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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Permanent sovereignty over national resources in the occupied Arab territories

Report of the Secretary-General

1. The present report is submitted in pursuance of General Assembly resolutions 34/136 of 14 December 1979 and 35/110 of 5 December 1980, in which the Assembly requested the Secretary-General to prepare and submit to it a report concerning permanent sovereignty over national resources in the occupied Arab territories. In resolution 34/136 the Assembly specifically requested that the report should take into consideration the provisions of paragraph 2 of resolution 32/161 of 19 December 1977, namely,

"(a) The adverse economic effects extending beyond the year 1975;

"(b) Losses in the Arab territories still under Israeli occupation;

"(c) Human and military losses;

"(d) The losses of and damage to items of the national, religious and cultural heritage;

"(e) Losses in the traditional sectors, including the retail trading, small industries and farming sectors;

"(f) The full impact on the development process of the Arab States, territories and peoples subjected to Israeli aggression and occupation".

2. In connexion with the same subject and in response to General Assembly resolution 3336 (XXIX) of 17 December 1974, the Secretary-General submitted a report to the thirty-second session of the Assembly (A/32/204). That report focused primarily on the adverse economic effects of the Israeli occupation on the

neighbouring Arab States. The present report, as requested by the Assembly, emphasizes the effects of Israeli occupation on the occupied territories themselves in the context of the provisions of paragraph 2 of resolution 32/161, although the last of those provisions refers to the full impact of the occupation on the development process of the neighbouring Arab States.

3. Significant aspects of the topics dealt with in the present report have been examined in the recent reports of the Security Council Commission established under its resolution 446 (1979) to investigate the situation relating to the establishment of Israeli settlements in the occupied territories, including Jerusalem, since 1967 (S/13450 and Add.1, S/13679 and S/14268), the reports of the Secretary-General on living conditions of the Palestinian people in the occupied Arab territories (A/35/533 and Corr.1 and A/36/260 and Add.1-3), the reports of the Committee on the Exercise of the Inalienable Rights of the Palestinian People 1/ and the report of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories (A/34/631).

4. With a view to facilitating the preparation of the present report and making it as comprehensive as possible, the Secretary-General addressed notes verbales to the Permanent Representatives of Egypt, Jordan, Lebanon and the Syrian Arab Republic and to the Permanent Observer of the Palestine Liberation Organization to the United Nations, drawing their attention to the relevant General Assembly resolutions and specifically to paragraph 2 of resolution 32/161. He advised them of his intention to send a mission to gather factual information to ensure a balanced and objective view and requested that the Governments should make available to the mission the relevant information and any other information that the mission might require. A similar note was addressed to the Permanent Representative of Israel to the United Nations with a further request that the mission should be permitted to visit the occupied territories in order to make an on-the-spot assessment of the situation. The Governments of Egypt, Jordan, Lebanon and the Syrian Arab Republic, as well as the Permanent Observer of the Palestine Liberation Organization expressed their willingness to co-operate fully in the work of the mission. The Government of Israel replied that it could not associate itself with the actions called for by the Assembly in resolutions 34/136 and 35/110, citing the fact that Israel had voted against them in the General Assembly (see appendix VII).

5. The heads of the Food and Agricultural Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organizations (UNESCO), the World Health Organization (WHO), the United Nations Conference on Trade and Development (UNCTAD), the International Labour Organisation (ILO), the United Nations Industrial Development Organization (UNIDO) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) were also contacted concerning the visit of the mission to their headquarters and were requested to make available any relevant information.

1/ United Nations publications, Sales Nos. E.78.I.19, E.78.I.20, E.78.I.21 and E.78.I.22 and Corr.

6. Two consultants were engaged to prepare the report. In order to obtain up-to-date information on conditions in the occupied territories, a mission was undertaken in August 1981 consisting of a staff member of the Department of Technical Co-operation for Development assisted by staff members from the Economic Commission for West Asia (ECWA). The mission visited Geneva for discussions with ILO, WHO, UNCTAD and the Division of Human Rights (secretariat for the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories). In Beirut, discussions were held with officials of the Government of Lebanon, ECWA, UNDP, the United Nations Children's Fund (UNICEF), the Palestine Liberation Organization and the Institute of Palestine Studies. In Cairo, the mission met with officials of the Normalization Department of the Foreign Ministry of the Government of Egypt and the UNDP office there. In Amman, discussions were held with officials of the Ministry of Occupied Territories of the Government of Jordan, the Palestine Liberation Organization office there, the UNDP office and with several residents of the West Bank who were in Amman at the time, including the mayors of Halhul and Hebron who had been expelled from the occupied territories. In Damascus, the mission met with officials of the Foreign Ministry of the Government of Syria and the UNDP office. In Vienna, the mission met with officials of UNIDO and UNRWA and in Paris with officials of UNESCO. The information gathered by the mission has been included in the report prepared by the consultants.

ANNEX

Report of the consultants on the national resources in the
 occupied Arab territories and the impact of the occupation
 on the development process in the Arab States, the occupied
 territories and on the people living there

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I. INTRODUCTION

1. The consultants have interpreted national resources to comprise resources in the natural, human, economic, infrastructural and cultural fields. These have been examined in the context of the effects of the occupation on their development, conservation and use for the benefit and welfare of the people living in the occupied territories. Losses have been computed in numerical terms to the extent that statistical data from various sources were available. At other times losses as well as constraints to the development and use of the resources have been derived from information contained in various reports and documents that were available to the consultants and the information gathered in the course of the mission to the neighbouring Arab States, ECWA and other concerned agencies of the United Nations system. Information received up to 30 September 1981 has been taken into account in the preparation of the report.

2. Section II of the report attempts to identify the occupied Arab Territories and their main characteristics, and sections III and IV contain an analysis of the national resources and the impact of the occupation on the development process in the Arab States, occupied territories and on the people living there. It should be noted that no statistical data were available for East Jerusalem and the Golan Heights, in contrast to the data for the West Bank and the Gaza Strip and Northern Sinai as published in the statistical series issued by the Government of Israel. Economic and social data and information in respect of East Jerusalem and the Golan Heights have, therefore, been gathered from secondary sources. Data on the Sinai have been taken into account only to the extent that they are included in the Israeli statistical series under "Administered Territories".

3. Full co-operation was extended in the preparation of this report by the Governments of Egypt, Jordan, Lebanon and the Syrian Arab Republic as well as the Palestine Liberation Organization. Full co-operation was also received from the heads of the specialized agencies contacted and the organs and units of the United Nations concerned with the Palestinian question. The refusal of the Government of Israel to permit the mission to visit the occupied territories has, however, deprived the mission of a primary source of information. It has, therefore, been necessary to rely on information and data supplied by the Governments of the neighbouring Arab States; the Palestine Liberation Organization; intergovernmental bodies and organs and specialized agencies of the United Nations system; research organizations, specifically the Institute of Palestine Studies, and on material published by Israel and in books, periodicals, journals, the press and other publications dealing with the situation in the Middle East and in the occupied territories.

4. The consultants have made extensive use of the information in the reports of the Security Council Commission established under resolution 446 (1979), of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories, publications of ECWA and reports of UNRWA, UNESCO, ILO, WHO, UNIDO, UNCTAD and UNDP. The consultants have also used the reports submitted by the Government of Syria and the Palestine Liberation Organization.

II. THE OCCUPIED TERRITORIES

5. The Arab territories under occupation by Israel after the hostilities of June 1967 comprised the following areas:

- (a) The West Bank of the river Jordan, including East Jerusalem;
- (b) The Gaza Strip;
- (c) The Sinai;
- (d) The Golan Heights.

