

self-labor, as opposed to hired labor is only in part an attempt to restore the utopian "socialist" image of the kibbutz, hence to reinforce its potential for attracting Jewish immigrants. This point, however, must not divert the attention from the dominant profit motive underlying this development scheme.

The victory of the Likud over the Labor Party; its doves (the advocates of withdrawal from occupied territories), as well as its hawks (the advocates of Greater Israel--Eretz Yisrael Hashlema) eliminates the controversy regarding the integration of occupied territories as a periphery with "unlimited-supply-of-labor" into Israel economy. Not unlike the Labor Government, the Likud leaves no room for diplomatic peace settlement, hence eliminates the feasibility of a Palestinian State in the near future. Employment of Arab labor from those territories will therefore continue to be under Israeli control, unless forces external to Israel's internal dynamics impose alternative employment conditions. This source of labor supply, being now more ensured, can be mobilized to replace Jewish labor in agriculture and non-strategic industries, hence release the latter into training for, or directly into, high technology production. This unskilled Palestinian labor is technically capable of replacing Jews only in unskilled labor categories in which Asia-Africa immigrants are over-represented. The latter, however, when replaced by Arab, seem to move into services, not production. Furthermore, training them for high technology production, where demand for labor is highest, is a very costly and vulnerable endeavor, if it is to become a national priority, which is very unlikely.