

IX. Government "West of Center"

When the Mandate ended, many marveled that instead of the expected chaos, a functioning government immediately replaced the British colonial administration. Of course, not everything ran smoothly. Before leaving, the British sowed chaos wherever they could. And among the Jews themselves, suddenly confronted with the task of organizing not only governmental functions, but life-and-death resistance to foreign invasion, there was a good deal of inefficiency and mismanagement. Yet on the whole the critical transition from alien rule was surmounted without undue pain.

The fact is that the Jews did not have to start from scratch. In the first place, though their government came into existence as a result of what was in effect a national revolution, its class character was no different from that of the former British regime. The winning of Israel's independence represented the transfer of state power from the British to the Jewish bourgeoisie. This was an historically progressive act that created more favorable conditions for the unfolding of the social struggle; but by itself it affected only the conditions and methods of governmental power, not its class substance. The new ruling class took over virtually intact from the old the whole state apparatus, including a large part of the police, and adapted it to its own purposes. How much of the old order remained is further indicated by the fact that nearly two years after the founding of the Jewish state, the mayors of Tel Aviv and many other cities and towns were the same men whom the British had *appointed* in the 'thirties.

Secondly, the Jews had under the Mandate established political institutions that assumed certain functions ordinarily undertaken by governments. These functions were very limited. The Jewish

institutions did not exercise or participate in the exercise of state power. That was entirely in the hands of the British and was used despotically against both Jews and Arabs. The principal Jewish political institutions were the Jewish Agency, particularly its Palestine executive committee, and the Vaad Leumi (National Council). In 1920 the Jewish community decided to hold elections which established the first Assefat Hanivcharim (Representative Assembly). However, the Zionist leaders gave this assembly virtually no power except to meet once a year—sometimes not as often as that—and choose a smaller body, the Vaad Leumi. Elections to the Assefat Hanivcharim took place at irregular intervals—the second in 1925, the third in 1931, the fourth and last in 1944. It was the Vaad Leumi, most of whose work was carried on by its executive committee, that acted as the spokesman for the Jewish community. This community was officially recognized and was given the power to levy taxes for charitable, religious, and educational purposes.

Though the Vaad Leumi was technically a non-Zionist body since it was created in elections in which the community as a whole participated, in practice its policies and activities were closely coordinated with those of the Palestine executive committee of the Jewish Agency. There was some overlapping between the two, but in general the Jewish Agency concerned itself more with immigration and settlement and relations with Britain and other foreign powers, while the Vaad Leumi had jurisdiction over the Hebrew school system, public health, social services, and levying of taxes.

In accordance with the U.N. partition resolution, the framework of a provisional government was created in April, 1948. Two bodies were set up that began to function immediately. When the state was established on May 14, they became the provisional State Council, the temporary equivalent of a parliament, and the cabinet. These bodies had been chosen by the General Council of the World Zionist Organization, presumably on the basis of the relative strength of the various parties in the elections to the 1946 Zionist congress, with certain modifications and additions. The modifications were mostly in the direction of strengthening the representation of the capitalist parties. Though the two Zionist workers' parties, Mapai and Mapam, had won a clear majority in the congress

elections, they were assigned only fifteen out of thirty-seven places in the State Council. On the other hand, the General Zionists were given six places in the State Council, compared with five for Mapam, even though the latter had polled seven times as many votes as the General Zionists. This fattening of the representation of the General Zionists and other bourgeois parties was sponsored by the Mapai leadership in an effort to appease the American Zionist chiefs and the capitalist forces in the Yishuv.

In the decision to resist Washington's pressure and proclaim the Jewish state, the leaders of the Palestine Labor Party, under the sharp prodding of the people, dragged along with them a reluctant bourgeoisie. The popular surge toward independence could not be halted, and the coalition of capitalists and Social-Democracy picked up the pieces of state power hastily abandoned by the British.

Once the state was an accomplished fact, the capitalists sought to consolidate their positions within it and accommodate themselves to Washington's and London's desire by bringing the war to a halt short of decisive victory. But so long as the war was in progress, this concentrated effort of national self-liberation served as a channel through which the people were able to direct considerable pressure on the government and prevent the Mapai leadership from yielding completely to the capitalists. An important factor in amplifying this pressure was the Israeli army, which at that time bore largely the character of a democratic people's army, with most of the best fighters and commanders coming from the ranks of the Left.

