

## Middle East Report by Thierry Lalevée

### Israel's economic suicide

*Under the thumb of the dope mob, the country is now moving toward the kind of society which has no room for pensioners.*

On April 1 came the announcement that Israel and Iraq had signed a \$3 billion trade agreement, and cabinet ministers and parliamentarians went on record all day long in praise of the fact. Considering Prime Minister Shimon Peres's declarations in mid-March praising the "moderate" Cairo-Amman-Baghdad axis, the announcement was not very much appreciated in Damascus or Teheran.

The trade deal is indicative of the new trends in Israeli government policy toward the Gulf war, and reflects a late realization that Islamic fundamentalism of the Khomeini brand, as witnessed in Lebanon, is a danger to Israel's very survival. After the much-touted Israeli-Iranian connections developed under Begin and Shamir, through then-Defense Minister Ariel Sharon and his secretary, Ya'acov Nimrodi, this is a welcome change.

However, there is nothing comparable going on in the realm of Israel's economy—an issue on which the nation's survival is just as much at stake.

Finance Minister Yitzhak Modai wants to impose a set of new austerity laws as soon as possible. Hardest hit will be the layers of the Israeli population that built the country: pensioners. According to Modai's plan, retirement age for women will be postponed from 60 to 65, while pensioners will actually be taxed like normal wage-earners. This is double taxation, inasmuch as pensions are based on the taxes paid by the wage-earner during employment years.

According to a study by the *Jerusalem Post*, more than 150,000 pensioners live on no more than \$120 a month. Free distribution of rotten and unsold goods and foodstuffs has become a regular habit of shopkeepers who realize that this is the only meat or fish the pensioners will obtain. In effect, people are being kept alive at the initiative of private shopkeepers, while several billion shekels in the budget of the National Insurance Institute, which pays the pensions, have been frozen by Modai.

A sure indication of the Israeli economic crisis and the ills of the society, wrote the *Post* in March, is the pensioners' plight, with a very high rate of suicide among those living alone. This is also the stratum most affected by the general collapse of health care. There are no more than 6,000 hospital beds to receive sick elderly persons; more than 2,000 people are now awaiting hospitalization, but no additional facilities are planned.

Nothing is expected to change except for the worse. When confronted with several thousand pensioners demonstrating against him, Modai fled his office building through a back door. Economic Minister Ya'acobi met with a delegation of demonstrators, and promised to refer the matter to the prime minister. However, since then, it has not been raised with the special economic cabinet, which instead, at its last session on April 2, discussed one of Ya'acobi's latest ideas: the creation of a financial mechanism to "launder dirty money," as Radio Je-

rusalem reported it.

Ya'acobi wants an American bank to open a branch in Israel, so that dollars can be deposited by Israelis "with no questions asked" about the origin of the money. The dollars will be reinvested into Israel's economy and could be withdrawn at will by the depositors.

No one in the media raised the question of where these dollars would come from—quite a question, given that drug-trafficking in and through Israel is reaching a peak.

In step with the international drug mafia's takeover of Lebanon, Israel has again become a link in trafficking to Europe, as shown by a growing number of airport arrests and cocaine and heroin seizures, not to mention tons of hashish routinely intercepted at the Lebanese border.

Establishing banking facilities which are little more than money-laudries would complement the transformation of the city of Eilat into a "free zone," officially discussed on March 11. More than six levels of taxation effective in the rest of the country would be abolished in Eilat, which aims at attracting tourists and such industries as high-tech assembly, spices, jewelry, and cosmetics—certainly not the kind which can re-launch the Israeli economy, but just the kind wanted by the economic consortium led by Max Fisher and Edgar Bronfman, now ruling over Israel.

Only one minister dared to oppose Israel's transformation into a casino gambling paradise. Yitzhak Navon, the former President and education minister, warned that "casino gambling" in Eilat would be the first step toward casinos throughout Israel. The proposal was quashed for the time being, but there is little doubt that Israel is now moving toward the kind of society which has no room for pensioners.