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DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION:
HUMAN SETTLEMENTS

Letter dated 16 July 1982 from the Permanent Representative of
Israel to the United Nations addressed to the Secretary-General

I have the honour to attach herewith a report on "Living Conditions in Judea-Samaria and the Gaza District", constituting a shortened version of the report prepared by the Government of Israel pertaining to the economic and social developments in these areas between the years 1967 and 1981.

I have the honour to request that this letter and the attached report be circulated as an official document of the General Assembly under item 71 (j) of the preliminary list.

(Signed) Yehuda Z. BLUM
Ambassador
Permanent Representative of Israel
to the United Nations

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ANNEX

LIVING CONDITIONS IN
JUDEA-SAMARIA AND THE GAZA DISTRICT

FOREWORD

For the past fourteen years, day-to-day life for the more than one million residents of Judea-Samaria and the Gaza district has proceeded in an atmosphere of relative stability and security, accompanied by substantial economic and social development. The continued absence of a negotiated agreement on the final disposition of these areas, administered by Israel since the Six-Day War of June 1967, has had little adverse effect on those factors that largely determine the quality of life for the ordinary citizen - from food supplies to the quality of the educational system. Occasional disruptions, however sensational and widely-reported, cannot alter this overall assessment.

This climate of normalcy has been carefully nurtured by the Israel administration, which has aimed, as any responsible administration should, at encouraging solutions to practical problems and making further advances possible. The administration has stressed local participation and control at every level, often to a greater degree than the previous Jordanian and Egyptian governments.

ECONOMIC DEVELOPMENT

Since 1967 economic life in the areas has been characterized by rapid growth and a substantial increase in living standards, made possible by the interaction of the economies of the areas with that of Israel. Economic development has proceeded without the jolting dislocations that might have been expected from the drastic political change that occurred in 1967 largely because Israel has tolerated, and even encouraged, continued trade with traditional markets in the neighbouring Arab countries and has maintained the Jordanian dinar as legal tender in Judea-Samaria.

The pre-Six-Day-War economies of the areas were typical of most of the Arab world. Wealth was concentrated in the hands of a few influential families - who formed a political, social and economic elite. More than 80% of the inhabitants were at, or below, the subsistence level, working mainly as unskilled farmers or labourers. Unemployment and dependence on welfare were widespread, with virtually no demand for skilled labour. In Gaza, for example, unemployment stood at 43%, and the proportion of welfare recipients at 70%. Today unemployment is virtually non-existent, and welfare dependence has been greatly reduced.

The population of Judea-Samaria and Gaza has risen substantially - from 942,000 in 1968 to 1,145,000 by the end of 1980 - partly due to a decrease in infant mortality and an increase in life expectancy. Moreover, the persistent, sizable emigration that had been characteristic of the pre-1967 period, especially of skilled workers, was reversed after 1967, though it resumed somewhat after 1975, following the increase of employment opportunities in the Persian Gulf region and the relative slowdown of economic growth in Israel.

In the relatively short span of less than a decade and a half, the Israeli administration has succeeded in bringing considerable prosperity to the areas, as is suggested by the following indicators:

- * GNP has increased at an average annual rate of close to 13 percent, in real terms.
- * Per Capita Income has increased at an annual average of 11 percent, in real terms.
- * Per Capita Private Consumption has increased at an average annual rate of over 7 percent, in real terms.

Durable Goods

The rise in private consumption has led to an increase in the number of households possessing various durable goods. In 1980 there were almost 38,000 motor vehicles in Judea-Samaria and Gaza, as compared with fewer than 7,500 in 1968. There has been a considerable rise in the number of electrical or gas ranges (from 5% of Judea-Samaria households in 1967 to 75.3% in 1981, and from 3% of Gaza district households in 1967 to 70.9% in 1981), refrigerators (from 5% in Judea-Samaria in 1967 to 51.1% in 1981, and from 3% in Gaza in 1967 to 66.2% in 1981) and television sets (from 2% in Judea-Samaria in 1967 to 60.7% in 1981, and from 3% in Gaza in 1967 to 69.6% in 1981). All these modern conveniences, which had been the prerogative of a tiny elite until 1967, are rapidly becoming as universal in Judea-Samaria and the Gaza district as they are in the advanced industrial countries.

Electricity

Another significant indicator of rising living standards is electricity consumption. In Judea-Samaria, over six times as much power was consumed in 1981 as in 1968, while consumption rose even more dramatically in the Gaza district. By 1980, 97% of all urban households and 73% of rural households in Judea-Samaria used electricity for domestic purposes, as did 89% of Gaza district households; the 1967 overall figures for these regions were 23% and 18% respectively.

Until 1967, the supply of electricity in Judea-Samaria and the Gaza district was limited and sporadic, based on small local generators. Since then, the Israel administration has made major efforts to connect all cities, towns and villages with a modern power network, providing 24-hour-a-day service to every locality. In Judea-Samaria, the towns of Hebron, Kalkilya and Tul-Karem, as well as a large number of villages, have been linked up to the national power grid through five new high tension lines. In addition, a major portion of the power supplied by the East Jerusalem Electric Company to its concession area is provided by the Israel Electric Corporation. In the Gaza district, every single locality has been connected to the national grid, and consumption has increased dramatically.

Apart from the obvious domestic advantages, the expansion and improvement of the power supply in Judea-Samaria and the Gaza district has laid the groundwork for future industrial development there.

Telecommunications

The telecommunications infrastructures in Judea-Samaria and the Gaza district prior to 1967 were both limited in scope and primitive in nature, based exclusively on manual equipment. Today there are over 3½ times as many telephone subscribers in these areas as there were in 1967, and some 100 public telephones have been installed for the convenience of non-subscribers.

