

PREFACE

This is, basically, a book about economics. Economics, however, deal with people at least as much as with other things. The way human beings, and the groups they form or chose to live with, behave and tend to their affairs is, therefore, part and parcel of our theme. On the other hand, the expressed theme of this book would have been completely obscured if an effort had been made to cover all the aspects of human life which might have some bearing on the subject. There is no ideal solution to this problem. What I have tried to do is to describe those political, sociological and, sometimes, psychological factors which have, in my opinion, a bearing on the economic history of Zionism. Other approaches, or a different selection of topics, might be equally valid.

This book deals with relatively recent history. Formally, modern Zionism begins with Pinsker's essay "Autoemanzipation". Sometimes, earlier events are relevant and have been included, if briefly, in the text. A more serious problem was where to end the discussion. As far as detailed analysis goes, I have chosen the Yom Kippur War, or the October War, as it is called in Arab sources, as the cut off point. This is, where the detailed analysis is finished, for the time being. However, the past described in this book illuminates, if understood, the present. The last two chapters of this book form, therefore, something like a compromise. Economic developments and events closely related to them are described, even if they occurred after October 1973. While it is too early to draw analytical conclusions, and dispassionate discussion of current events is either sterile or impossible, it is believed that the continuity of the Zionist experience justified the effort to show that the struggles, the successes and the failures of the present are part and parcel of the past, which formed the main theme of this book.

A few technical explanations may be helpful for the reader.

1. In this book the term "Palestine" is used for the period prior to May 15, 1948. It denotes the area of the British Mandate. For the period of Turkish rule, this delimitation may not be too accurate. The term "Palestinians" is used to describe the Arabs living in those parts of Palestine which were not within the the State of Israel's borders at the time of its establishment. There are many Israeli Arabs who define themselves as Palestinians, and I have no quarrel with them, nor do I want to hurt their feelings. My usage of the term is one of convenience, aimed at keeping the statistical definitions and parameters consistent throughout the period under discussion.

2. Transcribing Hebrew names into English constitutes a problem. No method is entirely satisfactory. Since some principles have to be used, the following were applied: geographical names were cited in accordance with the July 1972 edition of "List of Settlements Localities and Antiquity Sites", published by the Israel Ministry of Labour. The booklet is appended to the official English language maps. This method has resulted in a few renditions which may look strange. For instance, Kibbutz "Bet Alfa" might be better transliterated into "Beth Alpha". For the sake of consistency, such corrections of the official spelling were avoided. However, some of the names which have become household words in the English speaking world, such as Nazareth or Jerusalem, were given in the accepted spelling. Personal names were, usually, transcribed in the form used by the persons concerned. Therefore, slightly different versions of some names may appear, especially where their publications were cited. All other geographical and personal names were spelled in accordance with Webster's Ninth New Collegiate Dictionary (1985).

3. Whenever years without any qualifications are mentioned, Calendar Years are implied. The Israel (and Palestine) Financial Year ran from April through March. (As from January 1, 1987, the Israel Tax Year runs from January through December). The Israeli Agricultural Year runs from October through September. In order not to clutter up the statistical tables, these details are not repeated.

4. Most statistical data are rounded. The fact is not being repeated in the individual tables. The term "Cost of Living Index" (CoL), which is frequently used, is equivalent to the official Index of Retail Prices, published monthly by the Central Bureau of Statistics. Where no source is given for a specific table, the material was compiled and arranged by the author.

5. There is a good deal of statistical confusion in regard to the currencies used in Israel. The changes are explained in the text. The following relationships apply:

1 IL (Israeli Pound, Hebrew: Lira) = 0.1 IS (Israeli Shekel)

1 IS = 0.001 NIS (New Israeli Shekel).

6. When the book was almost finished, I found out that an Arab economist, Dr. N. Kubursi, had published a book called "The Economic Consequences of the Camp David Agreement". Obviously, both of us are in debt for our book titles to John Maynard Keynes.

7. A final word about neutrality: It is impossible to write about Israel, or the Jews, or most other subjects under the sun, with absolute objectivity. I have tried to keep an open mind, even towards opinions which I do not share. I reported the facts as I believe them to be. This is all anybody can try to do. The main body of the book was finalized in November

1987. The last chapter includes some recent additions. As far as possible, data published after September 1987 have been incorporated in the relevant tables.

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