

Valley and Dead Sea area and making it arable, the expansion of agriculture wherever possible, the utilization of available water resources, the clearance of slums and refugee camps, the development of the economic rural functions of the bigger villages, . . . the development of the periphery of Samaria and Judea so that it may become integrated with the rest of the country" (Perara, 1977).

Politically these objectives were translated into a policy of "creeping annexation" guided by the thinking of Moshe Dayan and his supporters under the Rabin government. This policy was based on a three-pronged approach: (1) the transfer of administrative power and social services to local Palestinian institutions (municipal and village councils, and the various bureaus of the Jordanian administration in the West Bank), so that Israeli rule can be "felt but not seen"; (2) the absorption of the surplus labour force into Israeli employment and the gradual elimination of refugee camps with the aid of the local authorities; (3) the maintenance of the "open bridges" policy with Jordan to facilitate the exchange of goods and population contacts between the occupied territories -- and implicitly Israel -- and the Arab World (Israel Economist 1972, 1973).

The main opposition to this policy of integration came in the early seventies from the "doves" within the Labor Party, and from Mapam. Both found a spokesman for their fears of "demographic encirclement" in Pinhas Sapir, the then Minister of Finance, and ultimately expressed this fear concretely in the Allon Plan, which proposed a territorial division of the West Bank between Jordan and Israel. Sapir argued, quite effectively for a period, that the presence of over a million Palestinians within the boundaries of Israel would dilute the Jewish character of the state, and -- give the substantially higher birth rate in the Arab family -- would eventually threaten the ability of its institutions to govern effectively. However,