The truce, imposed by the Security Council beginning with June 11, 1948, meant the establishment of American political power behind the facade of U.N. control, mediation, and conciliation. American marines and civilians took charge of the major part of truce observation. The chief adviser of the U.N. mediator, Count Bernadotte, was the former State Department official, Ralph J. Bunche. And when Bernadotte was assassinated, Bunche became acting mediator, and Brig.-Gen. William Riley of the U.S. Marines moved up to chief of staff.

The truce also enabled the Israeli bourgeoisie to bring the Labor Party chiefs into line—a task that was not too difficult. Though the first election gave an absolute majority to the three workers' parties, Mapai, Mapam, and the Communists, Ben Gurion

and his colleagues chose to fashion a coalition in the image of bourgeois policy, with the reactionary clerical elements as their chief partners. Thus, the character of Israel's government was in conflict with the liberation struggle that forged and defended the Jewish state. That government may be judged on three major issues: foreign policy, Arab policy, and domestic policy, including immigration.

FOREIGN POLICY

Foreign policy is obviously the most important test of all, decisive for the country's future. The foreign policy of Israel's government is officially one of neutrality as between "East and West." During 1948-49 the government took considerable pains to avoid publicly supporting either side. This is, however, only the formal aspect. It bears no resemblance to the actuality.

The world conflict is of course not geographical; it is between the forces of imperialism, reaction, and war on the one hand, and of anti-imperialism, progress, and peace, on the other. In this context the very birth of Israel was an "unneutral" act, a taking sides against imperialism and for the right of national self-determination. And it was no accident that the creation of the Jewish state and its heroic self-defense were opposed and sabotaged in different ways by the two powers that head the world imperialist cohorts, the United States and Britain. Just as it was no accident that Israel's birth and self-defense were aided by those that head the anti-imperialist side, the Soviet Union and the people's democracies. Thus, "neutrality," if not a deliberate fraud, is a mirage, for Israel cannot be neutral toward its own interests. Whatever strengthens or weakens her independence tends to align her with one or the other side in the world conflict. And it can be said that to the extent that the government has attempted to achieve a spurious neutrality—as, for example, its silence when the U.S.S.R. demanded it be included among the United Nations truce observers—*it has taken sides against Israel.*

The link between Israel's interests and Soviet policy was acknowledged even by a leading organ of the Israeli commercial press, *Haaretz*, which stated editorially: "The more the western powers disregard the Soviet attitude and turn the U.N. into their own tool, the greater the danger that this situation will apply to us. Various steps were ineffectual in the past because their implementa-

tion required Russian participation. But if the western powers now throw off all restraint and disregard the international character of the U.N., they may find ways of surmounting the obstacles which hitherto prevented direct intervention in our country."¹

What, then, can be said of Israel's foreign policy? Once we look beneath the diplomatic verbiage—the clothes that policy wears in public—we find something that resembles neither neutrality nor the genuine interests of Israel's people. The real foreign policy was aptly epitomized in a Tel Aviv dispatch by Sydney Gruson in *The New York Times*. Though Gruson was referring to Mapai, his words fully apply to the government which Mapai leads: "So far as Mr. Ben Gurion's Mapai party is concerned, Israel would talk absolute neutrality in the struggle between the United States and the Soviet Union, while tending to support the United States."²

Here again it is not a question of supporting one country or group of countries as against another, but of *supporting or betraying Israel's own interests*. To side with the chief architect of the North Atlantic Pact is to back the chief threat to Israel's independence. It is to align Israel with those who encouraged and coddled the Arab aggressors and sought to reward them via the Bernadotte plan with three-fifths of Israel's territory. And it is to align the Jewish state with the principal organizer and subsidizer of the brutal aggression in which so many of Israel's sons lost their lives—Britain.

In considering Israel's course one must bear in mind that, as already pointed out, the winning of political freedom did not automatically change the country's economic status, which has remained largely colonial. Even if the Israeli government took no active measures to strengthen its bonds with the United States and Britain, economic gravitation would tend to keep it in the imperialist orbit. *It can be kept out only by determined counter-measures and an active anti-imperialist policy*. Without them economic freedom is a fiction and political freedom must inevitably be crippled.

