

ISRAEL AT THE CROSSROADS

By A. B. Magil

THE nub of the issue in regard to Israel is this: will formal independence mask a new colonial enslavement, or will the bones of freedom be given flesh and blood? In other words, will Israel be an imperialist or an anti-imperialist base? All other problems must be judged in relation to this central problem.

The war of liberation weakened the position of British imperialism in the Middle East and temporarily upset the predatory calculations of the United States. But this war marked the beginning, not the end of the fight for independence. It could not finally decide this question because politically it was led by class forces which even before the conclusion of hostilities had begun the betrayal of the struggle—a betrayal that the forces of the left were in 1948-49 strong enough to retard, but not prevent. With the establishment of the first elected government, a new phase in the liberation struggle opened. For Americans, whose understanding of Palestine has in the past been befogged by illusions and sentimentalities, it is essential to recognize that this government, in which the social-democratic Mapai (Israeli Labor Party) provided the mass base for the bourgeoisie, marked the re-entrance of Israel into the world colonial system of imperialism. The "mandate" is held this time by the United States—a "mandate" backed by billions of dollars—though British influence in Israel and in the rest of Palestine remains strong. This relationship of Israel to the imperialistic bloc is not altered by occasional differences that may arise between its government and the government of the United States or Britain—any more than such differences have altered similar relationships in the case of monarchist Greece, Kuomintang China, and the "independent" Philippines.

If the war against the Arab states was for the people of Israel and the peoples of the world a war for independence from all alien oppression, for the capitalists of Israel and for those in control of its government this war had a different meaning. The aim of a Jewish state as a buttress of imperialism—that aim which from Herzl to Weizmann, Jabotinsky and Ben Gurion had been the lodestar of Zionist policy¹—had not been abandoned even if the methods of achieving it had changed. This aim expressed not so much the crassness of individuals as the outlook of a class, the Jewish bourgeoisie, which had developed too late in history to play an independent role and was bound umbilically to foreign imperialism. For these elements the objective of the war was to defeat the British policy of reckoning exclusively with the Arab ruling classes and to win for capi-

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alist Israel a place in the Anglo-American design for the Middle East. If in the past the Zionist leaders had proposed that Jewish Palestine become a dominion within the British empire, they now sought in practice to make it an unofficial dominion within the American empire.

Toward Semi-Colonial Status

Israel's semi-colonial status rests not only on Anglo-American dominance in its economic life, but also on its excessive dependence on contributions, investments and loans from abroad—chiefly from the United States. No country which exists on foreign doles can be truly independent. Yet with the establishment of the Jewish state, the *Yishuv's* dependence on foreign aid, instead of declining, increased substantially. And the policy of Israel's government in 1949 was to increase it still further.

The economic justification for this policy is that in view of Israel's own limited resources, it represents the principal way to develop industry, agriculture, commerce and transportation, and make possible the absorption of a large immigration. The public has been led to believe that even if some of the political consequences are a little unpalatable, there is no alternative. No one can deny that Israel for some time to come will be unable to dispense with the voluntary contributions of world Jewry, and will also need additional foreign capital. Nevertheless, the argument for leaning on American financial power, to the extent that it is not a specious apology for subservience to imperialism, is based on a complete illusion. Far from furthering healthful economic development, the conditions under which this aid is being given and utilized are tending to colonialize Israel and to reproduce there the evils of the Jewish social structure in other capitalist countries.

An industrially undeveloped country must under capitalist conditions inevitably become a colony, regardless of

¹ "Now there is a means of regulating Turkish finances, and with it of maintaining the *status quo* for some time longer, and simultaneously creating for England a new road, and the shortest one to India. . . . This means is the erection of an autonomous Jewish subject state in Palestine, similar to Egypt, under the sovereignty of the Sultan."—Theodor Herzl, letter to Reverend William H. Hechler, chaplain of the British Embassy in Vienna, December 1, 1896. (*Theodor Herzl: Excerpts From His Diaries*, New York, pp. 37-38.)

"Considering the strategic and economic importance of Palestine, the inclusion of the Jewish state within the British Commonwealth of Nations would be to the interest of both."—Chaim Weizmann, "Palestine's Role in the Solution of the Jewish Problem," *Foreign Affairs*, January, 1942.