6. The West Bank is an area approximately 5,540 square kilometers lying to the west of the Jordan River. Although it is predominantly rural, it contains distinct urban concentrations, such as Ramallah, Nablus, Hebron, Tulkarm and Bethlehem, each of which had populations of over 10,000 at the time of the Israeli occupation in 1967. East Jerusalem, including the Old City, housed around 100,000 Arab residents, among others. Since 14 August 1967, the Government of Israel has applied Israeli law, jurisdiction and administration to the area and has equalized municipal and social services in it with those of the rest of Jerusalem. On 30 July 1980, the Knesset adopted the "Jerusalem Basic Law" which declared that "Integral and United Jerusalem is the Capital of Israel".

7. The Gaza Strip is an area of about 367 square kilometers forming part of the Mediterranean coastal plain and extending southward toward more arid areas of the Sinai Peninsula. It includes one major city, Gaza, the large town of Khan-Yunis and several large refugee camps. The Strip was administered by Egypt from the time of the cease-fire in 1949 until the Israeli occupation in June 1967.

8. A part of the Sinai has been returned to Egypt, and the remainder is to be handed back to Egypt by April 1982 under the terms of the peace treaty between Egypt and Israel signed in April 1979. In view of these developments, conditions in the Sinai are not discussed in detail in this report.

9. The Golan Heights comprise the extreme southwestern part of Syria overlooking Lake Tiberias (Sea of Galilee) and the upper Jordan River Valley. The area occupied in 1967 included the city of Quneitra. A part of this area, including Quneitra, has since been returned to Syrian civil administration, under the terms of the 1974 Agreement on Disengagement Between Israeli and Syrian Forces (S/11302/Add.1, annex I). The rest of the area remains under Israeli occupation.

III. NATIONAL RESOURCES OF THE OCCUPIED ARAB TERRITORIES

A. Natural resources

1. Land

10. The basic natural resource of the occupied territories is land. The total area of the West Bank, as noted earlier, is 5,440 square kilometers. The West Bank is generally mountainous with a relatively high level of rainfall. The total length from north to south is 127 kilometers, and the average width is about 40 kilometers. In the West Bank as a whole, roughly half the total land area, or approximately 2.8 million dunums, is suitable for some type of agricultural use. Of this, only about one million dunums can be considered high-quality agricultural land, while the remainder is in mountainous areas suitable primarily for extensive cultivation of olive trees and vineyards and for use as pasture. a/

11. Actual land use in the West Bank appears to have undergone a significant change since the Israeli occupation. Compared to a total of 2.8 million dunums under cultivation in 1967, b/ only 2.1 million dunums, or about 75 per cent of the pre-occupation total, was under cultivation by the mid-1970s. c/ It appears that three main factors have contributed to the loss in the cultivated area, namely,

(a) Large areas have been "closed" by the Israeli authorities for security reasons and put out of production;

(b) Large areas, more than 300,000 dunums by the end of 1980, d/ have been appropriated by the Israeli authorities for the establishment of new Jewish settlements;

(c) Various difficulties and impediments have made it difficult or impossible for farmers to continue to cultivate their land.

12. In addition to the reduction in the amount of land under cultivation in the West Bank, substantial additional areas of land have also been removed from the jurisdiction of the Arab inhabitants and the municipal authorities since 1967. In

a/ E. H. Tuma and H. Darin-Drabkin, The Economic Case for Palestine, (New York, St. Martin's Press, 1978), p. 55.

b/ Statistical Abstract of Israel, 1969 (Jerusalem, Central Bureau of Statistics, 1969), p. 640.

c/ H. M. Amartani, West Bank Agriculture: A New Look (Nablus, 1978), p. 9, and B. van Arkadie, Benefits and Burdens: A report on the West Bank and Gaza Strip Economies since 1967 (New York, Carnegie Endowment, 1977), p. 129.

d/ Calculated from the report of the Security Council commission established under resolution 446 (1979) (S/14268, annex II).

the West Bank and Gaza Strip together, a total of at least 1.5 million dunums, or roughly 25 per cent of the total land area, was requisitioned, confiscated or otherwise appropriated by the occupying authorities between 1967 and 1978 (A/34/631, para. 105). The process of land requisition has continued since 1978, although precise information as to the area involved is not yet available.

13. Of the total area of 367 square kilometers in the Gaza Strip, approximately 55 per cent, or roughly 200,000 dunums, is suitable for agricultural use. Nearly half of this agricultural land is irrigated. An additional 60 square kilometers is at present used for settlements, including refugee camps, and for roads. The remaining 100 square kilometers consists primarily of sand dunes. As in the West Bank, Israeli settlements have taken a significant proportion of available agricultural land. As at the end of 1980, roughly 20,000 dunums, or 10 per cent of the total agricultural land in the Gaza Strip, had been appropriated by the Israeli authorities for settlements (S/14268, annex II, p. 18).

14. Precise information on land use in the Golan Heights is not available, as this area is under direct Israeli military control. At the time of the occupation, virtually all the Syrian population of the occupied area, as well as some 16,000 Palestinian refugees then living in the Golan Heights, were forced to leave. Since that time Israel has established at least 30 settlements in the area, although it is not possible to calculate the total land area involved. In very general terms, roughly 40 per cent of the Qunietra district is considered to be suitable for agricultural use (A/32/204, table 12).

2. Water

15. Together with land, water is a basic natural resource for the inhabitants of the occupied Arab territories. Where the land is basically arid and water sources are limited, as in Israel and the occupied territories, the question of control of water resources can become a major source of conflict. The region comprising Israel and the occupied territories is, for all practical purposes, a single water-resource area. There are two basic sources of water: (a) the Jordan river and its tributary system, which can supply water for approximately 1.5 million dunums of irrigated agricultural land and (b) a subterranean aquifer system, which is currently supplying some 500 million cubic meters annually to Israel and 100 million cubic meters to the West Bank. In the Gaza Strip, an over-exploited subterranean aquifer provides roughly 100 million cubic meters annually for agricultural use. e/

16. The Jordan river basin forms a single hydrological unit, with branches of the river system extending into Lebanon, the Syrian Arab Republic, Jordan, (both East and West Banks) and Israel. Moreover, Israel and the West Bank constitute a single natural and geological region for the exploitation of underground water in the aquifer system and for the collection of surface run-off water. In such a

e/ V. Bull, The West Bank - Is It Viable? (Lexington Books, 1975).

situation, the State controlling the source of water supply and its subsequent use has a powerful means of determining the level of economic activity of the area as a whole. The water resource situation of the West Bank, therefore, cannot be understood without reference to the water situation in Israel.

17. Current water use in the West Bank is estimated at 100 million cubic meters (MCM) annually of which 90 per cent is used for agriculture. f/ In contrast, Israel uses 1,600 to 1,700 MCM annually. Details of Israeli water consumption are shown in appendix I, table 1. As the table indicates, water consumption per capita is considerably higher in Israel than in the West Bank. Appendix I, table 2 highlights these differences.

18. The data also indicate that current Israeli water use is dangerously close to the maximum sustainable capacity of the Jordan river and the underground aquifer systems. Since 1970, Israel has been using more than 83 per cent of its proved renewable water reserves, and average use in the past few years is close to 90 per cent of estimated capacity. In view of the substantial annual variation in rainfall, which can deviate as much as 23 per cent from the norm in any given year, the data suggest that the water balance in the region is in a precarious position. Appendix I, table 3, presents estimates of Israel's sustainable water use capacity.

19. The pressure on water resources available to the Arab inhabitants of the West Bank is further increased as a result of use of water by the Israeli settlements in the area. It is reported that these settlements currently use 15 MCM of water per year (about 5 MCM for agriculture) and that future agricultural developments of settlements may imply water use of as much as 50 MCM annually (see S/14268, foot-note 31). It also appears likely that use of water within Israel will be difficult to maintain at levels of less than 2,000 MCM by the mid-1980s. Unless substantial advances are made in the re-use of water, it appears inevitable that Israel itself will exert further pressure on the already very limited amounts of water being used by the Arab inhabitants of the West Bank. In fact, as a result of Israeli actions already taken, the economic activity of a number of Arab inhabitants has already been reduced to a near-subsistence level, as water which was available to them as of 1967 has been reallocated by the Israeli authorities for the use of new Jewish settlements or for Israel's own use (see S/14268, para. 198).