The coalition government formed after Israel's first election was itself a rejection of struggle for genuine independence and an act of subordination to Anglo-American policy. This government represented not merely a partnership of Social-Democracy with the Israeli bourgeoisie, but the masked collaboration of both with American big business and its reactionary bi-partisan course in

world politics. This collaboration began many years before the creation of the Jewish state—in the enlarged Jewish Agency, in which Mapai and the other Zionist parties formed an alliance with American Jewish non-Zionist big business. That alliance continues through the United Jewish Appeal. The depths to which fawning on reactionary wealth can descend was illustrated in April, 1949, when at a dinner in honor of former New York Supreme Court Justice Joseph M. Proskauer, honorary president of the American Jewish Committee, a message of fulsome tribute was read from Prime Minister Ben Gurion.³ Proskauer, who was the active president of A.J.C. from 1943 to 1949, was formerly a member of the national executive committee of the anti-New Deal American Liberty League, a Morgan-du Pont organization which in the 'thirties subsidized a host of anti-Semitic, anti-Negro, and pro-fascist outfits. What is more: the chief counsel for the Arabian American Oil Company (Aramco), the trust which led the fight to overthrow the U.N. partition decision and actively promoted Arab aggression, was in 1949 this same "friend of Israel," Joseph M. Proskauer!

The political implications of this alliance with American big business were underlined by the general chairman of the United Jewish Appeal, Henry Morgenthau, Jr., when, on returning from a visit to Israel, he told the press that Israel would become "a hard core of resistance against Communism in the Mediterranean area. I hope my government will only realize this."⁴ Fourteen months later Morgenthau dotted the i's and crossed the t's. On a second visit to Israel he urged a Middle East pact similar to the North Atlantic pact as a "coalition against aggression by Russia."⁵ In other words, a coalition against the only great power that had helped Israel beat back the Anglo-American inspired aggression of the Arab states. This cold war warmth has found the leaders of Israel's government by no means unresponsive.

An example of a policy which some wag has described as "west of center" was the manner in which the Israeli government handled the question of specialized training for officers in its armed forces. Publicly Ben Gurion told the Knesset that the government planned to send officers to study in East European military schools as well as in those of the western capitalist countries. Behind the scenes, however, the Israeli Army, operating under Ben Gurion as Defense

Minister, applied first and for a time exclusively to Washington. Only when months passed and the American War Department did not even deign to acknowledge the request did news of it leak out, with the further information that Israel's army leaders "are turning to various Western European nations for schooling—and with much better response."⁶

The *New York Herald Tribune* correspondent quoted unnamed "Western military observers" as stating that Israeli army leaders were resentful at the failure of the War Department to appreciate their value as allies in the strategic Middle East. According to this correspondent, the basic reason for Washington's coolness was that "for some time the American Army reportedly has not been satisfied with the amount of military information made available to its representatives" in Israel.⁷ Having made Israel dependent on American money, Washington evidently sees no reason why Israel's army should not be at its disposal like the armies of certain western European countries.

A major touchstone of the Israeli government's foreign policy was the \$100 million American Export-Import Bank credit. In an editorial shortly before the first Israeli election, *Haboker*, spokesman for the industrial and commercial interests, wrote:

"Should the American loan also come before February—as is quite likely—it will show that the Western powers are interested in bringing Israel into their camp. The time has come, they have apparently realized, to prove wrong those who pointed to the Soviet Union and the East European countries as the only friends of Israel. But if the Western powers want to impress their friendliness on us, they had better do so without waiting for the results of the elections in Israel, for otherwise they will only strengthen the hand of those among us who favor an Eastern rather than a Western orientation for Israel."⁸

Six days before the election came the American loan. After its announcement *Haboker* chortled happily: "And even if the assumptions of those who declare that the American loan was granted on the eve of the elections in order to prejudge them prove true, we now have concrete evidence that America is at least interested in achieving some influence over us and in gaining our friendship."⁹

Finance Minister Eliezer Kaplan hastened to assure the public:

"The loan is of a purely economic character, and the negotiations preceding it contained no reference to any political or administrative conditions."¹⁰ Strange, then, that the government rejected demands made in the Knesset that it publish the text of its agreement with the Export-Import Bank. The members of parliament were asked to buy a pig in a poke. They did. Only the three Communist deputies voted against the loan; Mapam's deputies abstained.

What little became known about the loan indicated there was more to it than met the eye. In the first place, it was not a cash loan, but a credit for the purchase of equipment, to be repaid over a fifteen-year period at 3½ per cent interest. This meant that the government of Israel had to buy \$100 million of goods in the United States irrespective of the prices charged. The agreement did not obligate the United States to buy a nickel's worth of Israeli products in return. Thus, the terms of the credit had an effect similar to the one-sided trade controls previously imposed by the British. Secondly, only 20 per cent of the credit could be used for industrialization. In other words, it limited that part of Israel's economic development which would make possible the most rapid absorption of new immigrants and the strengthening of its independence.