New automatic equipment, coaxial cables and radio-telephone hook-ups have not only expanded total capacity, but have also allowed for direct dialing between exchanges, permitting a virtual revolution in the usage, not only of local, but also of interurban and international lines. In Judea-Samaria, some 10,000 kilometres of cable have been installed since 1967. In the Gaza district, the entire telephone network has been buried underground or strung on high posts, providing greatly improved reliability.

Housing

Largely as a result of growing personal income, Judea-Samaria and the Gaza district have experienced a tremendous housing boom. Completed residential construction has escalated in Judea-Samaria from 63,300 square metres in 1968 to 606,200 square metres in 1980, with another 635,000 square metres in new starts; and in the Gaza district from 3,000 square metres in 1968 to 216,500 square metres in 1980, with another 312,000 square metres in starts. In fact, extensive clusters of new, modern housing can be seen in city and village at every turn, and construction sites abound.

Public Transport

Organized public transport in Judea-Samaria continues to contend with three principal obstacles to its orderly development: the widespread practice of transporting paying passengers in private vehicles; the advanced age, and resulting safety deficiencies, of a significant portion of the bus fleet; and the multitude of small companies operating in the field (over 100 companies, owning fewer than 500 buses).

In accordance with the proposed master-plan of public transport development in Judea-Samaria, substantial incentives have been offered for the withdrawal and replacement of obsolete buses. To date, however, these have met with only limited success - primarily with the larger bus companies.

In the Gaza district, on the other hand, despite the fact that the transport of paying passengers is no less prevalent, the bus fleet has been both expanded and modernized. Whereas in 1968 there were only 11 buses - all over twenty years old - today 42 late-model buses ply the streets and highways of the Gaza district. The taxi fleet has also been enlarged and renewed - as has been the case in Judea-Samaria - and satisfactory service is now available.

EMPLOYMENT AND LABOUR MATTERS

The main objective of the administration's economic policy in Judea-Samaria and the Gaza district has been that of guaranteeing full employment. This has been achieved mainly by offering a wide variety of well-paid jobs throughout Israel. Unemployment has been virtually eliminated - decreasing from 13% in 1968 to almost zero at the present time. In 1968, 127,000 inhabitants of Judea-Samaria and the Gaza district were employed, while in 1980 the figure reached 211,000. The number of those employed in Israel increased from 5,000 in 1968 to 72,000 in 1980. Since 1968 close to one-third of the areas' Gross National Product has resulted from employment in Israel.

Over the years, those working in Israel have gained advanced skills and seniority; they have thus far been unaffected by the appearance of some unemployment in the Israel economy, as was confirmed by a delegation of the International Labour Organization (ILO) which came on an inspection tour in March 1981. The delegation reported that Arab leaders and workers had testified to the lack of discrimination, at least in the modern, organized sector. Efforts to reduce the number of area residents employed in Israel in an unorganized manner (about 25% of the total) continued in 1980.

Area residents working in Israel are free to participate in organized labour activity, and increasing numbers of them are elected to plant-level works committees, the ILO reported. It also cited the major Arabic-language information drive by the Israeli Labour Ministry to reduce industrial accidents, including the appointment of a health and safety delegate from among the area workers in each enterprise.

Among the social benefits available to area residents who work in Israel in an organized fashion are: severance pay; work accident insurance; official action taken with regard to withholding of salary; annual vacation pay; sick pay; child allowance; clothing allowance; spouse allowance; seniority increment; annual holiday pay; religious holiday pay; and comprehensive health insurance.

Vocational Training

In keeping with the administration's policy of full employment, it has established an extensive vocational training programme, which did not exist under the Jordanian and Egyptian occupations of Judea-Samaria and the Gaza district.

Courses are available in a wide variety of fields, for both men and women, including carpentry, draftsmanship, accountancy, metal-working, construction trades, sewing and embroidery, dressmaking and cosmetic training. In fact, it is the demand for graduates, and the free choice of the students themselves, that determine which courses are offered at any given time. All students are paid while studying, and all graduates receive certificates which entitle them to wages and work conditions commensurate with their qualifications. Graduates are also assisted in finding suitable employment. According to the ILO survey, the total number of male and female graduates from these training courses during the past 14 years has been more than 40,000.

Trade Unions

There are currently 27 trade unions operating in Judea-Samaria, of which 15 have been registered since June 1967 or are currently in the process of registration. In addition, 562 cooperative societies are active, 179 of them founded after 1967 (37 in 1981 alone). In the Gaza district, there is one registered trade union - the Federation of Workers of Gaza.

Wages and Mobility

The standard of living of the Arab residents of Judea-Samaria and the Gaza district has risen steadily. In the US State Department's "Country Report on Human Rights Practices in 1979" it is stated in the section referring to Israel that, inter alia: "unemployment has nearly disappeared and real per capita income has more than doubled under the Israeli occupation," and "the gap between income levels in Israel and the territories has narrowed steadily since 1967."

The ILO survey, referred to above, notes that as a result of the interaction of the economies of Israel with those of Judea-Samaria and the Gaza district, and the free movement of labour, "the gap between wages in Israel and in the territories has narrowed considerably... the average daily wage paid in the occupied territories, which represented some 54% of the wage level in Israel in 1970, rose to almost 80% of that figure by the end of the decade."

These facts effectively refute the claim that employment in Israel has stymied growth in the areas. In fact, such employment has simply absorbed the excess labour force in the areas, as can be seen by the statistics cited above. If the Israel labour market were to be closed to area residents, this would cause far greater damage to the economies of the administered areas than to that of Israel.

Child Labour

The Israel administration has raised the minimum age for legal employment to 14, from the 13 previously permitted in Judea-Samaria and 12 in the Gaza district. This requirement has not always been easy to enforce, as the families themselves often send their children to work to supplement their incomes. Special programmes have recently been inaugurated to enable 14 and 15-year old workers to attend classes once a week.