20. As mentioned earlier, the coastal zone aquifer in the Gaza Strip area has a potential sustainable production of about 100 MCM annually. The high population density even before 1967 had imposed severe strains on water supply in the area. In the light of new Israeli settlements established in the Gaza Strip, which are granted preferential access to water by the Israeli authorities, the water remaining for the use of the Arab inhabitants is even less, on a per capita basis, than before the occupation. Increased use of water by the settlements would reduce water available to Arab inhabitants to dangerously low levels.

f/ Palestine National Fund, "Water Resources and Policies in the West Bank", (n.d.), p. 4.

21. With respect to the Golan Heights, prior to Israeli occupation in 1967, water consumption was in the order of 12.5 MCM, according to Syrian authorities, for a population of approximately 140,000. Most of the Arab population fled the area in 1967, and the current population, roughly evenly balanced between the remaining Arab inhabitants and Jewish settlers, is between 8,000 and 12,000. Current Israeli plans call for an increase in the number of settlers in the area to 10,000 by the end of 1981 and possibly to 50,000 by 1985. In order to meet the water requirements of these new settlements (some 20,000 of the 50,000 prospective settlers will be engaged in agriculture) it is estimated that water consumption by 1985 may reach 46 MCM annually, nearly four times the pre-occupation level (see S/14268, foot-note 27). Such intensive use of water would clearly place pressure on the supplies available.

3. Mineral resources

22. The principal mineral resources of the occupied territories are (a) building and construction materials that have traditionally been used for local construction, and (b) the rich resources of potassium and related minerals in the Dead Sea. Regarding the construction-industry minerals, the local quarrying industry in the West Bank has been significantly affected by the delays in approval of building permits on the part of the Israeli authorities, by restrictions on the export of construction materials to other Middle East areas and by fiscal measures. Regarding the Dead Sea resources, Jordan is undertaking an investment of \$US 450 million at Safi at the southern end of the Dead Sea for production of 1.2 million tonnes of potash per annum. The issue of the planned Mediterranean-Dead Sea canal project, recently approved by the Israeli Cabinet, and its impact on the area has led to a request for the inclusion of an item on this matter in the agenda of the thirty-sixth session of the General Assembly (see A/36/2413). g/

B. Human Resources

23. No authoritative population figures are available for East Jerusalem and the Golan Heights. The figures in appendix II, table 1, refer to the population in the West Bank, the Gaza Strip and Northern Sinai as given in the Israeli Statistical Abstract, 1980, based on the census taken after occupation in 1967. The total

g/ For further information on the subject, see the letter dated 13 April 1981 from the Permanent Representative of Egypt to the United Nations addressed to the Secretary-General (A/36/187-S/14439) and the letter dated 2 October 1981 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General (A/36/575-S/14715).

population in those territories, at the end of 1979, has been estimated at 1,132,200, divided almost equally between females and males and made up of the following age groups: h/

<u>Age group</u>	<u>Percentage</u>	<u>Percentage</u>	
		<u>Females</u>	<u>Males</u>
0 - 14 years	45.6	43.3	47.9
14 - 29 "	28.9	27.8	30.0
30 - 44 "	11.8	14.1	9.5
45 - 64 "	10.2	11.3	9.2
65 and over	3.5	3.5	3.4
	100.0	100.0	100.0

24. It would appear that close to half of the population was in the non-production age group, while more than another quarter was in only a preliminary stage of contributing to the economy. Less than a quarter of the population, in which females predominated, had to provide the main support for the rest of the population. Considering that the participation of females in the labour force is low by custom and tradition as well as due to the lack of productive opportunities in the occupied territories, the main burden of earning a living, providing for the dependents and contributing to the economy has fallen on a very small proportion of the male population in the territories.

25. Of the employed persons, 35 per cent worked in Israel, i/ indicating a potential loss of manpower resources for the development of the occupied territories. Most of the work in Israel was in unskilled and semi-skilled jobs in construction, industry and agriculture. While these jobs did enable the workers to earn an income, very little was available for investment purposes. For example, at 1968 prices, the gross national product per capita in 1979 has been estimated in the Gaza Strip and Northern Sinai at 1,077 Israeli pounds, while private consumption per capita has been estimated at 920 Israeli pounds. The figures for the West Bank are 1,632 and 1,341 Israeli pounds respectively. j/

26. A significant characteristic of the employment pattern in the occupied territories is the progressive decrease among those who normally provide leadership and dynamism to development, namely, scientific and academic workers, other professional, technical and related workers, and administrators and managers.

h/ Statistical Abstract of Israel, 1980, No. 31 (Central Bureau of Statistics, Jerusalem), p. 678.

i/ Ibid., p. 696.

j/ Ibid., p. 681.

Their numbers and percentage among the employees (wage and salary earners) and employed (wage and salary earners and all self-employed) are given in appendix II, table 2. In the Gaza Strip and Northern Sinai, the proportion of those employed in the scientific and professional categories fell from 8.8 per cent in 1972 to 6.6 per cent in 1979. In the West Bank, it fell from 8.7 per cent to 8.3 per cent during the same period. Lack of facilities in the occupied territories for advanced study in these fields and lack of job opportunities there are, no doubt, two of the main contributory factors to this progressive decrease. Because of the lack of employment opportunities, those who go abroad for further study do not usually return.

27. The proportion of those employed in clerical, sales and service categories has not registered any significant increase over the years except in 1977, as indicated in appendix II, table 3. It has remained around 20 per cent of the total employed. Lack of a proportionate increase in these categories in the total number of persons employed reflects the effect of a stagnant economy, restrictions to expanding wholesale and retail trading because of a licensing system for traders in the occupied territories to market the produce in Israel, and a significant decrease in the tourist trade which has fallen from a high of 84,590 bed-nights in 1970 to 45,540 in 1979. k/

28. As appendix II, table 4 indicates, the proportion of those employed as agricultural, skilled, semi-skilled and unskilled workers has shown a consistent increase in the Gaza Strip and Northern Sinai, reaching close to three quarters of the employed persons by 1979. In the West Bank, the proportion has ranged between a high of 74.4 per cent in 1974 and 71 per cent in 1977, with 1979 showing an increase of 1.4 per cent over 1977. Within this group, the proportion of agricultural workers has been falling, while employment among skilled and unskilled labour has shown slight increases, much of it attributable to expanding employment in Israel where in construction and industry it rose from 66.6 per cent to 71.6 per cent of those employed in Israel between 1972 and 1974 and from 66.6 per cent to 69.0 per cent between 1977 and 1979. l/ It is of interest to note that employment of the people of the occupied territories in these categories and agriculture and other employment fields has fluctuated with the Israeli economy, and additions to the labour force of the occupied territories due to demographic causes have been largely absorbed by the Israeli economy. As will be seen from appendix III, those employed in Israel increased from 52,400 in 1972 to 74,100 in 1979, while those employed in the occupied territories increased from 136,300 to 138,000 during the same period. This is another indication of a stagnant economy in the occupied territories.

k/ Ibid., p. 712, table XXVII.34.

l/ Ibid., pp. 698 and 699 and Statistical Abstract of Israel, 1975, pp. 708 and 709.

29. Housing, health and education as aspects of human resource development in the occupied Arab territories were examined in considerable detail in the report of the Group of Experts on the Living Conditions of the Palestinian People in the Occupied Territories submitted to the thirty-fifth and thirty-sixth sessions of the General Assembly (A/35/533 and Corr.1 and A/36/260 and Add.1-3).