There is, however, an even more serious aspect of the loan. In August, 1948, Foreign Minister Sharett in an interview granted the writer as correspondent of the *New York Daily Worker*,* said:

"We would resist any attempt at interference in the internal life of Israel. We shall not buy loans at the expense of sovereignty, economic and political. We shall not accept dictates as to what to do with money from the United States."¹¹

Five months later these words were repudiated by the terms of the \$100 million credit. Dr. Moshe Sneh of Mapam charged in the Knesset:

"The agreement obligates us each time we want to obtain an instalment of the loan to present to the American [Export-Import] bank or some other government institution plans, maps, detailed figures and documents, as well as the results of land and water explorations and technological diagrams of the entire country. This information is to cover not only those fields which America is

*The interview was reprinted in the *Palestine Post*, English language daily, in *Davar*, and in several other Israeli newspapers.

financing, but Israel's entire economy during the course of fifteen years, until the last payment on the loan is made."¹²

This charge had in effect been confirmed by the Finance Minister himself who, on a visit to the United States, told the national board of Hadassah, the women's Zionist organization, that "plans for the use of the rest of the loan would be submitted to Washington soon for approval."¹³

The American loan is obviously cut out of Marshall Plan cloth. It glitters and glistens, but it will leave its wearers in tatters. Whether or not Israel is formally corralled into the Marshall Plan stockade or into an anti-Soviet Mediterranean bloc, the government of Israel, by placing itself at the mercy of American financial power, has abandoned an independent course in foreign affairs. A glimpse of what this means for Israel was given by the well-known foreign correspondent, Constantine Poulos, in a dispatch from Tel Aviv:

"In making itself increasingly dependent on the U.S. for financial assistance, Israel has also made itself vulnerable to State Department pressures. . . .

"Having been drawn closer to the West, the government of Israel will find it very difficult to resist these new pressures [in regard to Arab refugees and the territorial question], and it can only attempt to temper them by pointing to the strong internal opposition to them and to the danger of its own position."¹⁴

Pressure from Washington has also borne ugly fruit in Israel's internal life. In January, 1950, the government started legal proceedings against the Communist daily, *Kol Haam*, for having "insulted" the Prime Minister (*lese majeste!*) because the paper charged him with betraying the working class and the nation. In the same month the Communist deputy, Meir Vilner, a signer of Israel's Declaration of Independence, was ordered to stand trial before a parliamentary committee because in a Knesset speech he attacked Morgenthau for his Middle East pact proposal and engaged in a sharp exchange with Ben Gurion. And Mapai officials have organized a cold war against Left-wing members of moshvei ovdim, denying them seed and equipment and even attempting to expel them.

All this is a pattern familiar in other Marshallized countries. Yet it is the internal opposition—the progressive forces led by

the Communists and Mapam—and the stand of the U.S.S.R. and the people's democracies that have at times stiffened the resistance of Israel's government and prevented a more complete identification with the Anglo-American bloc. A further factor has been the sentiment of Israel's people. During my six months in Israel it required no public opinion poll to learn that the most popular great power was the U.S.S.R. Wrote the correspondent of the *New York Herald Tribune*, Kenneth Bilby: "Russian prestige has soared enormously among all political factions. . . . Through its consistent espousal of Israel's cause in the United Nations, the Soviet Union has established a good will reservoir with leftists, moderates and right-wing elements."¹⁵ One of the best-known "secrets" of the liberation war was that most of Israel's military equipment came from Czechoslovakia. So widespread and unchallenged was the feeling of warmth toward Russia and her allies that even the reactionary Irgun demagogically included in its election platform a demand for friendship with the Soviet Union.

In contrast, toward Britain there was universal hatred; toward the United States the attitude was one of disappointment, distrust, and lingering hope that American policy in regard to Israel would change for the better. One should not of course exaggerate the significance of these sentiments nor overlook the fact that subsequent attacks by government leaders and the press on the people's democracies and the Soviet Union undoubtedly had some effect. The people of Israel want independence and peace, but it would be absurd to say that in this period the majority have already understood that their government's policy has been jeopardizing both. For that understanding and for action based on it one must look to the progressive forces of Israel.

ARAB POLICY

"I am certain that the world will judge the Jewish state by what it will do with the Arabs," wrote Dr. Weizmann in his autobiography.¹⁶ Fortunately for the Jewish state, the world will also judge it by other criteria.

