

that of low productivity—the high weight of man-hours per unit produced, the latter being attributed to the availability of "a large pool of cheap but unskilled labor, the utilization of which promotes less efficient, less productive construction technique."<sup>25</sup> Labor-saving is thus the very objective of this policy project.

The same source indicates that the housing industry in recent years employed around 8.5 percent of the total labor force; approximately 60 percent of this labor is Arab.<sup>26</sup>

If achieved, labor-saving in the construction industry is, inevitably, likely to imply high lay-off of Palestinian construction workers, probably the non-citizens whose share in the total labor force engaged in construction in Israel had reached 26 percent already in 1973 when their percent of all employed labor in Israel was only 6 percent.<sup>27</sup> In the following years, their size even increased in relative and absolute terms.

1976's budgetary cuts, accompanied by expansion spending, hit the construction industry most and were expected to push unemployment up to the 60,000 mark, or 5.5 percent of the working population.<sup>28</sup> According to the 1976 Annual Supplement of the Quarterly Economic Review, 45,000 of these were from occupied territories. The latter are most likely to be construction and agricultural workers.

And more importantly, it may not affect the unemployment rate since non-citizen Palestinians (except for the residents of East Jerusalem) do not appear in Israeli official statistics as members of the labor force, but rather separately in special sources that refer specifically to the population of occupied territories.<sup>29</sup>

To sum up the employment of non-citizen Palestinians in Israel's con-