

order of priority, which will be decided by the parties, they are the economic situation and strategic issues. As far as the economy is concerned, they are inflation, the balance of payments crisis, the financial markets (including government issues, bonds, the stock exchange), restructuring the economy, and labor relations. The main question is how to divide the national cake among the various sectors of the population. Over the past few years, the cry in Israel has been "economic independence." The question raised was, can Israel shoulder its national expenditures, maintain its debt repayments, and keep up a rather advanced welfare state, without outside support. This has been a big slogan in previous elections and will be one this time as well. I personally don't think it is possible, given the security situation of the area, but it is a goal to be sought and achieved.

EIR: What is your view of the "post-industrial society," which is being promoted at a Jerusalem conference this week?

Moda'i: If you are talking about robotics, then it is clear that the Japanese can produce them better than even the Americans. But in the field of energy and biogenetics, we certainly can compete effectively.

EIR: What about the Great Projects approach?

Moda'i: Yes, we have a number of such Great Projects underway or under consideration. One is in the military sphere, the Lavie Jet program. Another is the Mediterranean-Dead Sea Canal project, and the third is the railway extension to Eilat.

EIR: Do you think such projects, especially the latter two, could become the content of cooperative agreements with neighboring states?

Moda'i: Our relations with neighboring states are a political issue, and I don't know how practical such an approach would be right now.

EIR: What about strategic questions?

Moda'i: The peace treaty with Egypt is definitely the center, and I don't think it is at all threatened. Now we have to deal with the question of Camp David for the entire Middle East. Issues which will come up in the campaign are the Lebanese situation (both political and military), the Palestinian issue, relations with Transjordan, and relations Israel has developed with some countries in Africa, Asia, and South America. In some areas, our relations are well-established, for example, vis-à-vis Europe, where our relation to the EEC [European Community] is an established line of Israeli foreign policy. Above all, we have good relations with the United States. The United States has good relations with many countries around the world, both democratic and not. Israeli-American relations are unique because they involve military, political, and financial support, as well as economic cooperation—I'm

referring to the discussions of free trade relations with the United States. Another issue for the elections will be the religious status quo, and the ways of assimilating waves of immigration into Israel.

EIR: What do you think will happen in the elections?

Moda'i: I am no prophet, but I can tell you what I wish would happen. Provided we overcome certain momentary obstacles, the same political power will form the next government. The Likud government has had some failures, but also successes. The political term is very short for accomplishing all one's goals, but we have introduced new policies in the last six to seven years. Some of them ran into high waves, and need to be directed onto the right course. Some were influenced by external developments, like the Lebanese situation, which had more to do with a Palestinian state than with Lebanon. I say that because it was not just an army that was there, it was a Palestinian state within a state.

EIR: Do you think there is any substance to the rumors of a possible "grand coalition" government, including both Likud and Labor after the elections?

Moda'i: Before the elections were called, we were very close to such a coalition, with the consent of two of the parties involved. This does not mean that such a coalition precluded toppling the government—which is, in fact, what happened. Now, if the elections yield a big majority vote for one party, there will be no coalition. If the vote is proportionate to what it was in the last elections, then there are good chances for a grand coalition.

Yitzhak Artzi

'Israel needs its own constitution'

Yitzhak Artzi is the lead candidate for the Independent Liberal Party, and is currently deputy mayor of Tel Aviv. The ILP is a split-off from the Progressive Party, whose other faction joined with the Liberal Party in 1965. After years of relatively small representation in the Knesset, the ILP decided to join with the Labor Party and the Mapam in the Alignment.

EIR: Can you tell us what you think are the most important issues in this election, and what you are proposing.

Artzi: I think it is important to distinguish between things which are common between us and the Labor Party—and

they are the result of about 27 years of cooperation in the governments of Israel between 1948 and 1977—and those which are not. . . .

For example, the Lebanon issue: Our opinion in this case is not different from the majority opinion in the Labor Party, that we have to plan how we go out from Lebanon, we have to establish a date, a kind of self-ultimatum, as [French Premier Pierre] Mendes-France did when he dealt with Algeria—let's say six months—and to plan a withdrawal from Lebanon, of course taking into consideration the need to secure the northern borders of Israel. Here there are no differences between our approach and that of the Labor Party.