The Arab policy of Israel's government has involved two questions: the refugees, and the future of the Arab part of Palestine. In respect to both, the government's course has been devoid of

realistic national self-interest, let alone consideration for the rights of those who were to have been Israel's friendly neighbors in Palestine and a large minority within the Jewish state. In fact, the case against this policy holds even if we completely disregard Arab rights and view the problem solely from the standpoint of what's good and what's bad for the Jews and the Jewish state.

The Arab exodus from Israel was incited by the Mufti's henchmen and the British. Yet these incitements would have fallen on deaf ears had there not been in the Arab mind distrust of the Jews sown over the years by both Arab and Zionist chauvinism. And the mood of flight was given powerful impetus by the Deir Yassin incident.* Though, to their credit, the Jewish Agency and the Hagana denounced this outrage, they could not undo the damage it did to Arab-Jewish relations.

Any discussion of the refugee problem and the treatment accorded those Arabs who remained in Israel must start with one fact of towering significance: *with relatively few exceptions, the Palestinian Arabs did not participate in the war against the Jews.* This was in contrast to the situation in 1936-39. The refusal of the mass of Palestinian Arabs to join the Mufti's bands was at one time publicly acknowledged and welcomed by Jewish leaders. No less an authority than Ben Gurion wrote at the beginning of 1948 in a semi-official Zionist publication that "the Arab villages have in their overwhelming majority kept aloof from the struggle. Were it not for the terrorization by the Arab bands and the incitement of their British supporters, the Arab people of Palestine would have resumed peaceful relations with their Jewish neighbors. Indeed, it is one of the most outstanding features of the situation that the Arabs of Palestine are, with few exceptions, unwilling and unable to fight the Jews."¹⁷

The Arab population of Palestine thus constituted a potentially great asset to the Jewish people and the new state in their struggle against the foreign invaders. But the government of Israel did almost everything to transform this potential asset into an actual liability. Had the government announced that once the fighting was over, the Arab refugees (except for those few who had aided the invaders) would be welcomed back to their homes, this would have won invaluable allies not only in Palestine, but throughout

*See page 120.

the Arab world. It would have deprived the enemies of Israel of a club against her—a club with which they wrested concessions that weakened the Jewish state, and enabled the imperialists and their satellite Arab governments to appear in the role of saviors of the refugees. Instead of this approach, the flight of the Arabs, at first officially deplored, began unofficially to be regarded as a boon.

To justify this callous policy—a policy that strengthened Arab reaction and its foreign paymasters—it became necessary to falsify history. The myth was concocted that the majority of Palestine's Arabs attacked the Jews and that their flight expressed, in the words of Foreign Minister Sharett, "a guilty conscience."¹⁸

The treatment of the Arabs who have remained within the Jewish state has also fallen far short of previous Zionist pledges and of the guarantees of equality embodied in Israel's proposed constitution. To say that the Arabs are not being persecuted as were the Jews in Nazi-occupied Europe or more recently in some Arab countries is hardly flattering. The fact is that more than a year after the establishment of the Jewish state its Arab citizens were still not free to move about, and in Haifa, Acre, and other towns they were compelled to live in segregated sections tantamount to ghettos.

Nor has the promise of Israel's Declaration of Independence that in the new state the Arab citizens would have "due representation in all its bodies and institutions—provisional or permanent,"¹⁹ been kept. No representation whatever was granted the Arabs in the provisional cabinet and State Council. In the cabinet a Ministry of Minorities was created and combined with—the Police Ministry; both were headed by a former officer of the British police. The elected government improved on this by abolishing the Ministry of Minorities entirely. The rights of the Arabs are further curtailed by their exclusion from all parties except the Communist.

No less foolhardy from the standpoint of Jewish national interests was the Israeli government's policy in regard to the Arab sector of Palestine. This is a decisive issue, affecting the whole future of Israel and the Middle East. It requires no profound knowledge of the politics of that area to recognize that a friendly democratic Arab state, apart from its importance to the Arab population of Palestine, is a necessity for the Jewish people and its state—essential for their economic health and military security. It has been in-

sufficiently recognized that Anglo-American imperialism suffered only partial defeat in Palestine, that it won a major victory when it succeeded in blocking implementation of the second half of the U.N. partition decision providing for an Arab sister state of Israel.