30. A significant loss of manpower resources to the occupied territories has been those who fled the territories or were displaced following the armed conflicts of 1948 and 1967 and who have sought refuge in the neighbouring Arab countries. The number of refugees registered with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) at the end of December 1979 living in Jordan, Lebanon and the Syrian Arab Republic was 1,136,140 with a further 685,793 living in the West Bank and Gaza Strip. m/ Further losses of manpower, mostly of the technical and professional types, are incurred by the occupied territories as a result of the annual emigration of many Palestinians of working age in search of gainful employment in the neighbouring Arab States and beyond, because of the lack of jobs in the territories and in Israel commensurate with their education and training. This emigration has been estimated at an average of 20,000 persons per year. n/ Many persons who have had to leave have been debarred from returning under various regulations imposed by the occupying power. Young people in search of higher education have also left, the majority of them not returning to the territories. These also constitute losses in terms of manpower.

31. To the losses of Palestinian population incurred by the West Bank and the Gaza Strip as well as East Jerusalem should be added the Syrian population which fled the Golan Heights and the Quneitra district during and after the 1967 hostilities. The population prior to the hostilities has been estimated at 140,000 (S/14628, para. 208), and the present estimated population varies from 12,500 provided by Israel to the ILO mission to Israel and the occupied territories in March 1981 o/ and 8,000 mentioned in the report of the Security Council commission.

C. Economic resources

32. The occupation has had profound effects on the development process of the occupied territories in terms of their agricultural and industrial production, pattern and terms of trade, foreign exchange resources and investment. Many of these effects have been mentioned in the report of the group of experts on the living conditions of the Palestinian people in the occupied territories (A/35/533, annex I, paras. 22-28).

m/ UNRWA, Registration Statistical Bulletin for the fourth quarter 1979, (February 1980), table 1.

n/ Report of the Director-General, International Labour Conference, sixty-sixth session (Geneva, International Labour Office, 1980), appendix III, para. 84.

o/ Ibid., para. 24.

33. The available data from Israeli sources show an aggregate increase in agricultural output, including output of the Israeli settlements. The increases in output in quantitative terms are given in appendix IV. It would appear that the most conspicuous increases occurred during the early years of occupation. This can be attributed to the new technologies introduced by the occupying authorities in the form of new equipment, more intensive use of fertilizer, more effective methods of irrigation, new methods of production, better seed and wider use of pesticides and insecticides. There has not been much change in output during the period 1976-1977 and 1978-1979.

34. Information available from various sources indicates that there has been considerable change in the mix of agricultural products. The changes have been directed towards eliminating those items which compete with Israeli products of a similar kind and introducing new items which would provide raw material for the Israeli processing and manufacturing industries. Cases in point are the fall off in the production of melons and pumpkins in the occupied territories which compete with those from the Negev and the introduction of tobacco and sesame as field crops as well as selected varieties of vegetables for processing in Israel. A consequence of the modernization of the agricultural sector by the occupying authorities is the market that has been created for the Israeli industries which have a monopoly in the supply of the inputs, namely, machinery and other equipment, fertilizer, pesticides, etc. (see A/35/533, annex I, para. 38).

35. As regards industry, there is no evidence of any significant structural changes during the occupation that would make the sector a dynamic contributor to the development process of the occupied territories. Appendix V gives the structure of industry as it existed in 1979. It would appear that in the West Bank, 91.6 per cent of the industries employed less than 8 persons with the maximum number in the category employing 2 to 3 persons. In the Gaza Strip and Northern Sinai, 88 per cent of the industries employed less than 8 persons with the maximum number in the category employing 2 to 3 persons. In the West Bank, industrial establishments not engaging employees constituted 43.1 per cent, while in the Gaza Strip and Northern Sinai it was 46.5 per cent.

36. The industrial establishments in the occupied territories have had to function in the face of keen competition of similar products from more sophisticated and technologically advanced establishments in Israel, which have an open market in the territories. There is evidence to indicate that more and more of the small establishments in the territories are able to function only because of the jobbing orders they receive from Israeli industrial enterprises, particularly for such products as garments and other textile products, construction materials and metal and plastic fabrications.

37. A recent phenomenon which could have adverse consequences for the growth of the industrial sector of the occupied territories is the establishment of industrial plants and complexes in the Israeli settlements in the West Bank, the Gaza Strip and the Golan Heights. According to Dr. Bassam Sakat, Director of the Economics Department of the Royal Scientific Society, Jordan, the Arab enterprises had been financially hurt as a result of the closing of all Arab banks in the

occupied territories. The Israeli Government lent continuous support to Israeli industrial enterprises, making Arab industries less competitive and eroding their ability to survive (see S/14628, paras. 67 and 225). The industrial establishments in the Israeli settlements are assured of government support, provided with incentives; they can command financing from Israeli banks and are able to commence operations with more modern technology, advantages which are not available to the Palestinian entrepreneur.

38. The occupied territories have witnessed a dramatic change in their pattern and direction of trade as well as in its terms. Whereas prior to 1967 the West Bank and the Gaza Strip had no trade relations whatsoever with Israel, the latter has become the main trading partner, accounting in 1979 for 64.1 per cent of the total value of exports from the occupied territories and 88.0 per cent of that of imports.

39. Exports comprise not only those intended for Israel but also for other countries having trade relations with Israel to which the West Bank and Gaza Strip producers and their organizations are debarred from exporting directly. Exports are permitted to Jordan and through it to other Arab countries, subject to a requirement by the importing countries of a certificate as to the origin of the product, namely, the West Bank or the Gaza Strip. The Gaza Strip has been able to export directly to certain East European countries not having trade relations with Israel. Exports to and through Jordan to other Arab countries are a valuable source of convertible foreign exchange earnings for Israel. In 1979, they earned the equivalent of 2,185.1 million Israeli pounds. Exports to other countries, mainly from the Gaza Strip, were valued at 251.3 million Israeli pounds. Exports to Israel were valued at 4,367.2 million Israeli pounds.

40. Imports into the occupied territories from Israel comprise not only products of Israeli origin but also those from other countries having trade relations with Israel. These are subject to Israeli import duties. In 1979, imports from and through Israel were valued at 12,331.3 million Israeli pounds; imports from Jordan were valued at 127.3 million Israeli pounds; and from other countries at 1,553.0 million Israeli pounds. For 1979, trade with Israel registered a deficit of 7,963.6 million Israeli pounds. Trade with Jordan had a surplus of 2,057.8 million Israeli pounds, and with other countries a deficit of 1,301.8 million Israeli pounds. p/

41. Two pertinent observations can be made on the basis of the above analysis. The first is that much of the wages earned by workers of the occupied territories employed in Israel is returned to the Israeli economy through the purchase of goods and services originating in Israel. The second is that foreign exchange to the value of 2,057.8 million Israeli pounds accrued to the Israeli economy in 1979, which, if not for the occupation, would be available to the producers of the

p/ Data in paragraphs 48, 49 and 50 have been computed from the Statistical Abstract of Israel, 1980, p. 685.

occupied territories. This, together with transfers to private persons from abroad amounting to 2,036.0 million Israeli pounds in 1979, q/ constituted a considerable addition to the foreign exchange resources at the disposal of the Israeli authorities.

42. Given the option to use these foreign exchange earnings and remittances from abroad at their discretion, the people in the occupied territories would have had a wider range of technologies and services for improving their agriculture, industry and living conditions. Under the prevailing conditions of occupation, however, they have no choice but to rely on what can be provided through Israeli sources. The uncertain conditions under which they live, the restrictions imposed on the use of their resources, the disincentives to improving their economy in terms of its contribution to a viable and dynamic society and the absence of any kind of involvement in the development process, all these have led to a situation where disposable resources after meeting consumption needs are expended mostly in private residential building rather than income-producing activities.

D. Infrastructure resources

43. In broad terms, infrastructure for development includes basic transportation and power-supply systems and such prerequisites for development as housing. After the Israeli occupation in 1967, housing construction activity in the West Bank fell drastically, creating a severe shortage and leading to high rents and overcrowding. At present, more than 50 per cent of the West Bank Arab population live in conditions where the density is more than three to a room.