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Productivity and Income

Immediately after the end of the Six-Day-War, the Israel administration began an educational campaign throughout these areas designed to raise agricultural productivity and income. Within a short span of time, a team of several dozen instructors, in cooperation with local staff, succeeded in introducing the widespread use of modern irrigation, fertilization, spraying and pest control techniques, as well as upgraded seed varieties. The organization of farmers into cooperatives was encouraged, veterinary services were improved and expanded and easy credit and other economic incentives were offered to encourage exports.

As a result of all these activities, production per unit of land and water doubled in field crops, orchard fruits and vegetables between 1967 and 1980. Growing mechanization (2,781 tractors in 1980 as compared with 459 in 1968) reduced the demand for labour (labour productivity in agriculture increased at an average annual rate of 17.5% in Judea-Samaria and 13.2% in the Gaza district during this period), causing a relative decrease in the number of those employed in agriculture as a percentage of total employment in the areas. (The excessive work force was absorbed in the newly-opened Israel labour market.) By 1979, only 24% of the work force was engaged in agriculture.

Expanded productivity, and the opening up of the relatively high-priced Israel food market (while traditional markets in the Arab countries were only partially disrupted, as they continued to receive produce over the Jordanian bridges), have led to large increases in agricultural income. In 1980, for example, the income of self-employed farmers rose by some 20% in Judea-Samaria and 15% in the Gaza district, with similar growth rates for agricultural wages.

Thus, the close contact with the Israel economy that developed after June 1967 proved beneficial to agriculture in Judea-Samaria and the Gaza district in three ways: (1) it provided alternative employment opportunities to the inflated agricultural work force, stimulating higher productivity; (2) access was gained to Israel expertise and production inputs; and (3) marketing opportunities expanded greatly, not only in Israel (and through Israel to Western Europe), but also between the two regions. About one half of fresh produce was exported in 1980, and an even higher percentage of processed foods. Growth in agricultural production since 1967/68 has averaged about 10% a year, compared with 5% a year in Israel.

Exports

The growth in commercial agriculture has led to certain changes in balance among the various agricultural branches. On the one hand, there has been a reduction in the cultivation of melons and pumpkins and, on the other, an increase in such labour-intensive crops as vegetables, for which there is a good overseas market. Trade with Western Europe has been made possible by improvements in both the quality of the product and its processing; for example, some 12% of Israel's citrus exports now originate in the Gaza district. Nevertheless, Jordan still takes the lion's share of the areas' citrus output, with a sizable quantity shipped on to Eastern Europe. Olives remain the largest single cash crop in Judea-Samaria, and their processing is a mainstay of local industry as well.

Investment

Despite rapid technological advance, there is relatively little local investment in infrastructure, and an under-utilization of capital. The residents themselves, as individuals and collectively, must direct their attention to practical social and economic development tasks, if future growth rates are to match the achievements of the past 14 years.

Meanwhile, agriculture continues to comprise a disproportionate share of the economies of Judea-Samaria and the Gaza district. The healthy growth rate experienced in this sector, however, should pave the way toward progress in other sectors as well, by speeding up the accumulation of capital and by stimulating a general awareness of modern technology and familiarity with some of its applications.

With the encouragement of the administration, some privately-initiated investments have recently been made - including eight packing plants in the Gaza district, as well as storage and refining facilities, modern oil presses and a citrus packing plant in Judea-Samaria.

WATER RESOURCES - JUDEA-SAMARIA

Situated on the edge of one of the earth's arid zones, the Land of Israel was never blessed with an abundance of water. The State of Israel has been forced to devote considerable effort and resources to the search for water, and to the development of its conservation and utilization by the most effective means. Israel, in fact, has become an international model for the efficient use of water in agriculture.

Subterranean aquifers, in Israel as elsewhere, do not correspond to political demarcation lines; as far as water resources are concerned, Judea-Samaria is inseparable from the territory of Israel within its pre-1967 lines. The area between the Jordan River and the Mediterranean Sea shares two main aquifers, extending on either side of the central watershed. The western aquifer, from which the residents of both Israel and Judea-Samaria draw most of their water, is subjected to excessive drain, which implies a lowering of the water-table and the risk of an irreversible process of salination.

Water Transfers

Since 1967, there have been reciprocal transfers of water between Judea-Samaria and Israel's territory within the pre-1967 armistice lines. The balance of these transfers in 1978-79, for example, was adverse for Israel: 1,069,000 cubic metres were pumped from Israel to Judea-Samaria, mainly to Ramallah and the Hebron Hill region. Since 1967, Israel has transferred no less than 2,188,000 cubic metres of its own water to Judea-Samaria.

Principal Sources

Wells: Jordanian and Israel law both require an official permit for the digging or boring of a new well. Between 1967 and 1979, of 80 applications for permits to prospect for water received from Arab inhabitants, 30 were approved. However, not a single new well was sunk by the applicants, because of the high cost involved - a quarter of a million dollars for each bore. A number of new wells have nevertheless been sunk by municipalities or local councils and by the administration.

At present, some 300 Arab wells and 17 Jewish-owned wells are operating in Judea-Samaria. The Jewish-owned wells (sunk since 1967) have only in one case caused a reduction of the water supply available to the Arab population, the majority of them having been sunk into deep water-bearing strata that had never before been tapped. In that exceptional case, the administration made good the deficiency from the new source at the same cost to the Arab users as they would have incurred in producing the quantity in question from their own source. In addition, the administration has sunk new wells for drinking water for the exclusive benefit of the Arab population of Judea-Samaria (see "Waterworks" below).

Springs: The rights of the resident population to the use of water springs have been strictly safeguarded since 1967. The rights of several absentee owners were vested in the Custodian of Abandoned Property, and these have been re-allocated to both Arab and Jewish farmers.