The Israeli government, while occasionally giving lip-service to this aspect of the U.N. resolution, adopted an attitude which at best was neutral and in actuality obstructed the Arab progressives who sought to carry the resolution into effect. A government spokesman, commenting on the Bernadotte report, which proposed annexation of Arab Palestine by Britain's synthetic puppet kingdom of Jordan, made this astonishing statement: "The situation as regards the Arab part of Palestine appears to be too confused to justify any definite comment."²⁰

Could the government have done nothing to influence events in the Arab sector of Palestine? The writer learned that after Israeli forces captured Nazareth, which was originally slated to be part of an independent Arab state, the government of Israel rejected a proposal that it help progressive Palestine Arabs establish the nucleus of a government at Nazareth. Israel's leaders preferred to do business with Abdullah. Partiality to Abdullah, who is publicly and unashamedly on the British payroll and whose army is commanded by British officers, has for years been almost an article of faith of Zionist *Hochpolitik*. It goes back to the days of Zionist collaboration with Britain. Abdullah mercilessly shelled Jerusalem, slaughtered its people and deprived it of water and food, but in October, 1948, when President Weizmann returned to Israel after a prolonged absence, he blithely told a press conference: "I always knew King Abdullah is friendly and wishes to be friendly, but he poses as a ferocious enemy."²¹

A few months later, in April, 1949, the government showed its continued faith in Abdullah when it signed an armistice with Jordan which virtually recognized its right to those parts of Palestine, including the Old City of Jerusalem, its troops had seized. Later negotiations were toward a formal recognition of this status quo.

"The first fact emerging from the agreement is our acquiescence in the presence of foreign invaders on the soil of Palestine. . . . Secondly, our government has agreed to the existence of imperialist bases in Palestine, and in fact has consented to the transformation

of the whole Arab part of the country into one large political and military imperialist base. . . ." wrote *Al Hamishmar*.²²

IMMIGRATION AND DOMESTIC POLICY

In October, 1948, a spontaneous demonstration of new immigrants took place in Jaffa against the intolerable conditions under which they were living. The demonstration was broken up by the police. News of this was suppressed by the military censorship.

The warning signal went unheeded. Within a few months demonstrations on a much larger scale, with men and women carrying placards demanding bread and work, became almost daily occurrences in Israel. By the time the first anniversary of the Jewish state was being celebrated, some 60,000 new Israelis were living in reception camps, many of them in tents. By mid-November, 1949, the number in the camps was 104,000,²³ about 10 per cent of the population of Israel. Conditions in most of these camps were frightful. Congressman Franklin D. Roosevelt, Jr., returning from a week's visit to Israel, reported seeing seventeen human beings, ranging in age from infants to persons in their seventies, living in a single small room.²⁴

Isaac Gruenbaum, a member of the Jewish Agency executive committee and former Minister of the Interior, wrote that some "among the immigrants are turning to the consuls of the countries from which they came with complaints that they were deceived with promises that are not being fulfilled. They are demanding that they be sent back to their former homes."²⁵ In addition, many thousands of Jews and Arabs were unemployed.

The immigration crisis underlined the irresponsibility of the Zionist "exodus from Europe" propaganda. Far from solving the whole Jewish problem, capitalist Israel was proving incapable of solving the problems of even those Jews who were seeking homes on its soil. And while failing to provide for the elementary needs of the immigrants, Israeli government leaders and Zionist spokesmen elsewhere were attacking the people's democracies for curbing those who were making inflated claims and attempting to organize emigration in illegal ways. Who was to blame for this crisis that was threatening to engulf the young Jewish state so soon after it had successfully repelled foreign invasion?

First, Anglo-American imperialism. The years of British rule retarded Palestine's economic development and placed its natural resources and key economic positions at the command of foreign capital. This impeded its capacity to absorb immigration. After the U.N. had acted to solve the Palestine problem, British and American sabotage of the partition decision and their encouragement, direct and indirect, of Arab aggression forced the Jewish state to devote its major energies to the desperate struggle for survival. Pressure from Washington and from American Jewish capitalist circles, Zionist and non-Zionist, was also a prime factor in preventing the adoption of policies that could have coped more successfully with immigration and the country's other serious problems.

Secondly, the absorption and integration of the new immigrants was seriously hindered by the refusal of the Israeli capitalists to expand industry and building construction. Despite the fact that by the end of 1948 there was no longer a shortage of labor, industrial production continued to lag. The index of industrial employment in May, 1949, had risen to only 90.5 and the index of man-days worked to 87.9. (In each case January, 1947, equals 100.)²⁶ Since the population had increased nearly 50 per cent over January, 1947, the actual indices of employment and man-days worked were in the neighborhood of 70.* In other words, nearly a third of the working class was unemployed at a time when there were shortages of many consumers' items. The industrialists preferred to get easy profits through price increases and speculative deals rather than expand production, which might entail certain financial risks. At the same time the capitalists attacked as "socialistic" any move to aid cooperative or other forms of public enterprise.

