the provision of higher foreign tax credit based on the U.S. LDC tax status, as an incentive for investment in high technology production. More important, however, is the fact that this advantage is likely to be manipulated and gained by Israel on the basis of having a large proportion of its labor force coming from less developed countries (Oriental-Jews and the Palestinian-Arabs). The second advantage is, as mentioned previously, made possible precisely because an equally large proportion of Israel's labor force immigrated from advanced capitalist and post-capitalist economies with an already acquired experience and training in high technology production. Therefore, even in furthering the internationalization of capital and not only in her nation-building efforts, the State of Israel capitalizes on both poles of its labor force. This combination of labor force gives Israel a unique advantage over all industrialized as well as underdeveloped countries.

In advertising her industrial climate favorable to the interests of foreign capital, the State lists as a first item, "skilled labor at relatively low wages: Israel's labor force ranges from highly skilled engineers familiar with modern American technology to untrained workers. Wages are considerably lower in Israel than in most Western countries."[47]

Similarly, in explaining why more U.S. companies are using Israeli facilities for contracting (30 new American projects were established in 1975, in addition to the 150 successful American companies) the Special Israel Advertising section in Aviation Week & Space Technology highlights the fact that "industrial wages in Israel are relatively low, as compared with those prevailing in other industrial countries with the result that local industries are capable of meeting customers at attractive terms."