Infrastructure

Under Israel administration the domestic water consumption of Judea-Samaria residents has risen dramatically - from 5.4 million cubic metres in 1967/8 to 14.6 million cubic metres in 1978/9, and, despite the virtually unchanged consumption totals for agriculture, the area under irrigation has expanded by 150% and yields have increased twelve-fold, due to the introduction of modern equipment and techniques.

Waterworks: In 1967 there were only two public waterworks in all of Judea-Samaria - at Abood and at Shibtin. Under Israel administration these have been enlarged and several new regional systems added. Of the 3,200 cubic metres of water per hour available today in Judea-Samaria for domestic consumption, 1,750 are from works developed and maintained by the Israel administration, as detailed below:

- (1) The administration has dug three large wells near Herodion, supplying some 700 cubic metres of water per hour to the Hebron and Bethlehem areas, which had been receiving only 150 cubic metres per hour until 1970.
- (2) The Ramallah region now receives some 70% of its water needs directly from the Israel system, thus ending a chronic shortage.
- (3) Two new wells supply water to Jenin, increasing the supply nearly five-fold as compared with 1970.
- (4) The perennial water shortage in Nablus was substantially alleviated by a 200 cubic metre per hour well drilled by the administration and transferred to the municipality. For political reasons Nablus has refused to accept water from an administration-dug well at Beit Iba, which would completely alleviate the shortage.
- (5) Two new east-west pipelines in Samaria have been laid to provide dozens of villages with a regular supply of water for the first time. The initial villages are being connected this year.
- (6) A 30-kilometre pipeline is now being laid in the western Hebron Hill region, to supply water to 10 villages.

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Pools and Mains: In 1967 only 10 small storage pools existed in Judea-Samaria, with a total capacity of about 1,000 cubic metres. Since then, ten additional pools have been constructed by the Israel administration, with a total capacity of 9,850 cubic metres.

In 1967 only 45 kilometres of water pipelines existed in Judea-Samaria, with a total capacity of about 1,000 cubic metres. Since then, 200 kilometres have been added.

Under Jordanian rule, the rural water supply system covered twelve villages only - with pipes terminating at public distribution points. Since 1967, the administration has laid supply networks in 43 villages, with running water supplied directly from the main system to consumers' homes.

Future Plans

The water potential of the area between the Mediterranean Sea and the Jordan River is almost fully exploited, and this presents grave problems for the continued development of the entire area. Hope for a substantial increment lies in the projected construction by the Government of Jordan of the Makaren Dam, which will store and regulate the waters of the Yarmuk River, with its estimated flow of approximately 500 million cubic metres per annum.

The Government of Israel has indicated that, in principle, it favours the construction of the Makaren Dam, in the context of an agreement on regional cooperation which would ensure that the population residing west of the Jordan River receives an equitable proportion of this water, as is customary with regard to shared riparian rights - when rivers flow across international boundaries. The diversion of the Yarmuk waters solely to the East Bank of the Jordan River would not only be in violation of international law; it would stifle the future development of Judea-Samaria.

WATER RESOURCES - GAZA DISTRICT

The Gaza district is an arid area with an annual precipitation averaging only 150 mm in the south and 350 mm in the north. Agriculture is based mainly on irrigation. The only sources of water in the district today are 1,776 deep wells, 1,716 for agriculture and the rest for urban consumption.

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Hydrological surveys in recent years showed a definite and pronounced deterioration in the overall situation. Whereas some 120 million cubic metres of water were being drawn each year, the underground aquifers were being replenished with only 70-80 million cubic metres. This overpumping had been causing a drop of 15-20 cm a year in well water levels, an annual rise of 15-25 milligrams per litre of water in chlorine levels, and the penetration of sea water into wells in the inland area, in some cases as far as 1.5 kilometres from the coastline. Sixty percent of the water had more than 400 milligrams of chlorine per litre, endangering some of the crops and approaching levels unfit for human consumption.

To reverse this deterioration process, the Israel administration in 1975 instituted the following measures: no new wells could be sunk without permits; the flow in all existing wells was to undergo measurement; no new citrus groves could be planted without permits; water was to be allocated in accordance with previous recorded usage; and disputes between water consumers and well-owners would be subject to arbitration.

To supplement this programme, extensive information and counselling campaigns were conducted; farmers were offered grants to install sprinkler or drip irrigation systems; loans were made available to improve water pumping installations; and one-time grants were provided to those switching to crops requiring less water.

By the 1979/80 crop year, these steps had led to an annual saving of over 20 million cubic metres, despite a controlled increase in the area under cultivation and substantial improvements in the domestic water supply systems of the district.

INDUSTRY

The absence of modern industry in Judea-Samaria and the Gaza district before 1967 resulted largely from deliberate decisions by the Jordanian and Egyptian governments. They failed to provide either the physical infrastructure (roads, industrial parks, high-tension power and telephone lines) or the educational facilities (institutes of technology, training programmes); they also failed to institute the credit taxation and customs policies necessary in the early stages of industrial development. In the absence of government aid and direction, no large enterprises were built, and private investment remained minimal.

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Since 1967, the region's enterprises have been exposed to competition from Israel producers to satisfy local demand, while traditional Arab export markets have in part been disrupted, despite the Open Bridges policy. On the other hand, the opening of the borders with Israel has proven highly beneficial to those sectors in which the areas have a competitive advantage. Subcontracting has flourished, especially in garment manufacture, while exports of wood products, furniture, packing materials, plastics and building materials to Israel have skyrocketed. As a result, real turnover in the areas' industries has grown by about 8-9% annually. A number of new plants have been established and productivity increased in existing ones.

Notwithstanding the above, the industrial sector in Judea-Samaria continues to be characterized by a large number of small, poorly-capitalized enterprises (80% with fewer than 10 employees) producing such basic goods as foods, beverages, cigarettes, clothing, building materials and wood and metal products, all primarily for the local market. A few medium-sized plants also exist - mainly in the food, textile and plastic sectors.

