INTERNATIONAL PRESSURE

Overseas trade is an essential factor in the Israeli economy because of the Arab boycott, except for Egypt, of Israeli products. Thus far, Israeli acts of terror aimed at quelling the Palestinian uprising have drawn international condemnation as was expressed in UN resolutions 605,607 and 608. This international outcry has to some extent been reflected in economic pressure that we hope will increase to stop the Israeli crimes against humanity.

The European Economic Community decided to delay approval of a contract that would enable 'Israel' to trade \$3 billion worth of goods in these countries annually. In Denmark, consumers boycotted Israeli agricultural products. In late February, the biggest Danish supermarket chain decided to stop importing Israeli fruits and vegetables after sale of these products dropped by 30%. A spokesperson for Irma supermarkets said, «Danes simply don't want to buy Israeli goods under present circumstances» (*International Herald Tribune*, March 1st).

### MORE ISRAELI LOSSES

In addition to calling on the Palestinian masses to boycott Israeli goods and work in Israeli enterprises as much as possible, the United National Leadership of the Uprising has called for refusal to pay taxes. A member of the Knesset from the Citizens Rights Movement estimated the losses incurred by the Israeli treasury as follows: 20 million shekels in tax deductions from the wages of Palestinian workers boycotting their jobs, 40 million in direct taxes, and 9 million in value added tax. On May 2nd, Israeli radio reported a decline in taxes collected from import and export duties in the month of April.

Tourism is also beginning to be affected by the uprising. The attendance at Easter festivities in Jerusalem was only half that of last year, as reported

on Israeli radio April 3rd. In April, there was a 35% drop in tourism as compared with April 1987 (*Radio Israel*, May 6th).

The popular uprising in the occupied territories has planted the seeds of economic confrontation with 'Israel'. It has created new subjective factors in the Palestinian population to sustain the continuation of the struggle to enact total civil disobedience, which heralds more economic repercussions for the Zionist state. Among the subjective factors created by the uprising are: First, the uprising has mobilized all the masses under the banner of fighting the occupation; workers, students, merchants, peasants and civil employees have been united in a unique determination to end the occupation and its exploitation of the Palestinian land and people. Second, the uprising has motivated an increase in local production in the occupied territories, which will enable the Palestinian population under occupation to be more self-reliant. Call no.9 emphasized the need for operating local factories at full capacity and hiring Palestinians who are boycotting their jobs in 'Israel'. Third, the uprising has urged the people to abstain from buying Israeli goods whenever possible and to turn to locally produced substitutes. The people have also been urged to reduce their consumption to essentials, so as to continue the boycott of Israeli products. Fourth, the uprising has created a stronger sense of economic cooperation among the people. For example, merchants have abstained from raising prices, despite the economic pressure they experience, so as not to increase the burden on the people. Landlords have not demanded rent from their tenants since the beginning of the uprising. Fifth, the uprising has motivated the population at large to cultivate their land and plant vegetables, etc., to achieve self-sufficiency.

As the uprising enters its sixth month, the ongoing struggle attests to the maturity of the United National Leadership and the popular committees. While the continuation of the uprising signals added economic damage to the Israeli economy, it is at the same time in the process of building the basis for an independent Palestinian state, through the campaign for civil disobedience and economic self-sufficiency.