44. A report prepared for the Economic Commission for Western Asia (ECWA) also notes that dilapidation of existing housing supplies in the West Bank has created further problems. r/

45. The housing situation is aggravated by the general problems of provision of infrastructure. Most villages still lack adequate connexions to water supplies, electricity, and to highway transportation networks, as indicated in appendix VI.

E. Cultural resources and values

46. The most severe impact of the occupation in cultural terms has fallen on the Arab population of East Jerusalem. Fragmentation of the Arab community living there has taken place physically by the establishment of Jewish residential quarters and settlements in the areas appropriated by the Israeli authorities. The

q/ Ibid., p. 683, table XXVII/9.

r/ B. Abu-Kishk, "Human Settlements: problems and social dimensions in the West Bank and Gaza" (ECWA, Beirut, 1981).

educational system has been changed from the prevailing Jordanian to the Israeli system, and the Israeli curriculum and textbooks have been substituted. Social, cultural and sports activities among the Arab residents have been discouraged. The circulation of a large number of books has been prohibited, and entry has frequently been refused for books and publications dealing with Arab culture and history. The authorities have renamed streets and sites in East Jerusalem which are of great religious and historic interest to the Arab and Moslem peoples. These and other instances affecting cultural values and the heritage of the Palestinian people have been documented in the report dated May 1979 submitted by the Hashemite Kingdom of Jordan to the Security Council commission established under Council resolution 446 (1979).

47. Conflicts have occurred between the Palestinians, on the one hand, and the Jewish community and the Israeli authorities, on the other, over the property of and rights to Al-Haram Al-Sharif containing Islamic sanctuaries and excavations in and around these sanctuaries; the application of Israeli law to Muslim religious affairs in East Jerusalem; and over the use of the Ibrahim Mosque in Hebron (see S/13450, Add.1, paras. 63-76, 89-93 and 112 and S/14268, annex I, paras. 5 and 16).

48. Instances have been cited in various contexts of attempts on the part of the occupying authorities to restrain the development of cultural values and resources of the Palestinian people living in the occupied territories and their transmission to the younger generation through the press and the educational media. In November 1980, the Bir Zeit University was closed for a week after the students began a "Palestinian Week" s/ celebration on campus without obtaining permission from the authorities. In another case, the Secretary-General of the Union of Palestinian Artists and Painters addressed a statement to the twenty-first General Conference of UNESCO, convened in Belgrade in 1980, in which he had mentioned a law enacted by the occupying Power to the effect that any Palestinian found singing a national hymn would be arrested and imprisoned for five years or fined a sum of 20,000 Israeli pounds. He had also cited cases where exhibitions of paintings had been raided, some paintings confiscated, and the closure of the 79 Gallery, an institution sponsored by the local Palestinian artists and painters for developing their art and culture.

49. The Jerusalem Post of 2 February 1981 reported that the Military Administration had banned the distribution in the West Bank of a number of books recently published in Lebanon, Jordan and Egypt. Libraries, bookstores and schools were warned to neither sell nor use those books. Moreover, according to information provided to the mission, the police raided several public libraries as well as libraries in schools and institutions in the West Bank, confiscating the books which were said to contain "insulting passages towards the State of Israel

s/ Middle East Journal, Spring 1981, vol. 35, No. 2, Chronology of Events, pp. 209 et seq.

and the Jewish people and others that constitute incitement". According to further information provided to the mission, Israeli forces conducted a raid and search of the Al-Njah University library. The Jerusalem Post of 2 February 1981 also reported that the municipalities of Ramallah and El-Bireh had been ordered to remove cloth maps of Palestine that hung in the mayors' chambers. Refusal to do so would result in prosecution, the authorities had said. Removal of the maps was ordered, it was reported, because they lacked the title of "State of Israel".

50. The report of the Director-General of UNESCO (20 C/113), on a fact-finding mission which visited the occupied territories in November-December 1977 mentions, regarding cultural and educational aspects in the occupied territories, that books are censored by the deletion of poetry or prose deemed to be patriotic by Palestinians. In many books the indication of the place of origin (Jordanian Ministry of Education, for example) is replaced by "West Bank Military Command" in Hebrew and Arabic. As regards books on history and geography, there were incomplete maps, biased views towards events relating to the region or to the neighbouring Arab countries, and the almost systematic replacement of "Palestine" by "Israel". The Israeli authorities did not permit the establishment or reopening of arts centres and cultural clubs which were too readily considered to be "hotbeds of rebellion". The censorship manages to reject certain works of fundamental importance to Arab culture ranging from poets and prose writers of the second and third centuries of the Hegira, to the works of Arab poets of the early twentieth century on the grounds that they constitute incitations to violence.

51. The report further states that festivals and exhibitions require the prior authorization of the military authorities and are sometimes forbidden at the last moment even when an authorization has been obtained. Folklore is also censored for security reasons invoked by the Israeli authorities. In a general conclusion the report mentions, inter alia, that the censorship, as practised at the time (1977), restricted the prospects of young Palestinians in the occupied territories by giving them a distorted image of their cultural heritage and making it difficult for them to have reasonable access to the Arab world of today or the contemporary world in general.

52. Further constraints to the acquisition by young Palestinians of a sense of cultural values and of their heritage relate to the deletion of material in textbooks which would engender patriotic and national feeling, banning geographical atlases in which the name and maps of Palestine appear, and adoption of methods of control over the contents of curriculum courses in academic institutions. Many textbooks of Arabic history, culture or politics are banned on "security" grounds. t/

t/ "Measures taken by the Israeli Occupation Authorities to Change School Curricula", The Committee for the Defense of Palestinian Human Rights under Israeli Occupation, Beirut, Lebanon, 1979 (mimeo), p. 3.

IV. IMPACT OF THE OCCUPATION ON THE DEVELOPMENT PROCESS IN THE ARAB STATES, THE OCCUPIED TERRITORIES AND ON THE PEOPLE LIVING THERE

53. The Palestinian refugee and displaced population living in Jordan, Lebanon and the Syrian Arab Republic, numbering 1,136,140 at the end of 1979, has necessitated the deployment of resources by the Governments of those countries to supplement the resources provided by UNRWA, which were mainly in the areas of shelter, education, training and health and in the distribution of dry food rations. For example, the Government of Jordan has provided the camp sites with water and bears the cost of providing it to them. It has also had to increase the budgets of such ministries as Education, Health, Social Affairs, Labour and Development and Reconstruction to help meet the needs of the refugees and displaced persons. The Government of the Syrian Arab Republic has had to make provision for the rehabilitation of its population that fled the Golan Heights and Quneitra district. The Government of Lebanon has had the continuous problem of coping with the needs of the Palestinian groups and its own citizens affected by violence in the area and by Israeli action. It is difficult to estimate the quantum of resources so deployed by each of the concerned Governments, as data directly attributable to the alleviation of the conditions of the refugees and displaced persons in each of the countries are not readily available. However, it can be assumed that they are considerable because of the increase in the population of refugees and displaced persons and the inadequacy of UNRWA resources to meet all the needs. It is clear that the developmental prospects of each of these countries has been adversely affected by the inability to reach a just and equitable solution in the area.

54. The impact of the occupation on the development process in Egypt has been examined in considerable detail, in terms of adverse economic effects, in the Secretary-General's report (A/32/204, paras. 58-109). Since then, Egypt has regained control over the oil fields at Abu Rudeis and over a part of the Sinai including the capital and human resources of the town of El Arish as well as water and other natural resources in the area. In the area under occupation, there are some 28 water wells. According to the Egyptian authorities, the condition of these wells as well as those returned earlier has yet to be assessed, particularly in terms of the effect of Israeli occupation and establishment of settlements.