Over the years thousands of workers from Judea-Samaria and the Gaza district have been accumulating valuable experience in the Israel industry, so that a skilled work force will be available as more advanced industries emerge in the areas. Large-scale improvements in roads, electricity, water supply and communications over the past 14 years have resulted in a suitable physical infrastructure and, indeed, there has recently been an increase in demand for government loans and operating credits.

Imports and Exports

The external trade of Judea-Samaria and the Gaza district has been characterized by continued growth during the period under review, both in imports and exports. Industrial products have accounted for over 80% of total imports and have also constituted a growing share of the expanding export market. Major trading partners have been, and remain, Israel and Jordan.

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Imports and Exports (percentages)

	Imports		Exports	
	1968	1980	1968	1980
Israel	76	90	43	67
Jordan	7	1	44	29
Other Countries	17	9	13	4
Total	100	100	100	100

The Open Bridges policy, inviting a continuous two-way flow of people and goods across the Jordan River, has permitted a continuation of commercial and economic ties with Arab countries. In 1980, goods worth 508 million Israel shekels (about US \$100 million) were exported across the Jordan bridges, and 28 million Israel shekels in goods were imported. Exports to Israel have also soared, as has trade between Judea-Samaria and the Gaza district. Agricultural produce is being shipped to new markets in Western Europe via AGREXCO (the central Israel corporation for agricultural exports).

Movement of non-agricultural products from the areas to Israel is regulated by an order which permits the export of any goods under a general license, provided that excise and customs duties have been paid in accordance with Israel law.

A free flow of imports from Israel is guaranteed by a system of general licenses, which allow any resident to bring in any goods lawfully manufactured and acquired in Israel. Imports from abroad come under the Israel licensing system, which does not require special licenses for most goods, including industrial imports.

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If statutory conditions as to quality, marketing and standards are fulfilled, the competent authority is bound to grant a license.

Trade in agricultural produce between Israel and the areas in both directions is regulated by a 1967 order. Permits from the competent authorities are required for this traffic in either direction, in order to facilitate statistical control of the quantity of produce entering Israel.

Permits are granted in a routine manner, in accordance with arrangements made between the local farmer and the Israeli merchant or marketing board. As distinct from Israel, where cultivation, marketing and exports are centrally controlled, no fixed production quotas or marketing restrictions are applied to the areas, except on grapes and plums during the two months when the Israel market is inundated with these fruits.

BANKING SYSTEM

Israel's efforts to have the Jordanian-based banks resume their operations in Judea-Samaria have proven fruitless. In order to avoid causing undue hardship to the local residents as a result of the absence of banking facilities, Israel banks were permitted to offer their services.

Two Israel banks operate in Judea-Samaria - Bank Leumi LeIsrael and Israel Discount Bank - providing the same full range of banking services as are available in Israel. However, they have not been entirely able to fill the vacuum created when local branches of Jordanian banks ceased to operate, as they have not been authorized to conduct operations in the Jordanian dinar, which remains legal tender in the area. Various money-changers and local insurance agents have therefore been operating a "shadow" banking system in dinars.

The commercial banks and the Bank of Israel have been working on a plan to begin accepting deposits and making loans in dinars for a 3-6 month trial period, in order to provide the local population with complete, reliable banking services. The banks would pay 4 - 4.5% interest on three-month minimum dinar deposits, and would collect 10.5% on loans made in dinars. A liquidity ratio of 40-50% would be required.

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EDUCATION

The entire educational network in Judea-Samaria and the Gaza district, from kindergarten upwards, has continued to operate in line with pre-existing structures and standards, following Jordanian and Egyptian versions of the traditional Arab system. From its inception, the Israel administration has refrained from interfering with the prevailing organization or curriculum, except in one respect: antisemitic racism and anti-Israel slanders have been eliminated from the textbooks.

In 1980/81, a total of 1,413 educational institutions operated in the areas, 915 of them governmental, and the balance supported either by UNRWA or by private international organizations. During the 14 years of Israel administration to date, the total number of classrooms has grown by 72% - from 6,148 in 1967/68 to 10,599 in 1980/81.

Staff

The overwhelming majority of the educational staff of Judea-Samaria and Gaza district schools are local residents (only 19 out of 12,000 were Israelis in 1979/80). The total number of teachers has grown by 82%, while the number of pupils per teacher has remained steady at 30. In addition, the administration has made major efforts to advance the professional level of unaccredited teachers. By the end of 1980, some 2,000 educational personnel had been accredited.

Pupils

During the 14 years of Israel administration between 1967 and 1981, an increase of 85% has been recorded in the total number of children attending school, although the population aged 5 - 18 has grown by only 16%. Whereas in 1967/68 only 56% of youths aged 5 - 18 attended school, by 1980/81 the percentage had jumped to 90.

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Education of Girls

The changes that have begun to take place in the status of women in society in the areas are reflected in the educational field. The number of girls in all types of schools has increased steadily - from 91,591 in 1967/68 to 184,946 in 1980/81, when 45% of the total number of pupils were female. The number of female high school graduates, also doubled during that period. In addition, there has been a significant increase in the number of women applying for university studies in professions such as medicine, engineering and law.

Textbooks

Textbooks are of Jordanian origin in Judea-Samaria and Egyptian in the Gaza district. Each year the Judea-Samaria school system receives approximately 30 new textbooks certified for use by the Jordanian government. Taking into account the prevailing animosity towards Israel in the neighbouring countries, the Israel authorities must review textbooks to ensure that anti-Israel or antisemitic material is not included. Between 1967/68 and 1977/78, Israel disallowed 14 Jordanian textbooks and 23 Egyptian textbooks.

