

---

## Interview: Moshe Katsav

---

# 'Our main problem is unemployment'

*The following interview with Moshe Katsav, Israeli minister of labor and social affairs, was conducted in Jerusalem on Nov. 17 by Muriel Mirak.*

**EIR:** How are you concretely approaching the immense problems that the economic crisis has put at your doorstep?

**Katsav:** Our number-one problem is unemployment, which is the first agenda item at every cabinet meeting. Since we are not the finance or the industry ministry, it is not our task to attack the unemployment problem, but rather to try to help the workers. The comprehensive program we have, related to other ministries, includes increasing job opportunities in Israel. For example, we have 6,000 unlicensed foreign workers; these are not the 80,000 Arabs working in Samaria and Judea, who constitute no problem, but rather workers who have no permits. We want the jobs they now have to be available for Israelis.

There are two problems in the economy: the inflation rate and the gap between exports and imports. I don't believe one can use the same tools to attack both at once. For example, bridging the gap between exports and imports will increase inflation, if we increase exports and cut imports. Trying to cut inflation at the same time is like trying to dodge rain drops. We want to increase investments in export-oriented sectors and try to absorb more workers. By Israeli law, a worker receiving unemployment compensation can be forced to take a job 40 kilometers away from his home, something we are trying to raise to 60 kilometers. We also want to raise the minimum age for unemployment compensation, thus urging youngsters to take whatever employment is available.

**EIR:** What is the current rate of unemployment?

**Katsav:** Out of a workforce of 1.4 million, there are 40,000 who seek work and 10,000 who are receiving unemployment benefits. Our government's policy is that unemployment cannot be used as a tool against inflation, because we have a security problem here which the U.S. and Western Europe don't have. Clearly, we cannot allow a man to sit at home idle for six months and then call him up for active military duty and expect him to go to the front to fight in a war.

Unemployment has a negative impact on his motivation. One of the problems we are trying to solve is related to the poorer layers of unemployed, who are immigrants from eastern Muslim countries, and who have not yet been fully integrated into Israeli society. We want to correct this, so as to guarantee that there be no "discrimination" against this layer.

**EIR:** Our magazine and Mr. LaRouche, a contributing editor, have promoted the policy of technologically advanced, large-scale infrastructural development projects as a means of overcoming the current world depression. We are therefore supporting the Mediterranean-Dead Sea canal project, as well as nuclear energy-vectored agricultural development of the desert regions. What is your view of this approach?

**Katsav:** The way we are currently trying to solve the crisis is by budget-cutting. I have just signed a letter to the Prime Minister protesting attempts to cut my budget; the government must accept my position or [Finance Minister] Moda'i's. But I must admit, the tendency is to cut, cut, cut. This thinking comes from the fact that of our national budget, 30% goes for security expenditures, 30% for repayment of debts, and the rest is all that's left for education, welfare, and other social needs. As for great projects, yes; large-scale projects utilizing advanced technologies, although they may appear to increase unemployment in the short run (because of the more efficient technologies used) will actually pay off in the long run, by expanding the real economy.

**EIR:** Given that such a large chunk of the national budget goes to debt repayment, have you given any thought to orderly debt moratoria?

**Katsav:** In principle, this is a good idea, but a small country alone cannot take that kind of step. We want to keep our reputation for being reliable and responsible towards our debt obligations. A global reorganization of debt of the sort you are talking about would solve the world economic crisis, to be sure, and in that context, I would agree. But nothing could be done on a purely national level.

**EIR:** If you could tell President Reagan how you think U.S. foreign policy could be improved, what would you say?

**Katsav:** Our approach to foreign policy, including relations with the U.S., is the following: Although we are independent, we must consult with our friends in the world, especially with America, and ask for their opinion. We want to sit down with them and adjust our positions, but the ultimate decision must be ours. We are a democratic country, there is no junta here, and we want to pursue policies which will respond to the real needs of the population. What makes our situation absolutely different from that of the Western European partners of the U.S. is that we are in a state of war still with most Arab nations, except Egypt. That is a determining factor in policy-making.