55. The impact of the occupation on the development process in Jordan has also been examined in the Secretary-General's report (A/32/204, paras. 137-161). There is no reason to believe that income and production losses incurred by Jordan through the loss of control over the West Bank and East Jerusalem, which accounted for some 35 to 40 per cent of domestic production before the June 1967 war, have in any way since diminished. Under the regional development policies of the Government of Jordan prior to June 1967, the West Bank was being developed as the main source of agricultural production in the Kingdom. Since the war, although the "open bridges" policy of the occupying power has enabled Jordan to import agricultural products from the West Bank and Gaza, it has had to do so under the constraints of selected items allowed to be exported and the taxes imposed on them.

56. The Syrian Arab Republic has continued to incur losses to her national economy caused by the Israeli occupation of the Golan Heights which, prior to the June 1967 war, was reported to have produced between 9 and 11 per cent of the total production of Syria (S/13450/Add.1). The capital and income losses incurred by Syria resulting from the 1967 and 1973 wars are extensively examined in the Secretary-General's report (A/32/204, paras. 110-136). In a recent report submitted by the Government of the Syrian Arab Republic in connexion with the preparation of this report, it is indicated that the continued occupation of the Golan Heights has resulted in revenue and investment losses estimated at an annual average of 235 million Syrian lira and a cumulative loss of approximately 3,525 million Syrian lira up to the end of 1981. The cost of reconstructing and refurbishing the mosques and religious properties in Quneitra has cost 10 million Syrian lira. Damages to mosques and religious properties in the 150 villages in the Quneitra district have been estimated at 75 million Syrian lira. Cultural losses are represented by the destruction of the Cultural Center in Quneitra and monuments and historic buildings of the Roman, Byzantine and Ottoman periods in such places as Massarah, Bania and the historical hills around Quneitra. Income losses from the museums destroyed during the 1967 and 1973 wars have been estimated at \$12 million per annum.

57. In Lebanon, the situation that has developed cannot be separated from the wider developments in the area, including the occupation of adjoining Arab territories since 1967. The destruction caused to the Lebanese economy, not least in the south, and the need to relocate and rehabilitate the affected population, has adversely affected the development process in that country.

58. To assess the impact of the occupation on the development process in the occupied territories is to recount the adverse circumstances that have occurred in the lives and work of the people there in terms of loss of control over their resources and developmental options, the practice of their religion and development of their culture, and restrictions on the freedom of association, of expression and of movement. These have been commented upon in the preceding part of this report.

59. In addition to the above-mentioned circumstances hindering the development process in the occupied territories, a few other consequences need to be mentioned.

Foreign aid as a stimulus for development

60. In the circumstances in which the occupied territories find themselves, the infusion of outside resources to improve the economy and living conditions of the people is of paramount importance. At the Baghdad Summit of 1978, the Arab States established a special fund to channel resources to development projects in the occupied territories, and it was to be administered through a joint Jordanian-Palestinian committee. The flow of these funds has been progressively curtailed by the occupying Power through various administrative measures and policy directives. These have been documented in other reports submitted in response to General Assembly and Security Council resolutions and those of the governing bodies of other United Nations organs and the specialized agencies. According to Palestine Liberation Organization sources, \$US 150 million was to be transferred in

1981 for development projects in the occupied territories. In the past, approval of the Israeli Military Administration had on occasion been granted, although often after considerable delay, on satisfying certain conditions such as the consultants, the site, the specifications and the purposes for which the foreign resources would be used. Since August 1981, the transfer of these funds has been prohibited, as reported in Al-Fajar of 7 August 1981. While the occupying power asserts that the restrictions imposed are to ensure that the funds are used for the specific development project and not for subversive activities, the Palestinians in the occupied territories view these restrictions as part of a strategy to erode the economic, industrial, educational and infrastructural base of the territories and thereby provide a further reason for Arab emigration from the area.

61. Outside resources have also been made available through multinational channels. For example, under the mandate of General Assembly resolution 34/133, the United Nations Development Programme was to initiate a wide range of development activities in co-operation with other organs and agencies of the United Nations system. Eighteen projects at an estimated cost of \$US 3.5 million were approved by the Governing Council by its decision 79/18 and endorsed by the General Assembly. Agreement in principle with all interested parties had been reached for a more precise identification and formulation of 11 of the 18 projects, 10 of which were to be in the West Bank and Gaza and 1 in the Syrian Arab Republic. As of May 1981, three of the projects were under implementation and two were to commence implementation by 1 July 1981 (see DP/514).

62. The Governing Board of the United Nations Industrial Development Organization approved at its twelfth and fourteenth sessions the following projects in the industrial field as assistance to the Palestinian people:

- (a) Survey of the manufacturing industry in the West Bank and Gaza;
- (b) Training in industrial development;
- (c) Feasibility study for a cement plant in the West Bank;
- (d) Feasibility study for a canning plant for citrus fruits;
- (e) Assistance to the plastics industry;
- (f) Assistance to the pharmaceutical industry;
- (g) Assistance to small-scale industries and workshops.

Except for the project on training in industrial development, no progress had been made, as at February 1981, in the others, which are non-training projects, as access to the West Bank and Gaza had been denied by the occupying Power. u/

u/ See UNIDO document ID/B/C.3/97 submitted to the fourteenth session of the Permanent Committee of the Industrial Board and document ID/B/255 submitted to the fifteenth session of the Industrial Board.

63. There are a number of international non-governmental organizations working to alleviate the economic and social conditions of the people in the occupied territories, for example, Catholic Charities, American Near East Refugee Aid (ANERA) and Community Development Foundation (CDF). They constitute another source for channeling much needed foreign aid to small projects directly benefiting families and communities in the territories. It would appear that new rules have been issued restricting the implementation of such projects where the active participation of West Bank inhabitants is required and prompted (Community Development projects) while such restrictions do not apply to such projects where West Bank inhabitants serve essentially as consumers of supplies and services delivered to them. However, upon request from the Industrial Development Board, UNIDO is actively involved in identifying new projects which may be implemented to assist the Palestinian people.

Economic and financial constraints to development

64. The interdependence that is being progressively created between the economies of the occupied territories and Israel is having irrevocable effects on the development process in the former. While agriculture has benefited in terms of productivity and product mix, specialization of production has been directed towards supplementing agricultural production in Israel and the needs of Israeli agro-industries. Various persons knowledgeable of conditions in the occupied territories mentioned to the mission that agricultural research is discouraged in the West Bank and Gaza. What has been established there are demonstration centres to propagate results of research carried out in Israel. Under the present circumstances, in which the agricultural sector in the occupied territories is unable to respond to market conditions in production and distribution in which agricultural programming and the establishment of priorities and marketing of produce are in the hands of the Military Administration and in which farmers have to rely entirely on Israeli sources for the inputs, there is inadequate incentive to develop an agricultural base that will meet the needs of the people in the territories and of markets abroad.

65. The present circumstances are not conducive for the development of a viable industrial base. Activity in the industrial sector has, for the most part, come to rely on orders placed by Israeli enterprises on sub-contract or to supply materials to them. Because of the free entry of Israeli manufactured goods into the occupied territories, there is little incentive for the local industrialist to improve his product or expand production. He is further hampered by the lack of sources to finance research and development and modernize his plant.

66. Two other constraints to the agricultural and industrial development in the occupied territories are the establishment of new Israeli settlements and the lack of long-term and short-term development planning. As regards the former, the settlements are engaged in agricultural and industrial activities. They are in a preferential position. Their products compete with those of the local producers in the occupied territories who do not have comparable advantages in the form of subsidies, incentives, credit facilities and land, water and energy use. The lack of long-term development planning to give focus and direction for the development of the occupied territories is a principal cause of the stagnation of the economy.

It has impaired the systematic development of the economy, including financing, investment in productive activities and manpower planning, which would be viable and self-generating for the benefit of the people in the occupied territories.

