

Unquestionable Alliance

The article below begins a study on the US-Israeli relationship and the role of the Zionist state in the Middle East, which we plan to continue in subsequent issues of *Democratic Palestine*. This first installment concentrates on the US's intervention in the Israeli economy and how this will affect the role of 'Israel' in the future.

Political Zionism and the international Zionist organization emerged as a «direct result of the struggle of the Jewish bourgeoisie to expand its influence in the capitalist countries internationally.»¹ This occurred around the turn of the century with the development of capitalism into imperialism. It is, therefore, not surprising that Zionism and imperialism should find common grounds to serve and expand their individual aspirations, throughout the various stages of history. Zionism has always been an active participant in various imperialist activities. «The history of Zionism from the moment of its emergence up till this day is inseparable from the history of imperialism, from major imperialist policies, from the changes experienced by imperialism as a whole, as a political, economic and social system.»² Thus, the continued assertions of US politicians on the strategic importance of 'Israel' - coated with statements about 'moral obligations' to Jews - are nothing earthshakingly new.

When the US replaced Europe as the leading imperialist power after World War II, it was not surprising that Zionism shifted its main allegiance to the US as well, in order to survive. The US itself was only too aware of the significance of having a base in a region which contained half the oil reserves of the world. It also realized the Zionist state's significance as a doorway to markets which could accommodate the expansion of imperialist producers. No less important is the US need of a reliable base from which to strike at progressive movements in the region, whose rising influence poses a threat to imperialist dominance.

NO. 1 ALLY, BUT...

US aid and involvement with the Zionist entity grew as a result of the expansion of imperialist interests in the Middle East as the years passed. The US left no room for doubt that 'Israel' was its number one ally. This fact has been seen not only in the astronomical amounts of aid, but in the more significant fact that, most recently, all aid is to be in the form of grants. The Zionists now receive one-third of all US foreign aid. On an annual per capita basis, this amounts to \$1000 per Israeli. The closest country after that was Oman with \$61 per - capita, then Egypt with \$55 and Lebanon with \$7. In contrast, US 'aid' for Palestinians of the West Bank (\$7 per capita) was not only minuscule, but also subject to a maze of restrictions set up by the Zionist legal network which retains the right to withhold this aid.

Although the US has many stooges to promote and protect its interests in the region, none of these regimes are as dependent on the US for their very existence as is the Zionist entity. This should not, however, be interpreted that 'Israel' is in a «your wish is my command» position. Zionist leaders wield a relatively heavy club, for they know full well the significance of the role they play with respect to US imperialist interests. «The US is dealing with us with a weak hand because we both know that if we are in trouble they will help us,» said an Israeli official. «We know it. They know it. And they make no bones about it.»³ True the US is willing to allow the Zionist entity a margin of freedom considerably broader than any other ally. However, in the light of the acute Israeli economic crisis, which the US views as endangering its own national and international interests, the US make no bones about showing the Zionists where to toe the line.

A massive campaign of US intervention in the Israeli economy took place between 1983 and 1986, and is still going on. US quarters are questioning whether the influx of dollars to 'Israel' could do anything more than simply put off economic reckoning, making remedies more complex if not impossible. Thus, for the «first time (the US administration) has found it

necessary to place economic conditions on its aid--- despite the special relationship» with the Zionist entity. The US administration and media underscored over and over that US aid is seen as «necessary to meet growing security threats in key areas such as the Middle East,» that «it is not unusual for the Israeli aid figure to be increased some annually by the administration and nudged up by the Congress.» However, the leap being discussed for FY 1986 is 86%. (For 1985, aid was \$2.6 billion; for 1986, it is \$4.56). Thus, the «Israeli increase will receive considerable scrutiny». ⁴

Pushing along these lines are statements made by well-placed officials like Samuel Lewis, former ambassador to 'Israel': «I do not take pride or pleasure in the fact that we will undoubtedly be giving more (aid to 'Israel') next year.» In other words, although there is no threat that aid will be denied the Zionists, the same aid is now to assume a definite role reversal which is perceived by both partners as 'buying Israel' and not 'selling it'. This new role of aid is reflected in phrases like «aid is aid and business is business» or «we would rather give (Israel) business assistance than economic aid.» The stress is on working towards long-term economic gains which would have a more lasting and effective influence, rather than pumping in aid with fleeting political and economic effects.

Even foreign banking circles have expressed increasing doubts as to the future of 'Israel' and how effective doling out aid is in keeping this state alive. One senior banker said that foreign bankers were treating 'Israel' cautiously and were likely to do so even if extra aid came from the US. «What we are concerned with,» he said, «is where the economy here is headed, not whether it can survive,» i.e., more aid in itself will not guarantee 'Israel' better access to foreign bank loans. Some top US banks are thinking of opening branches in 'Israel' to reestablish its shaky credibility in the world financial market, according to 'Voice of Israel' radio, July 1985.

AID FOR STRUCTURAL CHANGE

In the past, economic and monetary problems were solved between the US and 'Israel' by one or more of the following methods: rescheduling debt payments; cancelling or waiving payments for certain years; postponing payments, cancelling all or part of the debt, or simply providing the Zionist entity with cash to make payments.

The 1983-4 Israeli economic crisis showed the adverse effects of these solutions and how they have caught up with the US-Zionist partners. This pressed upon them the necessity of taking more drastic measures than in the past - measures that would result in doubling unemployment and reducing wages to the 1982 level. Although the US went out of its way to stress that 'Israel' would have to pull itself out of its own mess, well-placed administration officials did not rule out the possibility of extending help when needed. This help was the code name for the millions in aid being allotted to achieve structural reforms without «massive unemployment (which) would weaken Israel's strained social fabric.»⁵

Thus, \$3 billion in military and economic aid for 1986 was approved, although US government loans extended for other purposes were halted until 'Israel' could register progress in some or all of the following areas: (a) elimination of all government subsidies, including export subsidies; (b) unification of effective protection rates; (c) elimination of all anti-competitive government regulation; (d) denationalization of the Israeli capital market and particularly the elimination of 'directed' and 'earmarked' government credit; (e) reform of labor legislation allowing increased labor mobility; (f) selling