for both agricultural and industrial commodities produced locally (ibid.: 144). Another British economist, writing two years later, shares Bull's estimates of improvements in the standard of living, but not in the other sectors of the economy (Van Arkadie, 1977:68-69).

The divergent conceptual categories used by dependency theorists, however, produce a radically different view of economic changes in the occupied territories. Jamil Hilal, for instance, in a comprehensive survey of the West Bank under Jordanian and Israeli rule, found that the chief dislocating impact of Israel on the territories was its regressive effect on industrial and agricultural productivity, and the active promotion of the service sector at the expense of those vital sectors of the economy (Hilal, 1975:267). Israeli official datawere used to indicate a decline in the contribution of the agricultural sector (from 34.9 to 28.4 percent for the 1968-72 period), and the manufacturing sector (from 7.9 to 6.2 percent) to the two regions' GNP (Hilal, 1975:252).

Unequal exchange in terms of trade, direct exploitation of Palestinian cheap labour, and the dislocation and subordination of the Palestinian precapitalist economy to the needs of the advanced Israeli economy are the mechanisms by which surplus is transferred from the occupied territories to Israeli capitalism. Unequal exchange is demonstrated in that "while the West Bank and Gaza exported to Israel agricultural products and labour-intensive agricultural products, they imported from Israel capital-intensive industrial products (Hilal, 1976a:10). Although 90 percent of their total imports came from Israel, the two regions exported only two percent of their products to Israel. Hilal calculated a trade surplus of 2,155 million Israeli pounds equivalent to about U.S.$ 513m) in favour of Israel during the first seven years of occupation alone (Hilal, 1976a:ibid.; Hilal, 1975: 207-210).