". . . we should like this country to be attached to a greater unit, a unit that is called the British Commonwealth of Nations. For the solution of the Jewish problem, for our free national future, it is not necessary that Palestine shall constitute a separate state. . . ."—David Ben Gurion, testimony before the Peel Commission, 1936. (Quoted in *Esco Foundation for Palestine, Palestine: A Study of Jewish, Arab and British Policies*, New Haven, Conn., 1947, Vol. II, p. 302.)

whether it enjoys formal political independence. And it is a fact that all imperialist countries seek to prevent the industrialization of the colonies and semi-colonies except to such limited degree as suits their own purposes. The struggle for industrialization and for national independence are therefore inseparable. In Israel's case industrial expansion is essential for another reason: it can provide the largest number of jobs for immigrants. But industrialization means more than the manufacture of textiles, food products, drugs, plumbing fixtures and other consumers' goods that are characteristic of Israel's economy. It means, above all, heavy industry, especially machine building. There is a prevalent notion that because Israel is poor in industrial raw materials it is incapable of developing its own heavy industry and must always meet the greater part of its steel and machinery requirements through imports. The beginnings that have already been made in steel and machinery manufacture indicate, however, that with proper policies and controls, a heavy industry can be developed in Israel to supply the home market and the Middle East.

This year, when the influx of foreign capital in the form of gifts, loans and investments has reached the highest point in the history of Jewish Palestine, only a negligible proportion has been flowing into industrialization. *The relative level of industrial development, in view of the large increase in population, has actually declined.* As a result, those immigrants who are finding employment have been streaming preponderantly into trade, handicrafts and such elementary industries as baking. Few are getting jobs in industry, and only about eight percent have been going into agriculture, though the development of agriculture ranks second to industry for Israel's future.

Of the voluntary contributions, the bulk has had to be used to maintain immigrants and provide homes for them. Essential as this is, it does not contribute directly to the country's economic development except temporarily in the building industry. In the case of the \$100,000,000 American loan (actually a credit), the conditions attached to it provided only 20 per cent for industrialization. Perhaps the greatest mirage of all has been foreign private investments. The government staked so much on these investments, pleaded for them, and offered typically colonial inducements, not the least of which was wage-cutting. But profit-hungry foreign capitalists evidently found greener pastures elsewhere.

Moreover, most of the foreign investments that are being made are going into housing, hotels, commercial establishments and peripheral light industries. Of the foreign capitalists who visited the Economic Department of the Jewish Agency in May 1949, some 119 expressed a desire to transfer factories to Israel. Forty-four of these factories—nearly 40 per cent—were textile plants. Textiles, let it be remembered, is the typical industry of colonial and undeveloped capitalist countries. Furthermore, this industry could hardly be considered famished for foreign capital. Even before these foreign capitalists announced their intention of bestowing 44 new textile plants on Israel, representatives of

the Israeli government in the United States had been discouraging further investments in this industry on the grounds that it was saturated.

Anti-Imperialist Alternative

The idea that Israel is so small and weak that it has no alternative, but must take sides with its enemies while pretending to be neutral between them and its friends, is vicious nonsense. No less vicious and nonsensical is the idea that precisely such a policy will in time enable Israel to stand on its own feet.

The real alternative is not untried and unproved. It is in fact the only policy that proved a resounding success as against the dismal failure of years of collaboration with imperialism. This alternative was inherent in the liberation war. It was the policy of resisting imperialism and looking for support to the anti-imperialist forces of the world—a policy that the Jewish people of Palestine imposed for a time on reluctant and vacillating leaders—which led to the creation of the state and the defeat of the Anglo-American aggressors and their Arab mercenaries. But the *Yishuv's* leadership, pursuing other aims, blocked the full unfolding of that policy and the full gathering of its fruits. With the end of hostilities, they returned completely to the pro-imperialist course.

Naturally, the methods of peace are not the methods of war, but the essence of the alternative policy remains the same. It may be summed up as consisting of two complementary elements: full mobilization of all internal resources behind an integrated program designed to achieve rapid industrialization and absorption of immigrants, and at the same time reduce dependence on financial aid from abroad; and alliance with the anti-imperialist factors in the Middle East and in the world.

The full mobilization of Israel's internal resources cannot be achieved on the theory that if only the capitalists, local and foreign, had sufficiently succulent "inducements" dangled before them, they would be filled with a consuming passion to promote the national welfare. Nor can it be achieved by reducing purchasing power that is already far too low, or by a tax program that soaks the poor and wristslaps the rich.

Measures for Economic Independence

A first step in a program for economic independence should be nationalization of all foreign-owned concessions, such as the Palestine Electric Corporation, Palestine Potash, and the Haifa refineries, and their operation by the government in the interests of the people. This would not only weaken the positions of foreign imperialism, but would place in the hands of the government important levers for advancing the country's economic development. In addition, it would make possible the lowering of the cost of electricity and oil for industry, agriculture and home use.