Higher Education

Until 1967, no institutions of higher education existed in Judea-Samaria. Today, Arab high school graduates have the opportunity of continuing studies at four such institutions locally. Over the years, these have built modern plants, including libraries and laboratories, and have expanded steadily. In 1980/81 their total student population reached 6,218 - as compared with 4,652 the previous year - while the number of lecturers increased from 311 to 374.

The Israel administration contributes to the budgets of these institutions. It does not interfere with their study programmes, nor does it have any say in lecturers' salaries and working conditions.

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Bir Zeit University is a private institution first established in 1924 as a preparatory school. In June 1973, the Israel administration granted it a license to operate a four-year study programme. The university, supported by Christian institutions abroad, has three faculties: literature, natural sciences and education. It offers a B.A. in academic disciplines and an M.A. in education, both recognized by all universities in the Arab states and by American universities. Bir Zeit University employed 161 lecturers and had a student population of 1,661 in 1980/81.

Frères University of Bethlehem, founded in October 1973, is supported by Christian (mostly Catholic) institutions abroad. This has made it difficult for it to receive recognition from the Union of Universities in Arab countries. In 1980/81 it employed 77 lecturers and had 941 students. Frères University has departments of literature, natural sciences, social sciences, the humanities, art, business administration, hotel management and practical nursing.

Al-Najah University in Nablus operated as a school from 1918 to 1967, when it became a college. In 1975, the Israel administration granted it recognition as an institute of higher education. It has been recognized by universities in Arab countries. In 1980/81 it employed 122 lecturers and had 2,650 students. It has departments in natural and social sciences, architecture, education, psychology and English.

The Islamic College in Hebron was founded in 1971 on the initiative of the former Mayor of Hebron, Muhammed Ali Al-Jabri, to train teachers of Islamic Studies. It offers a B.A. degree. In 1980/81 it employed 14 teachers and enrolled 966 students. Apparently for reasons of academic rivalry, the institution has run into difficulty in obtaining recognition from the Jordanian government and from Arab universities.

In addition to these academic institutions in Judea and Samaria, there exists in Gaza the Al Azhar Seminary, established in 1954 as an affiliate of the institution of that name in Egypt. It offers high school graduates two years of college-level studies

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in Islamic religion. At present, the institution employs 40 lecturers and has 200 students.

Jordanian law made no provision for the establishment or functioning of universities in Judea-Samaria. In order to avoid a legal vacuum, the Israel authorities decided to provide a legal and administrative framework for the functioning of the universities, similar to that existing anywhere in the world.

A committee of legal and educational experts recommended that the Jordanian Education and Culture Law (No. 16) 1964 be applied to these universities, thus avoiding the more rigorous governmental supervisory provisions of the Amman University Law. Order No. 854 of 7 July 1980 thus simply adapts the provisions of the Jordanian Education and Culture Law concerning the licensing of private institutions and the appointment of teachers to the framework of the Israel administration, placing the responsibilities formerly held by the Jordanian Ministry of Education in the hands of the competent civilian authority dealing with educational matters in the area.

Considerations of public order were added to the criteria for granting licenses for the establishment of educational institutions. Convictions for security offences were added to the criteria for rejecting or transferring teachers, and a system of entry permits was instituted in order to prevent infiltration into universities and colleges by those whose aim is not education but rather its disruption.

Any decision made by the Israel authorities dealing with educational matters must be bona fide and non-arbitrary. These decisions are under the vigilant legal scrutiny of the Israeli High Court of Justice, to which any resident of the area is free to appeal.

In the circumstances in which Israel is administering the areas, the authorities are charged with the maintenance of public order and normal day-to-day life,

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including the administration of schools. This duty includes the necessity of ensuring that both staff and students refrain from any extreme form of political activity that might jeopardize public order and prejudice the educational and cultural contribution the schools can make to local society. In line with this responsibility, the administration has been compelled, on occasion, to close some of these institutions temporarily.

In addition to the provisions of Order No. 854, separate general rules were issued enabling non-residents wishing to teach or study in the educational institutions in the area to do so, subject to special permits. The latter requirement was based upon the need to prevent the infiltration into the universities of students and teachers whose sole purpose is to disrupt the educational system and to incite to violence. Permits are granted as a matter of course to non-resident students or teachers, unless specific intelligence information renders it necessary to prevent their entry.

In the academic year 1980/81, 110 of the 374 faculty members in the four Judea-Samaria universities were from foreign countries, 28 were from East Jerusalem and 15 were from other parts of Israel. Only a nominal number of non-residents were denied permits. Many of the foreign lecturers who were approved could hardly be described as politically acceptable to Israel - were such a test to be applied, as has been falsely alleged.

PUBLIC HEALTH

In 1967 the level of public health in Judea-Samaria and the Gaza district was relatively low, due to the prevailing social and economic conditions. Epidemics and infant mortality were common, particularly in the Gaza district, because of poor sewage systems, overcrowding in refugee camps, lack of running water in homes, and a consequently low level of personal and family hygiene. Hospitals, particularly in Gaza, were poorly equipped and overcrowded. Doctors, as in most developing areas, were few in number.

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In view of the severity of these health problems, resulting from generations of neglect, the administration undertook a wide-ranging programme of improvements that have already begun to have a marked effect on the state of the areas' medical facilities, including: the introduction of advanced medical technology and expertise provided by Israel medical teams; the expansion of existing training facilities for local Arab medical teams; the establishment of new hospitals, medical centres, nursing schools and para-medical schools; the training of local Arabs in Israel hospitals; the introduction of new equipment; the expansion of immunization programmes; the establishment of school health services; the collection of information on contagious diseases; the improvement of sanitation systems; the installation of running water; and the establishment of mother-and-child health care centres.