67. A serious impediment to development impulses in the territories is the absence of a financial infrastructure to mobilize savings and provide for investment capital. After the occupation in 1967, major Arab banks were closed, and significant assets and liabilities were transferred out of the area. The Military Government administering the area permitted Israeli banks to open branches. These banks have not commanded the same measure of confidence of the savers and investors in the territories. Operations have been minimal and restricted to transactions involving the settling of accounts through Israeli banks, such as transactions made with Israeli or foreign firms. The more vital functions of providing services for development have been severely limited. Credit obtained from the banks, which is limited and high cost, is usually obtained for operating expenses. Little is used for capital investment, which is usually financed from current earnings of the enterprises or remittances from abroad.

68. Because of the instability of the Israeli monetary unit as a result of recent high rates of inflation, there is little inclination on the part of the residents of the occupied territories to accumulate assets in that currency. Most of it is spent on current transactions and for purchase of consumption goods. Wherever possible assets are accumulated, even for purposes of hoarding, in Jordanian dinars which are convertible and which are available in the territories where they are allowed to circulate alongside the Israeli currency. Where any returns on transactions are available in Jordanian dinars, there is a preference among the recipients in the territories to invest in developments in Jordan. Firms operating in the occupied territories and having interests elsewhere, such as in Jordan, tend to keep their operations in the territories to a minimum. v/

Sovereignty over national resources as an aspect of development

69. Sovereignty over national resources is generally interpreted as the prerogative of the people to determine how resources will be developed, how they will be used, conserved and preserved. These choices are normally made through political institutions. According to the mayors of Halhul and Hebron interviewed by the mission in Amman, Palestine Liberation Organization officials and representatives and residents of the West Bank who met with the mission, the highest form of representative government in the occupied territories is the municipality, which is responsible for local affairs, except police functions, within its area of jurisdiction. The municipalities, however, have been subordinated to the over-all authority of the Military Administration, which has tended to control and limit their decision-making powers and use of their resources. Municipal elections were held in 1972 and again in 1976 under the provisions of Jordanian law prevailing

v/ See UNCTAD report submitted to the twenty-third session of the Trade and Development Board (TD/B/870).

before the occupation. Those of 1976 brought to the forefront of municipal politics representatives, including mayors, from the National Front which supports the Palestinian Liberation Organization. Since then, the powers and rights of the municipalities have been severely impaired by decisions of the Military Administration. The characteristics of Israeli policies have generally been to reduce the self-financing capacities of municipalities, to use financial grants from the Military Administration to exercise political pressure on Arab mayors and, in particular, to withhold funds from municipalities governed by mayors considered unsympathetic towards Israel and its policies.

70. Information provided to the mission indicates that the military authorities had reduced the income from fuel taxes which are an important source of revenue, and in some cases withheld them, as in the case of Nablus where the military authorities had taken over the collection for the last two years. The military authorities had eliminated the share of the customs duties that used to accrue to the municipalities prior to the occupation in June 1967. Instead, a new 12 per cent excise tax was imposed, which is not shared with the municipalities. The military authorities also took over the granting of building licenses. This has resulted in the elimination of the license fee income accruing to the municipalities. At the same time, this action has given the power to the authorities to stop new building activity in the municipalities. The municipal elections which should have been held in 1980 under the law have been postponed indefinitely. It would appear that the decision-making powers of the people even at the level of the municipality are being curtailed further eroding their control over the national resources in their territories.

APPENDIX I

Table 1

Water consumption in Israel

Year	Total (millions of cubic metres)	Domestic (millions of cubic metres)	Industrial (millions of cubic metres)	Population (thousands)	Per capita domestic and industrial water (litres per day)
1958	1 274	196	46	2 000	332
1960	1 338	197	54	2 117	325
1965	1 329	199	55	2 563	272
1969	1 537	231	70	2 884	286
1970	1 564	240	75	2 974	290
1971	1 659	254	86	3 069	304
1972	1 565	268	87	3 173	307
1974	1 565	288	97	3 377	312
1975	1 596	295	94	3 455	310
1976	1 728	306	95	3 533	311
1977	1 670	308	91	3 613	303
1978	1 673	348	94	3 737	293
1979	1 790	367	96	3 836	306
Average 1970-1979					

Source: Statistical Abstract of Israel, 1973, 1978 and 1980 editions,
 (Israel, Central Bureau of Statistics).

Table 2

Water consumption in the West Bank and Israel

(Millions of cubic meters)

	<u>West Bank</u>	<u>Israel</u>
Agriculture	90	1 325
Industry)	95
House consumption) 10	300
)	
Total	100	1 720
Consumption <u>per capita</u> (over-all)	0.142	0.537
Domestic consumption <u>per capita</u>	0.013	0.086

Source: For West Bank: Palestine National Fund, "Water Resources and Policies in the West Bank" (n.d.), p. 4; For Israel: KIDMA: Israel Journal of Development, No. 10 (1977).

Table 3

Israel's available water supplies
(Millions of cubic meters per annum)

Jordan River water	450
Return flows, Jordan Basin	50
Springs in eastern watershed	150
Springs in western watershed (including Yarkon springs)	350
Ground water	450
Flood flows	100
Return flow from irrigation	100
Re-use of domestic and industrial water	<u>150</u>
Total	1 800
Less: domestic and industrial use	<u>300</u>
Available for irrigation	1 500

Source: Tabal (Water Planning for Israel, Ltd.), "The Master Plan for Israel Development of Irrigation" (Tel Aviv, 1956), p. 4.

APPENDIX II

Table 1

Population of the West Bank and the Gaza Strip
and Northern Sinai
 (In thousands)

<u>Year</u>	<u>Yearly rate of increase (decrease)</u>	<u>Natural increase</u>	<u>Population at end of the year</u>	<u>Increase (decrease)</u>
<u>The West Bank</u>				
1967	(1.7)	3.0	585.7	-
1968	(0.7)	11.7	581.7	(4.0)
1969	2.3	12.3	595.2	13.5
1970	1.5	13.7	603.9	8.7
1972	1.9	16.8	629.0	25.1
1974	2.4	18.1	661.6	32.6
1975	0.5	18.6	665.1	3.5
1976	0.9	20.3	670.9	5.8
1977	1.5	20.5	681.2	10.3
1978	1.4	18.6	690.4	9.2
1979	1.3	20.9	699.6	9.2
<u>The Gaza Strip and Northern Sinai</u>				
1967	(2.3)	3.3	380.9	-
1968	(6.6)	7.4	355.9	(25.0)
1969	1.8	9.2	362.2	6.3
1970	1.5	8.8	367.7	5.5
1972	2.0	11.5	383.5	15.8
1974	2.8	13.2	408.5	25.0
1975	2.4	13.8	418.5	10.0
1976	2.5	14.8	429.0	10.5
1977	2.9	15.3	441.3	12.3
1978	2.0	14.1	450.2	8.9
1979*	2.9	16.1	432.6	(17.0)

Source: Extracted from Statistical Abstract of Israel, 1980, No. 31,
 (Central Bureau of Statistics, Jerusalem), p. 677, table XXVII/1.

* Less the population of El Arish.

Table 2

Employment of professional, academic and administrative workers

	<u>1972</u>	<u>1974</u>	<u>1977</u>	<u>1979</u>
<u>Gaza Strip and Northern Sinai</u>				
<u>Employees a/</u>				
Total (thousands)	5.1	5.4	5.6	4.8
Percentage of total employees	11.9	11.2	10.9	9.2
<u>Employed</u>				
Total (thousands)	5.6	5.8	5.7	5.2
Percentage of total employed	8.8	8.0	7.4	6.6
<u>West Bank</u>				
<u>Employees</u>				
Total (thousands)	9.8	10.2	10.1	9.9
Percentage of total employees	13.7	12.8	13.7	12.6
<u>Employed</u>				
Total (thousands)	10.8	11.8	11.2	11.0
Percentage of total employed	8.7	8.6	8.8	8.3

a/ In this and the following tables, the term "employees" refers to wage and salary earners. The term "employed" refers to wage and salary earners and all self-employed.