A second step is the nationalization of imports. This will halt the practice of importing manufactured goods

that could be produced in Israel. Instead, Israel's limited supply of hard currency should be used to import machinery—until its own machinery industry is able to supply most of its needs—and necessary raw materials and food.

A third step—once the immediate needs of the immigrants are met and more favorable conditions for their economic absorption created—is the utilization of financial aid from the Jews of other countries, as well as increased revenue from the wealthier elements in the *Yishuv*, to establish state-owned industrial enterprises and expand Histadrut enterprises and cooperative agriculture.

The success of this internal program, which will, of course, require many additional measures, is closely related to Israel's external program—to changing its lopsided foreign trade and lopsided foreign policy. The concentration of Israel's foreign trade in the Anglo-American sphere is unhealthy economically and politically. It also means a highly unfavorable trade balance for Israel. Closer economic and political relations with countries that will treat Israel as an equal, will be willing to buy from her as well as sell to her, and will not attempt to dictate to her are imperative to further her economic development and independence. This means, in the first place, close economic and political cooperation with those that stood by Israel's side in her hour of greatest need, that seek no bases, no domination, no advantage at Israel's expense: the Soviet Union and the people's democracies. Even those limited commercial relations which the Israeli government has developed with the USSR and its allies have revealed the vast difference between trading with imperialist and with anti-imperialist countries. In this connection an editorial in the June 26, 1949 issue of *Al Hamishmar*, Mapam daily, pointed out:

"At a time when it is becoming increasingly well known that the United States is threatening Israel with economic sanctions if it does not yield to her political demands, yet another example of Soviet friendship and aid was witnessed by the Jewish public: the large transport of Russian grain which has arrived in Israel. . . .

"The large transport of Russian grain was only one example of Soviet friendship. In this connection it must be stressed that the Russian grain was far cheaper than that we have been buying from the Anglo-Saxon countries; that it was paid for in pounds and not in dollars; and that it is but an example of the immense possibilities of firm economic relations with the Soviet Union and Eastern Europe. Such relations will undoubtedly free us from our economic dependence on capitalist countries, dependence which only entails political extortion."

Equality in Trade Relations

Israel's first trade agreement was with Hungary and the terms were so favorable that they evoked praise even from the reactionary Revisionist *Hamashkif*, which described them as "based on the principle of equality and full reciprocity," in contrast to "the one-sided trade policy im-

posed by the former mandatory regime." (*Hamashkif*, January 14, 1949.) A similar pact was signed in May 1949 with Poland. On the other hand, the agreement negotiated with Holland was of the one-sided type, with only about 40 per cent of Israeli imports to be covered by exports. The agreements with Hungary and Poland were only small tokens of the truly "immense possibilities" of trade with Eastern Europe.

This kind of economic program, internal and external, and Israel's liberation from all encroachments on its independence cannot be achieved so long as its government pursues a foreign policy of *de jure* neutrality and *de facto* support of the architects of the Marshall Plan and the Bernadotte Plan. To defend its future, Israel must develop in peace in a much more consistent way the political pattern that won it victory in war: resistance to imperialism and its satellites, and alignment with the anti-imperialist forces of the world headed by the Soviet Union and the people's democracies. To urge this is not to urge Israel's involvement in a potential war conflict; it is already involved in that conflict—on the war-provoking side. It is to urge its involvement in the world fight for peace. This does not mean severing relations with the West. Nor does it mean that the form of Israel's alignment with the peace bloc should be identical with that of the people's democracies. But let not questions of form obscure content. What we are discussing is the replacement of a pro-imperialist with an anti-imperialist policy, a change from a course that undermines Israel's economic development and independence to one that will strengthen them. That is the issue.

New Problems for Israel

What are the perspectives for achieving this kind of program? Obviously, the Anglo-American trusts and their political servitors oppose such a program, though many ordinary Americans and Britons, Jews and non-Jews, would support it. Hardly less obviously, this program is opposed by the Israeli bankers and industrialists and their social democratic-clerical coalition government. However, a program along these lines already has the support of a substantial and influential section of the Israeli public: the workers, farmers, and small business and professional people around the Communist Party and Mapam. No doubt, as the struggle develops, these will not stand alone. Such a program could also be counted on to enlist the cooperation of those who in the international arena actively aided Israel's battle for independence. Let us try to evaluate the opposing forces and the dynamics of the unfolding conflict over Israel's future.

Though Israel is moving in the Anglo-American orbit, it would be a mistake to oversimplify relationships and to equate its status in all aspects with its status under the Mandate. The Palestine Jewish nation today is far different from the colonization project of the years after the Balfour Declaration. Its class and national structure are much more highly developed, as are its class and national

consciousness. It has gone through an independence struggle which has cost blood. The context of world relationships, of which Israel is a part, is also vastly different from that of the earlier period. World imperialism has been greatly weakened, socialism and the anti-imperialist forces correspondingly strengthened.