Higher nutritional levels resulting from greater prosperity and a greater awareness of the principles of basic hygiene have also contributed to improved health standards in the areas, which are now virtually free of the epidemics known previously. Infant mortality - at 28.3 per 1,000 live births in Judaea-Samaria and 43 per 1,000 in the Gaza district - is far lower than in the Arab countries (ranging from 59 per 1,000 in Lebanon to 152 per 1,000 in Saudi Arabia).

Partial health care insurance was introduced in Judea-Samaria in 1973 and in the Gaza district in 1976; In February 1978 a new health insurance plan was introduced which provided the insured individual and his dependents with comprehensive, free health care in all health care agencies in the areas and rendered them eligible for hospitalization, when necessary, in Israel institutions. The plan was automatically applied to all administration workers and to area residents working in Israel, and was offered on a voluntary basis to all other area residents. In this connection it is worth mentioning that between 1967 and 1980, 21,899 area residents received medical care at Israel hospitals. Until 1973, the cost of these hospital visits was borne by the government health services; since then, insured individuals have been required to bear a portion of the costs.

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The rates for health insurance are low (\$4 a month per family) considering the real costs involved (\$125 a day for hospitalization) and compared with the rates for health insurance offered by the Histadrut Labour Federation in Israel or any similar scheme.

By 31 March 1981, a total of 664,735 area residents were covered by this health insurance plan (296,930 in Judea-Samaria and in the Gaza district). Health services have been expanded and improved. Area residents working in Israel, for example, may now receive treatment at health care clinics there. As a result of the massive increase of newly-insured families, hospital and clinic use have risen dramatically.

With the introduction of comprehensive health care insurance, Judea-Samaria in the Gaza district now have health insurance programmes that in some ways are more advanced than those currently in effect in Israel.

SOCIAL WELFARE

Social welfare services in Judea-Samaria prior to 1967 were limited to the distribution of food and money to "residents of border villages" and individual welfare cases. Egypt provided almost none in the Gaza district. A lack of local supervision, and the uncoordinated operation of various international organizations, led to duplication of efforts and an inequitable distribution of assistance.

After the Six-Day War, governmental and private welfare offices were re-opened, social workers agreed to resume work and welfare payments were continued according to the old system. A transition period followed, in which new guidelines were drawn up for determining need and locating candidates for rehabilitation. After several months, the system of granting aid only according to need was put into effect.

Since that time, the emphasis of the Israel administration has been on the rehabilitation of the welfare recipients by training Arab social workers (whose numbers have doubled since 1967 to 300), with the ultimate aim of freeing them from dependence on relief and allowing them to achieve social and economic independence. As a result of this policy, and the increase in the number of gainfully employed persons, the total number of non-refugees receiving various forms of welfare assistance dropped from 312,000 in 1967 to 70,000 in 1981.

The professional skills of local welfare workers have been advanced through a variety of courses, including a one-year programme for social workers, as well as through meetings and conferences with Israel colleagues. Both the actual provision of services and decision-making authority have been greatly decentralized since 1967. Several types of programmes are now in operation:

(1) Cash payments - Full assistance is provided to those without any income and who are unable to work. A family of four receives 40% of the average wage of the region (taking into account salaries of those working in Israel). Smaller payments (in cash or food) are provided to those unable to work whose limited income is below subsistence levels. While close supervision, rehabilitation and economic growth have dramatically reduced the number of those receiving partial relief, cases of full assistance have multiplied, as a result of conscientious needs-surveys.

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(2) Rehabilitation - Schools, protected workshops, training centres and residences have begun to be established for the blind and for other disabled people. Day-care centres for the retarded have been established and a residential facility is being built; surveys are being conducted to locate suitable candidates for these institutions.

(3) Youth Programmes - Juvenile delinquency has increased as a result of the abrupt confrontation with a different way of life in Israel and the deterioration of traditional social structures locally. In Gaza, Ramalla and El-Bireh, institutions have been established for young offenders, where stress is placed on vocational training and rehabilitation, as have vocational training programmes for teenagers expelled from regular schools. Most of the graduates of these programmes have subsequently been employed in the areas or in Israel.

(4) Community Development - The administration has stimulated and actively participated in village development programmes designed to inculcate an awareness of communal needs. As a result, the level of cooperation has greatly increased in projects related to water supply, sewage, schools, roads, etc., financed in part by international organizations. In urban areas, a number of community centres have been inaugurated, especially in the Gaza district.

(5) Summer Camps - Several thousand children from Judea-Samaria and the Gaza district have participated in eight-day residential summer camp programmes in Israel.

Local Voluntary Activity

Some 160 local voluntary organizations (the Red Crescent, women's groups, village societies, etc.) engage in such activities as mother-and-child care centres, nutrition programmes, kindergartens and institutions for the disabled, in cooperation with the administration, which often serves as a liaison with international groups. Only about 100 local groups existed prior to 1967.

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International Organization

In addition to the social welfare activities of the administration and of local voluntary organizations, various international organizations operate in Judea-Samaria and the Gaza district. The Israel administration has consistently worked in cooperation with a large number of such organizations, some of which began their activities in the areas after 1967.

In fact, immediately after the cessation of hostilities in that year, Israel asked all the groups active in the field to continue their programmes, and ratified the existing agreements with the Jordanian and Egyptian governments. An agreement was signed with UNRWA (the United Nations Relief and Works Agency), for example, allowing continued work with Palestine refugees, with the full cooperation of the Israel administration and its substantial financial support (over U.S.\$150 million in direct aid provided by Israel to UNRWA between 1967 and 1981).

Three types of international organizations operate in Judea-Samaria and the Gaza district, in support of a wide variety of health, education and welfare activities:

(1) UN Agencies: International Labour Organization, World Health Organization, United Nations Educational, Scientific & Cultural Organization, United Nations Relief & Works Agency, United Nations Development Programme, United Nations International Children's Emergency Fund, Food & Agriculture Organization and the United Nations Industrial Development Organization.