The situation was no better in regard to the private building contractors, who in 1948 controlled nearly half the country's building industry. The index of employment in the manufacture of building materials sank to 53.4 in July, 1948 (January, 1947, equals 100), a drop of 35 per cent in three months.²⁸ Here again the actual decline in relation to the growth of population was even greater. The situation did not improve much in the next few months. In

*The lag in production is also indicated by the fact that the average monthly consumption of electric power by industry was 7,400,000 kilowatts in 1947 and only 6,500,000 kilowatts in April, 1949.²⁷

May, 1949, employment in this industry was still only about three-fourths of what it had been in January, 1947.²⁹ While Israel's immigrants were clamoring for homes, the builders, as the price of ending their sabotage, were demanding all sorts of concessions from the government, such as exemption of new buildings from taxation for several years and exemption from income tax of "key money," the blackmail extorted from prospective tenants.³⁰

All these difficulties were compounded by the foreign and domestic policies of Israel's government and the failure to mobilize the nation's economic resources. Under the best circumstances the arrival in a small country of so large a number of immigrants would have created serious, though not insoluble, problems. But the fact is that the government and the Jewish Agency failed abysmally to plan for the large immigration that they themselves proclaimed as Israel's central task. For months they coasted along. While the war against the Arab invaders was in progress, the crisis was temporarily concealed by the absorption of some of the immigrants into the armed forces and of others into civilian employment made possible by the shortage of labor. The housing crisis was also temporarily covered up by an unexpected "godsend": the flight of 400,000 Arabs from the territory of the Jewish state. Many of their homes were destroyed, others were unfit for human habitation, but in Jaffa, Haifa, and in various Arab villages thousands of immigrant families were lodged under wretched conditions and promptly forgotten. At the same time the government did nothing to check the decline in building activity and to direct it into essential channels. As a result, such homes as were built were mostly not for immigrants, but for established families.

Not till March, 1949, was the central housing corporation, Amidar, set up and a substantial program launched for the construction of one-room-and-kitchenette units, many of them made of wood. But in the ensuing months the results of all the housing programs put together proved most meager. "In fact," wrote an American correspondent, "only 7,000 of the planned 30,000 units will be built by the year's end."³¹

The problem of homes and jobs for immigrants is closely related to living costs and general economic policy. "How much did this

egg cost?" I asked my landlady over the breakfast table. "Six piastres," she replied, "and they're hard to get." This is equivalent to 18 cents (at the rate of \$3 to the pound), or \$2.16 a dozen. I asked a Tel Aviv housewife to tell me the prices she was paying for other food items. This was in the summer of 1948. Translating kilograms into pounds and liters into quarts, here they are:

	<i>per lb.</i>		<i>per lb.</i>
Beef	\$2.00	Cucumbers	\$.25
Chicken	1.50	Apples	.31
Fish	.85	Grapes	.28
Butter	2.20	Coffee	2.10
Margarine	.50	Tomatoes	.13
Bread	.09	Plums	1.17 (doz.)
Potatoes	.08	Milk	.34 (qt.)
Beans	.55		

These figures, which with few exceptions were considerably higher than those in the United States, were the actual prices being paid, rather than the official prices. With wages lower than in America, the people of Israel were battling an increasingly ravenous wolf at the door. During 1948 living costs, according to the official index, rose 30 per cent. However, it was generally admitted that this government index, which was a continuation of the one started by the Jewish Agency in 1939, greatly understated the actual increase since it was based on official prices and on computations that had become obsolete. It would be closer to the truth to say that living costs in 1948 rose by nearly 50 per cent.

What did the government do to meet this situation? It talked action and acted chiefly with talk. During the period of hostilities price control was more shadowy than in World War II under the Mandate. And despite serious shortages in meat, vegetables, eggs, and dairy products, rationing was almost non-existent till 1949. The government blamed the war for the inflationary price increases. Undoubtedly it was a factor. But, according to the correspondent of the *New York Times*, Gene Currivan, "Another reason for the high cost of living is that the turnover is comparatively small while business profits are unnecessarily high. . . . Labor costs are not excessively high as compared with other countries. . . ." ³²

In October, 1948, the provisional government appointed an Economic Co-ordinator, Sigfried Hoofien, chairman of the Anglo-Palestine Bank. He was hailed as a "strong man" who would break the back of inflation. Four months later the cost of living index had risen another fifteen points. In recognition of Hoofien's services, the government appointed him assistant to the Prime Minister in directing the Bureau of Economic Planning and Co-ordination.