As far as the big issue of the occupied territories, we are more open to recognizing the rights of the Palestinians; we see the Palestinians as a political and ethnic entity. We think they are entitled to a certain political expression. We prefer (and this is a matter of negotiation) to bring to a cooperation and agreement first of all with the Palestinians in Jordan, and then between Jordan and Israel, to deal together in this matter in order to make arrangements assuring the security of our borders. We also don't imagine the possibility that Jewish settlements should be evacuated. I think that Jews have the right to live anywhere and of course including in the historical territories of Israel. But we make a distinction between living somewhere and sovereignty. We think as far as the political solution to the area is concerned, we have to negotiate it, with Jordan and the Palestinians in a parallel manner, to reach a three-part agreement but not evacuation of the settlements. We could propose a certain autonomy, say with Jewish-Israeli citizenship there. . . .

EIR: What about the second main issue you mentioned, the economy?

Artzi: Today we have started with a series of meetings with Labor leaders, including Mr. Gad Ya'acobi, to exchange views on solutions. We have our own views about fighting inflation, fighting for the improvement of the balance of payments, how to win again the population's confidence in the government. . . .

Another important issue is the fight for a constitution in Israel, a position we've had in all our years here. We want to replace the body of basic laws with a constitution, which defines the rights and duties of the citizen. We think it is easier today than earlier, especially if the religious parties come out weakened by these elections, which I expect. . . . This could reverse the concessions to the religious parties of the last seven years. The constitution is one of the main items in this direction.

EIR: What is your view of investment policies? Are you in favor of productive investments in housing, basic industry and agriculture, or do you lean toward the "post-industrial society?"

Artzi: We have two problems now, first to cure the sicknesses of the past. Agriculture right now is destroyed. We have a lot of advantages right now, especially after the entry of Spain and Portugal into the Common Market. Here we have to invest, and cure the social and economic problems in agriculture, and to avoid the destruction of the moshavim [collective farms], one of the main accomplishments of Zionism.

Then, we have to revitalize investment policy; due to a bad conservative policy in finances and currency, we don't have big investments. You can't just lay out nice-sounding plans, but have to bring concrete policies. The precondition of investment is the affirmation of the economy. We have some development plans which can attract capital, but it is a matter of initiative and vision. The problem of the past years is that the economy was subordinated to political intentions, the major focus was on Judea and Samaria and other things were neglected. Take the example of Tel Aviv. We need a new transportation system here, which is a good opportunity for foreign investment. Nothing has been done, because we are not allowed to negotiate ourselves with foreign companies, we had to negotiate through the ministry. As you see in Tel Aviv, nothing is changed. Now they are talking about a train linking the outskirts to the center, to supplant bus lines. One of our main raw materials is the "Jewish brain" and we think that this brain can be used in advanced technologies, in medical and scientific research, and if I look at the situation in higher education, I see that many projects are being strangled for lack of funds. This is the result of years of not dealing with the main problems and concentrating on peripheral problems.

EIR: Can you tell us something about yourself?

Artzi: I came here in 1947 on an illegal ship, along with 4,000 others who left Yugoslavia, Romania, and Hungary. We were on the sea for 30 days. We were captured by the British. I spent a year on Cyprus. During the war I was active in the underground movement. In '47 I came to this country; spent five years on a kibbutz, then served in the Ministry for Foreign Affairs and the Finance Ministry. I studied literature and philosophy in Romania; in Israel, after the kibbutz, I studied law, and am a lawyer by profession. I was a member of the Executive of the Jewish Agency. Ten years ago I was elected to the Tel Aviv municipality and have been re-elected three times. I have been in charge of problems of youth, culture, and sports; I initiated the Tel Aviv festival, big cultural activities, concerts. I am involved in all cultural activities, am still sitting on the boards of the Philharmonic Orchestra, the Chamber Orchestra, the Diaspora Museum, and so on. I have accumulated a wonderful experience in these 10 years. If I am elected to the Knesset, I will try to maintain my activity here. I find that the municipality is a good school for the Knesset.