(2) US-Based Voluntary Organizations: C.A.R.E., Lutheran World Federation, Catholic Relief Services, Mennonite Central Committee, Near East Council of Churches, Save the Children Federation, American Friends Service Committee, American Near East Refugee Association, American-Mideast Educational and Training Services.

(3) European-Based Voluntary Organizations: Swedish Organization for Individual Relief; Swedish International Relief Association; Swedish Free Church Aid; Swedish Save the Child Federation; Svenska Journalen; Norwegian Refugee Council; Terre des Hommes; International Red Cross.

CIVIL LIBERTIES

The Israel administration has done everything possible throughout the past fourteen years to ensure normal day-to-day life for the residents of Judea-Samaria and the Gaza district, who have enjoyed a degree of freedom hitherto unknown under any military administration.

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Even newspapers hostile to the administration are permitted, as are political assemblies protesting against its actions; freedom of movement between Israel and the areas is virtually unlimited; free municipal elections have been conducted; strikes are permissible.

Naturally, it has occasionally been necessary to impose restrictions on residents for overriding security purposes, in conformity with the requirements of law which, incidentally, enable a far greater curtailment of the rights of civilians than Israel has ever exercised in the areas. To be more specific:

Freedom of Religion

Ever since June 1967, the holy places of all religions throughout Judea-Samaria and the Gaza district have been freely accessible to all. The inhabitants of these areas enjoy absolute religious freedom, including freedom of worship and belief, free access to holy places, freedom to administer their holy places and to appoint clergy, freedom to maintain contacts with clergy in the Arab states, etc. Each year, hundreds of thousands of Arab Moslems and Christians cross the Jordan bridges to visit the areas and Israel, where they may worship unimpeded at the shrines of their faiths.

Freedom of Speech and Press

Since 1967, residents of Judea-Samaria and the Gaza district have enjoyed freedom of expression to a degree previously unknown to them or to the citizens of virtually all the Arab states to this day. The only absolute prohibition is of incitement and propaganda which is liable to endanger public order.

Arabic daily newspapers, published in East Jerusalem, are produced and published in their entirety by local Arabs and distributed throughout the areas. They openly criticize the Israel government and administration, and have often called for the termination of Israel's presence in the areas. The sole operating restrictions placed on the papers - which also apply to the Hebrew press - are the requirement to submit military news to censorship and the prohibition of language which clearly incites hatred and violence. Limited suspensions have on rare occasions been imposed, when articles inciting violence were printed in violation of this prohibition.

Between 1967 and 1981, the introduction has been denied of 648 books into Judea-Samaria and the Gaza district - all of them published in countries then in a state of war with Israel. An example is an adaptation for children of Shakespeare's "The Merchant of Venice," which was clearly aimed at inciting anti-semitism among children. This incident was distorted by various critics into an allegation that the play itself had been banned. In fact, the authentic version of the play has always been readily available in local bookshops.

Freedom of Assembly

Permits are required for political assemblies or demonstrations in Judea-Samaria and the Gaza district, as is the case in many states which fully respect civil and political rights. If from the application it is clear that the assembly or demonstration will cause incitement or hostile propaganda, a permit is withheld. This restriction has generally been interpreted liberally, as can be seen by the following examples of political demonstrations that were permitted in 1979-80:

- (1) 14 November 1979 - demonstration at Frères University calling for the release of Bassam Shak'a, then Mayor of Nablus;
- (2) 19 December 1979 - political assembly of mayors at Bir Zeit University.
- (3) 21 December 1979 - mass demonstration of 3,000 people against the requisitioning of land at Beit Amar;
- (4) 24 December 1979 - demonstration of solidarity with Bir Zeit University at Al-Najah University, attended by Bassam Shak'a and 1,000 others;
- (5) 17 February 1980 - conference at Nablus of mayors, heads of local councils and representatives of trade unions, schools and civic organizations;
- (6) 25 March 1980 - demonstration at Bir Zeit University protesting decisions regarding the Jewish presence in Hebron and the closing of Abu Dis College.

Freedom of Movement

Arab residents of Judea-Samaria and the Gaza district enter and leave Israel freely, whether by public or private transport; Israelis and foreign visitors in turn have unimpeded access to all parts of the areas. Under Israel's Open Bridges policy, Arab residents of the areas have been visiting Arab states in growing numbers (they may also use

all Israel sea- and airports). Residents of Arab countries are also able to visit relatives in the areas. Well over 9 million crossings have already been recorded over the bridges from Jordan into the areas and into Israel itself. These visits which have continued even in wartime, have recently been expanded, especially in the spheres of religious pilgrimage and medical care.

Although the 1967 general permit allowing free movement into and out of the region does not authorize area residents to stay overnight in Israel, the authorities have frequently granted special permits according to personal needs. In 1979, 11,000 such permits were issued.

THE RULE OF LAW

Following the cessation of hostilities in 1967, an administrative structure was established in Judea-Samaria and the Gaza district, and a series of proclamations and orders were issued aimed at restoring public order and security, instituting a stable, orderly administration and enabling the population to revert from war conditions to tranquility. Existing Jordanian law has been retained, and amended where necessary to conform with changing circumstances.

Existing local courts - Courts of the first and the second instance and a Court of Appeals, have continued to function. No judges have been dismissed although, after the majority of Jordanian judges resigned in 1967, the administration appointed new judges in consultation with local lawyers. These local courts administer Jordanian civil and criminal law. Israel did intervene in one respect - it abolished capital punishment, which local courts had been empowered to apply under Jordanian law.

Every resident of Judea-Samaria and the Gaza district has the right to petition the Israel High Court of Justice on any question regarding the alleged misuse of powers by the administrative authorities. There already exists an extensive body of jurisprudence in this sphere, unprecedented in the history of military administration.
