

were used against demonstrators. On June 20, 1984, *Haaretz* reported the establishment of Qama electronics plant in Durban South Africa, by Kibbutz Lohamey HaGettaot, also Mapam-affiliated.

The military continues to this day to exert sizeable influence vis-a-vis land usage and population distribution. The board of the Israeli Land Administration, which administers over 90% of all land in the state, and takes decisions on leasing portions of it, includes in its membership many retired senior army officers.

## WAR ECONOMY

The close connection between the economic and military spheres in 'Israel' dates back to pre-state days when the Zionist project in Palestine functioned as a colonial venture in the framework of the British Mandate. The single most influential institution in organizing the immigrant settler community was the Histadrut, founded as the General Federation of Hebrew Labourers in the Land of Israel, in 1920. It was the Histadrut which established the Haganah which became the Israeli army in 1948. At the same time, the Histadrut embarked on the process of dispossessing Palestinians under the slogan of «Jewish Labor Only».

Having refused attempts by progressive Jews and Palestinians to form a joint union for struggle against British colonialism and the racist Zionist trend, the Histadrut supplied replacement workers during the Palestinians' six month general strike in 1936. Less well known is that Jewish women settlers also had to fight for the right to work. In «Ideology Without Revolution: Jewish Women in Israel,» Dina Hecht and Nira Yuval-Davis write: «The long period of enforced unemployment to which Jewish women had been subjected reached its peak, at the height of the economic crisis of 1940-41, with the Histadrut directive that no Jewish family should have more than one breadwinner...» (*Forbidden Agendas*). This is only one example of the social control exercised to mold the immigrants to the needs of the colonial project. With the founding of the state, this took on major structural dimensions on two levels, ideological and practical.

Histadrut is overtly committed to class collaboration in the interests of Zionism as is clear from its May 1st declaration of 1986: «The Histadrut, the country's largest social organization, must find solutions to the problem of Israel's economic distress... All members of the House of Israel are responsible to each other» (*Jerusalem Post*, April 29, 1986). Its negotiations with the state and employers are the main instrument for enforcing wage freezes, or acceptance of price rises, etc. when this is needed to strengthen the Israeli war economy. That the Histadrut is able to play this role is also organically connected with Zionism's aggressive role in the Middle East and internationally at imperialism's behest. It is mainly the massive aid from the USA which blunts the contradiction between capital and labor in 'Israel', giving Israeli workers a higher standard of living than is warranted by the economy's productivity, and thus enabling the success of class collaboration. It is an in-

*Democratic Palestine, March 1989*

teresting comment on the Histadrut's nature that Pinchas Lavon, forced to resign in 1955 as Israeli Defense Minister after the scandal that erupted when the Israeli agents who bombed British, US and Egyptian targets in Egypt were caught, was then appointed Secretary-General of the Histadrut.

The Histadrut's class collaboration does not end at the negotiating table. It owns the biggest industrial complex in 'Israel', which by 1970 employed one quarter of Israeli wage earners and accounted for a quarter of the state's gross national product. Its largest concern, Koor, accounts for over half of Israeli exports (*Jerusalem Post*, February 6, 1986), and is the state's major partner in arms production and export.

The militarization of the Histadrut is indicative of the overall Israeli structure. As Shimon Peres wrote in his book, *David's Sling*, 1970, «Getting arms has thus been one of the central tasks of Israel's leadership... (and) the principal aim of Israel's foreign policy.» The Israeli leadership did not suffice with importing arms, but from the start began building their own arms industry, based on imperialist support. While private companies usually concentrate on consumer goods for the local market, state and Histadrut firms predominate in the heavy and military industries which are increasingly oriented towards export, in addition to meeting the needs of the Israeli military itself. The result is an unparalleled militarization:

«... Israel stands at the top of the list of developed countries on three scales of expenses for national security: defense expenditures as a percentage of the GNP (Israel with 31 percent as opposed to the USA with 5.4 percent), defense expenditures per capita (Israel \$831 and the USA slightly more than half this figure), and the number of individuals employed by the army and national defense jobs (almost 50 persons per 1,000 inhabitants in Israel, compared to about 10 in the USA... (based on 1976/77 figures).» Even with US aid, defense in 50% of the state budget. A quarter of the labor force directly or indirectly works for the military establishment, while half of all industrial workers are involved in defense-related projects. «The only other economic body or sector comparable in size and influence (to the military establishment) is the Histadrut's conglomerate of economic enterprises» (*Israeli Society and its Defense Establishment*, edited by Moshe Lissak, 1984).

Militarization has spiralled in line with the Zionist state's ascent from a regional strongman to imperialism's strategic asset, charged with an international role on the side of counterrevolution, exporting arms to dictatorships, etc. - a development most notable from the mid-sixties. «... the proportion of defense sector employees to all Israeli wage-earners increased two and a half times between 1967 and 1980... Expansion was especially prominent in arms manufacture and exports... a tenfold increase in total arms production... while military exports underwent an even greater expansion... revealing that the growth of the defense economy exceeded that of the overall expansion of the economy... According to foreign estimates, Israel's defense exports have exceeded an annual value of \$1 billion and constitute about 25% of all