The United States rules in Israel not directly, but indirectly. This is for it both an advantage and a disadvantage. An advantage because the true anatomy of power is concealed from the people of Israel and their anger is largely directed at the old master, Britain, rather than at the new. It is an advantage too in giving Washington greater maneuverability in its relations with the reactionary Arab regimes. But it is a disadvantage in that the United States must rule through a state apparatus not its own, with an army and police that it does not directly control, through a government which is susceptible to popular pressure and must permit for the present wide democratic liberties.

Changing Alignment of Forces

Within the limitations imposed by foreign imperialism, the government of Israel rules directly rather than simply influencing and organizing the *Yishuv* to accept alien rule, as did the Jewish Agency for Palestine and the Vaad Leumi (National Council) under the Mandate. This too is both an advantage and a disadvantage. An advantage because the state apparatus, taken over so largely from the British, gives the government more effective instruments for the control of the people than the leading bodies formerly had. It is an advantage too because Zionist nationalism and social democratic reformism and the borrowed glory of the liberation war serve to conceal the government's class and pro-imperialist role and to give it greater authority and prestige than its precursors had. But direct governmental power is also a growing disadvantage for Mapai and its partners. Formerly they stood apart from the government and at times even appeared to be in opposition to it. The evils that befell the *Yishuv* were blamed almost entirely on the British and the fire was directed against them. But now that Mapai has identified itself completely with the capitalist state and is attempting to convert the Histadrut into a virtual state agency, it has become more vulnerable. The class struggle brings the workers more and more into conflict with that state and its defenders, and increasingly class and national issues become intertwined. The nationalist-reformist fog is not so thick that it can forever prevent the working people from seeing who it is that is chiefly responsible for appeasing the capitalists at their expense and leading the nation into the Anglo-American morass.

This new situation has also been reflected in the changed relations between Mapai and Mapam. The latter, under the impact of the developing class struggle, has found it no longer possible to play the role of "loyal opposition" to Mapai, with which in the past it was bound by nationalist affinities that overrode all differences. Mapai for its part,

since it now bears the responsibility of state power in behalf of the capitalists and of those in Washington and New York who hold the purse-strings, cannot tolerate a partner that is at the same time an opponent, feeding popular discontent with government policy. There has come a parting of the ways and a turning of Mapam toward joint action with the Communists, even though neither the break with Mapai nor the approach to the Communists has been clean-cut, and Mapam's leaders have sought to evade their full implications. Yet despite all shortcomings, this is no passing phenomenon, but the beginnings of a fundamental realignment which expresses the growing class polarization of the *Yishuv*.

The Achilles' heel of the government is the relative weakness of the bourgeoisie. This is characteristic of most colonial and semi-colonial countries. The relative weakness of the Israeli capitalists has been accentuated by a number of other factors. This is a singularly lusterless business class, which stands outside the nation's deepest traditions: the pioneering that built the country has been virtually a monopoly of the workers and farmers, and it was predominantly their blood, sweat and devotion that launched the liberation war and created the state. The small vote of the openly capitalist parties such as the General Zionists and the Progressive Party is a measure of the lack of prestige and popular support of the bourgeoisie. To achieve a semblance of a mass base, the capitalists were compelled to masquerade behind the false patriotism of the Irgun.

This relative weakness is further indicated by the extent to which the business men have had to permit the *Yishuv's* life to be dominated by Mapai. But at the same time in the leadership of Mapai they found their would-be savior. Through the Histadrut, Mapai has provided that substantial popular base required to support the policies of the bourgeoisie. But this is obviously an unstable foundation, for it consists of workers whose interests clash with those of the capitalists and who will not forever walk the treadmill of their policies, however liberally daubed with "socialist" paint.

The political realignment signaled in the growing cooperation between Mapam and the Communists is destined to bring into being a force capable of achieving an alternative program through the creation of an alternative government. The left bloc cannot as yet place such a government as an immediate goal. That would be to overestimate their strength. The immediate task is to widen cooperation between Mapam and the Communists in defense of the people's living standards, in battling for the welfare of the immigrants, in opposing further surrenders to the imperialists, in advancing the fight for peace and for a democratic, anti-imperialist foreign policy. It is a task of organizing and educating the people—above all, the workers—to wrest whatever concessions are possible from the capitalists and the government, and to forge in struggle the prerequisites for a truly national people's government, with Mapam and the Communists as its core.