The government has done no better with tax policy. Instead of a progressive system, which would provide substantial revenue while placing the main load on those best able to pay, the tax system has been modeled largely after the one in force under the British. In 1949 only 25 per cent of the government's revenue was being derived from individual and corporation income taxes,³³ compared to about 80 per cent in the United States.³⁴ The greater part of the rest came from indirect taxes which bore most heavily on the masses of the people. (In addition, Histadrut members paid taxes to that organization to cover social insurance.) There were no taxes on excess profits, undivided profits, capital gains, or gifts. Legislation in the summer of 1949 introduced an inheritance tax, but also raised the levies on tobacco, drinks, and transportation, and added a rent tax, which landlords were allowed to pass on to tenants.

Thus, paced by the Laborites, who held the key government posts, the capitalists were able to place the burden of the war and the postwar adjustment on the backs of the people. But this policy came home to roost in the immigration and unemployment crisis. The government's program to cope with this crisis rested on two main pillars: internal "austerity" and external aid. Through controlled price reductions and stricter rationing the austerity program, launched in May, 1949, succeeded during its first six months in lowering the cost of living index by 13.1 per cent.³⁵ However, most of these benefits were wiped out for the working people by officially dictated wage cuts, supplemented by efforts to increase speedup through the widespread introduction of piecework. In July, 1949, the Mapai majority in the Histadrut high command forced through, over the opposition of Mapam and the Communists, a sweeping wage-cut averaging \$6.75 a month. In October, 1949, a second wage reduction of \$6.64, imposed by the Histadrut moguls, evoked brief

protest strikes by several thousand workers. Later the freezing of wages in 1950 was decreed.

As a result of these wage-cuts and the intensified speedup, the capitalists, local and foreign, whose profits were not restricted, became the chief beneficiaries of the austerity program. This was the reality of that "planned economy aimed at the full implementation of the Zionist-Socialist ideal" which Ben Gurion had promised shortly after the election.³⁶ At the helm of the "planned economy" stood banker Hoofien, whose conception of how to solve Israel's problems may be gleaned from his statement in 1946 when he appeared as a spokesman for the Jewish Agency before the Anglo-American Committee of Inquiry:

"We have been able to make this Jewish economy of Palestine a sound business proposition at least in the eyes of the City of London, not to mention other circles, and this has at no time been affected by the political uncertainties. Once the position becomes stabilized and Great Britain gradually begins to build up her foreign investments again, as I am very sure she will, then one can confidently assume the City will show the same sensible and friendly interest which we have had so much reason to be thankful for in the past. I may perhaps here express the hope and the confidence that the United States will enter into friendly competition in this particular respect."³⁷

In the period that followed this statement Jews were killed, jailed, and deprived of elementary rights thanks to Great Britain's "foreign investments"; they were compelled to wage a bloody war forced upon them by those "foreign investments"; and they encountered the "friendly competition" of the United States in the shape of a knife in their backs. Nevertheless, they won with their own sweat and blood—and the help of socialist Russia and her allies—independence and statehood. But for banker Hoofien and his Labor handymen only one thing had changed since 1946: they were now looking for salvation chiefly to Wall Street and Washington rather than to London's City.

X. Labor: Strength and Weakness

Physical labor is held in unusually high esteem in Israel. Manual labor was both a material necessity in an undeveloped country and a social necessity if the warped occupational pattern imposed on the Jewish people by centuries of persecution were to be changed. Productive labor, especially on the land, therefore became one of the tenets of Zionism in Palestine. At times this has even been made into a kind of fetish, to the point where among the youth—descendants of scholars, writers, physicians, and scientists—a marked strain of anti-intellectualism has developed.

Of course, as hundreds of thousands of non-Zionist newcomers enter the country, and as its economic and social structure develops along capitalist lines, these values are changing. Yet the underlying labor emphasis is likely to persist, drawing strength from the trade union movement and the workers' political parties—an emphasis that is not necessarily socialist even though it often wears the trappings of socialism.

All this serves to underline the fact that the working class, like almost everything else in Jewish Palestine, is a synthetic product. It came into being not as a result of spontaneous historic processes—not through the draconic dispossession of free peasants from the land, as in England and most of Europe; not through the concentration of land ownership, as in Virginia; nor through the expropriation of debt-ridden small producers, as in other parts of the American colonies. In Palestine the Jewish working class was created as an agricultural proletariat through the deliberate acts of middle-class immigrants who chose to work on the land rather than continue in trade or the professions. These were the Bilus of the 1880's and