

engineers and physicians who immigrated to 'Israel' from 1955 to 1984. These figures simply meant a total gratuitous revolution in the structure of labor power in 'Israel' with great effects on the formulation of Israeli perspectives in both economics and supreme strategy.

Moreover, Israeli educational institutions were continuously being expanded and developed, turning out thousands of graduates annually. Among those over 14 years of age, those with 16 years or more of education were 3.6% in 1961, 4.1% in 1970, 7% in 1975, 8.5% in 1980, and 9.8% in 1984. This means that scientific potential increased threefold at least.

One of the most important results of both educational development and the internal population structure is the increase of the labor force which reached 37% of the total population. (The comparable figure was 22% in Palestine in 1948). This is a high percentage, having been pushed up by extensive employment of women: 67.5 women per 100 men in 1984, as opposed to 52 in 1972, while among Palestinian Arabs the comparable figure was 17.5 in 1984. One of the most significant effects of greater employment of women is the transfer of 112,200 persons from non-productive consumption to productive areas. This also compensates for the great amount of labor unproductively employed for security purposes. This number is nearly equal to the number of imported Palestinian Arab laborers. In 1984, 125,000 Palestinians from the territories occupied in 1967 were employed in 'Israel'. This enabled Israeli planners to redistribute labor among the different economic branches, directing Israeli laborers towards higher-level production, while absorbing the Palestinians at the bottom of the production scale.

3. MARKETING FACILITIES

Having managed to guarantee the influx of financial and human resources, and employ them according to a scientific plan that aimed at supreme strategic objectives, how has 'Israel' succeeded in solving the problem of marketing? Three methods are apparent:

First is expansion of the home market through natural population increase as well as immigration. The increased rate of capitalization and employment contributed to increasing the demand for goods and services, activating the economic cycle. Moreover, 'Israel' resorted to the familiar method of inflation to change the population's tendency to save into another type of social behavior - that of converting their income into stable goods. 'Israel' has dealt with the consequences of stagnation through inflationary policies which are well-known in the capitalist economies.

Second is expansion of the market by colonial means, through occupation. It has become known that 'Israel', on the eve of the 1967 war, was facing its first serious structural economic crisis - the crisis of overproduction, having just completed a comprehensive industrialization program carried out with the reparations paid by Federal Germany. The territories occupied in 1967 constitute one-fourth to one-third of the Israeli market itself. They are secure markets, almost monopolized by 'Israel' which dominates 90% of their imports (amounting to 637.5 million dollars in 1984, while only 50.9 million dollars in 1968). The trade deficit between 'Israel' and the 1967 occupied territories has grown from 36.7 million dollars in 1968, to 442.1 million in 1984, in favor of 'Israel'. This covered 17.5% of the total Israeli trade deficit in 1984. The territories occupied in 1967 are the biggest single importer from 'Israel' after the USA. Their economic value, in this

sense, can be compared to that of the main world trade blocs, because they absorbed 33% and 39% of what was absorbed by the EEC and the USA, respectively, in 1984.

Third is Israeli integration into the imperialist market. 'Israel' has managed to enter international markets under the most favorable conditions and at a pace which matched the development of its economic structure. The imperialist states treated 'Israel' as part of the center. As a result of the exceptional facilities granted, the Israeli economy made additional leaps. From 1974 to 1984, the value of Israeli exports to the EEC increased from 698 million dollars to 1890 million dollars, i.e., a 170% increase, while its imports increased by only 73. The facilities provided by the USA contributed to the increase of Israeli exports to the US market by 445% in 1974-1984, while its imports from the USA increased only 135%.

Simple calculation shows that the practical results of the agreements between 'Israel' and the imperialist world were further increases in Israeli exports amounting to 1614.5 million dollars. Of this, 932 million dollars worth was through US facilities, while 682.5 million dollars worth was through European facilities. This total figure amounts to one-fourth of Israeli exports to all parts of the world. It is 253% of total Israeli exports to the territories occupied in 1967, i.e., the Israeli agreements with the EEC and USA have had the same importance as the 1967 war, as far as Israeli exports were concerned.

We can conclude that 'Israel' has managed, during the last decades, to make the utmost use of the abundant influx of financial and human resources from abroad, and to benefit maximally from the marketing facilities afforded. 'Israel' remoulded its supreme strategy accordingly, not only in the military sphere, but in the comprehensive framework of the power concept, which is based on economy, technology, science, etc. This reformulation led to revision of the priorities of the internal economic structure whereby industry occupies a leading position, and electric and electronic industries have increasing importance in total industrial output (17.2% in 1982, instead of 4.3% in 1965). In addition there was intense concentration of labor; 1.5% of industrial firms employ 45.3% of the industrial labor force. Labor productivity more than tripled from 1950 to 1984.

All this will lead to the reemergence of the marketing problem in the Israeli economy which is already approaching the limits of available outlets. This reinforces the belief that 'Israel' will force a normalization of relations on its Arab neighbors, peacefully or by aggression, or by a combination of the two.

Having seen the extent of modernization and development in the Israeli economy, are we exaggerating when we say that the theory of the strong chain has already been applied in 'Israel'? Does anyone of us still doubt that the enemy's concept of power has long ago surpassed the military field to include all the economic, social, scientific and technological spheres. Are we going to take all these aspects into consideration when outlining our supreme strategy, whether protracted people's war or the plan for strategic balance? Or will we remain prisoners of outdated conceptions about the enemy? Careful consideration of the significance of the above-cited figures, about the real economic situation in 'Israel', renders it necessary to think deeply about the enemy, as well as about our strategy of comprehensive confrontation against its supreme strategy and plans.