Table 3

Employment of clerical, sales and service workers

	<u>1972</u>	<u>1974</u>	<u>1977</u>	<u>1979</u>
<u>Gaza Strip and Northern Sinai</u>				
<u>Employees</u>				
Total (thousands)	6.3	6.7	7.8	7.2
Percentage of total employees	14.7	13.9	15.0	13.8
<u>Employed</u>				
Total (thousands)	15.5	17.0	18.2	15.8
Percentage of total employed	24.4	23.3	23.7	19.9
<u>West Bank</u>				
<u>Employees</u>				
Total (thousands)	10.1	11.0	12.4	12.3
Percentage of total employees	14.2	13.8	16.7	15.6
<u>Employed</u>				
Total (thousands)	22.5	23.4	25.7	25.6
Percentage of total employed	18.0	17.0	20.2	19.3

Source: S/14268.

Table 4

Employment of agricultural, skilled, semi-skilled and
 unskilled workers

	<u>1972</u>	<u>1974</u>	<u>1977</u>	<u>1979</u>
<u>Gaza Strip and Northern Sinai</u>				
<u>Employees</u>				
Total (thousands)	31.5	36.6	37.9	40.3
Percentage of total employees	73.4	74.8	73.1	77.0
<u>Employed</u>				
Total (thousands)	42.5	50.2	52.7	58.3
Percentage of total employed	66.8	68.7	68.3	73.2
<u>West Bank</u>				
<u>Employees</u>				
Total (thousands)	51.8	58.9	51.5	56.4
Percentage of total employees	72.1	73.6	69.6	71.8
<u>Employed</u>				
Total (thousands)	91.7	102.5	90.4	96.1
Percentage of total employed	73.3	74.4	71.0	72.4

Source: S/14268.

APPENDIX III

Table

Employed persons, by selected economic branch and place of work
 (Percentage)

Year	Worked in Israel				Worked in the occupied territories				Total Thous- ands	
	Other	Constr- uction	Indus- tries	Agricul- ture	Other	Constr- uction	Indus- tries	Agricul- ture		Percent- age
1972	10.3	49.5	17.1	23.1	46.4	6.2	13.9	33.5	100	136.3
1974	10.9	52.5	17.5	19.1	46.0	6.2	14.0	33.8	100	141.7
1977	17.2	45.3	21.3	16.2	46.2	9.1	14.2	30.5	100	141.4
1979	16.2	46.2	22.8	14.8	45.1	10.1	16.8	28.0	100	138.0

Source: Statistical Abstract of Israel, 1980, No. 31, p. 696.

APPENDIX IV

Table

Agricultural output in the West Bank and Gaza Strip

	Quantity (Thousand tons)					
	1967-1968	1972-1973	1973-1974	1976-1977	1977-1978	1978-1979
<u>West Bank</u>						
Field crops	23.5	43.3	63.9	41.8	46.0	41.2
Vegetables and potatoes	60.0	93.4	136.3	149.4	156.3	141.3
Melons and pumpkins	36.0	3.3	4.2	8.9	11.4	8.0
Olives	28.0	21.0	110.0	17.0	85.0	21.1
Citrus	30.0	58.0	61.5	85.5	80.8	79.1
Other fruit	47.9	61.8	69.0	78.8	95.4	87.0
Meat	10.3	20.2	20.0	20.5	19.8	23.5
Milk	30.3	44.3	44.7	39.6	39.9	39.4
Eggs (million)	25.0	38.0	38.0	40.0	44.5	44.5
<u>Gaza Strip and Northern Sinai</u>						
Field crops	x	x	x	x	x	x
Vegetables and potatoes	31.8	40.5	38.1	50.8	53.4	51.4
Melons and pumpkins	12.5	5.0	6.1	2.9	2.8	3.6
Citrus	91.0	205.2	211.9	232.3	180.6	189.3
Other fruit	19.0	21.4	26.4	21.1	24.8	19.5
Meat	1.7	3.5	3.4	4.3	4.8	5.1
Milk	2.8	10.2	11.7	12.0	14.8	16.2
Fish	3.7	4.6	3.5	5.1	4.5	3.5
Eggs (million)	10.0	30.0	30.0	35.0	40.0	47.5

Source: Statistical Abstracts of Israel, 1975, p. 710 and 1980, p. 701.

APPENDIX V

Table

Structure of industry in the West Bank and Gaza Strip
 (1979)

Number of persons employed	Number of establishments
<u>West Bank</u>	
1	585
2 - 3	920
4 - 7	518
8 - 10	71
11 - 20	77
21 or more	37
Total	2 208
<u>Gaza Strip and Northern Sinai</u>	
1	407
2 - 3	423
4 - 7	344
8 - 10	68
11 - 20	62
21 or more	30
Total	1 334
<u>West Bank</u>	
Establishments engaging employees	1 256
Establishments not engaging employees	951
Total	2 208
<u>Gaza Strip and Northern Sinai</u>	
Establishments engaging employees	714
Establishments not engaging employees	620
Total	1 334

Source: Statistical Abstract of Israel, 1980, p. 707.

APPENDIX VI

Table

Distribution of village infrastructure

District	Total Villages	Villages without electricity		Villages without a water system		Villages with poor connexion to highway	
		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
East Jerusalem	32	15	47	21	66	9	28
Ramallah	70	48	61	38	54	6	4
Bethlehem	32	27	84	22	69	21	66
Hebron	60	39	65	40	67	19	32
Nablus	124	106	85	114	92	37	30
Tulkaum	46	32	70	23	50	7	15
Jerim	64	50	78	53	83	16	25
West Bank	428	312	73	311	75	115	27
Gaza Strip	21	5	24	4	19	4	19
Total	449	317	70	325	72	119	26

Source: Data collected by the Secretary of the International Council of Churches, February 1980.

APPENDIX VII

Reply dated 3 August 1981 from the Permanent Representative of Israel
to the United Nations to a note verbale of the Secretary-General
dated 22 June 1981

The Permanent Representative of Israel to the United Nations presents his compliments to the Secretary-General of the United Nations and has the honour to refer to the Secretary-General's Note PO/230 of 22 June 1981 on permanent sovereignty over national resources in the territories administered by Israel.

The General Assembly resolutions pertaining to the above subject are motivated by blatant political hostility towards Israel. Therefore, the Government of Israel regrets that it cannot associate itself with the actions called for by those resolutions.

The above-mentioned resolutions are distorted and biased against Israel and they ignore many productive activities and achievements. As a result, Israel voted against them.

Concerning the involvement of staff members and consultants of the Economic Commission for Western Asia (ECWA) in the preparation of the proposed report, the Permanent Representative of Israel wishes to recall that the establishment of ECWA in 1973 was a flagrant violation of the principles of the United Nations Charter which pertain to the sovereign equality of all States. Since the Commission's inception, Israel, a Member State of the United Nations situated within the geographical region of the Commission, was deliberately excluded from membership in the Commission.

The defect inherent in the very existence of ECWA was compounded by the admission of the terrorist PLO to full membership status in ECWA, in violation of the norms governing membership in such regional commissions.

Furthermore, the "balanced and objective expert view" mentioned in the Secretary-General's note cannot be attained by an investigation limited to "pertinent losses" as indicated in resolution 32/161. On the contrary, to be balanced and objective, the expert view should include a report on the outstanding achievements attained in the administered territories, such as the substantial improvement in the standard of living of the local population, the full employment there, the important achievements in building and construction, the increase in agricultural output, the modernized methods introduced in all economic fields and the significant rise in the GNP.

Consequently, Israel can hardly be expected to allow ECWA consultants and staff members to take part in a mission to territories administered by Israel.

The Permanent Representative of Israel to the United Nations avails himself of this opportunity to renew to the Secretary-General of the United Nations the assurances of his highest consideration.