

Middle East Report by Thierry Lalevée

Israel's long month of crisis

Strikes on the eve of national elections reflect a 1,000% inflation rate, and no coherent economic policy from the Likud or Labor.

Maybe Israel's July 23 national elections will not take place, an observer recently remarked. "Politicians and voters may go on strike." The joke may be no joke at all. Several weeks ago, the national elections were actually threatened when the clerks at the Ministry of Interior in charge of the upcoming voter registration went on strike.

Israel's labor situation has never been so wild. Every day, Israel sees close to 50% of its labor force on strike. In the last two weeks, no less than 15 different labor sectors struck for one, two, or more days. Radio and television were off for at least four days when technicians struck. On June 13, David Kimche, director of the Israeli Foreign Ministry, was prevented by a strikers' blockade from delivering a note of protest to Rome over a meeting the previous day between the Italian Foreign Minister and Yassir Arafat. He had to telephone the Italian ambassador.

More serious have been the repeated strikes at schools and universities, in hospitals and pharmacies, the postal and telecommunications services, and, for the past two weeks, gas distributors.

Most demands are similar and concern rapidly declining wages and standards of living of all Israeli workers. According to Yugal Hurvitz, former finance minister under Menachem Begin and candidate on the list of the small centrist Ometz Party, Israel's inflation will soon be running at an incredible annual rate of 1,000%, an inflationary spiral which can only

be compared to 1923 Weimar Germany.

That such a wave of strikes is exploding only a few weeks before national elections is obviously not by chance. Shamir's Likud government and Finance Minister Cohen-Orgad are playing a demagogical game, denouncing the secretary general of the Histadrut, Kessar, for using the electoral climate to pressure the government to give in to trade union demands. However true, the government is not addressing Israel's deep economic crisis.

Following the advice of Friedmanite monetarists, Cohen-Orgad boasted in front of the Israel-U.S. Chamber of Commerce June 14 that "Israel is on the road to recovery." He claimed that such a "recovery" has been under way ever since "the collapse of bank shares last October. Confirmation has been coming from the most objective source in the world—the international banking community, which has not reduced its credits to Israel since then."

He didn't say how such credits were being used. As a recent American scientific delegation discovered, they are certainly not going into Israel's real economy: its industries and science and technological research. On June 14, the *Jerusalem Post* published a letter from one Professor A. Axelrod of the U.S. Institute of Mental Health protesting against the severe cut in research: "As a scientist with experience of the long and laborious process that starts in the classroom and finally ends in scientific achievement, I feel com-

pelled to bring your attention to the grave consequences for Israel's economy and security that a continuation of [budget cuts] would entail. Any break in the continuing process of scientific education and research will have an impact for years to come. . . ."

Nonetheless, the Likud government's only "economic" plan rests on the fact that until America's November elections, it has enough leverage on the U.S. President to squeeze out billions in aid. What will happen once a President is elected, and is under no electoral pressures, is an issue no one wants to consider yet. Even the Labor Party is avoiding the issue in its public platform, merely stressing that cuts in unnecessary "political and military operations" such as the occupation of southern Lebanon would help Israel's economy.

Though polls now indicate the Labor Party will win the elections, nothing is certain. Indeed, Labor needs at least 52% of the vote to win, while Likud needs only some 45%, with the rest being the marginal but decisive right-wing parties. The next few weeks of campaigning will get very rough, as the Likud and its right-wing allies will seek to use the strikes to their own advantage, radicalizing some parts of the population and the army on a "law-and-order" basis. Agudat Ysrael, a religious party, is introducing bills in the Knesset to outlaw strikes in specific cases.

An ungovernable situation could be the electoral outcome if Israel's entire political and economic conditions are not rethought carefully. Friedmanite monetarism and American economic aid do not constitute pillars of a competent economic policy. Great projects that might "make the desert bloom" do constitute a competent economic policy, and also the basis for Arab-Israeli peace.