

ISRAEL: Economic Collapse, Security Hysteria Increase War Danger

The press reports excerpted below indicate an unprecedented psychological warfare campaign by the Israeli government against its own population.

A media blitz is filling the Israeli public's ears with innumerable warnings of terrorist attack, dramatized on television as 'public service announcements,' while citizens are subjected to unbearable bomb-scares and raiding party drills. The Israeli Defense Forces have gone so far as to buzz their own cities with jet fighter planes, bringing complaints from the Jerusalem mayor. Repression of West Bank Arab residents has also been stepped up.

On the economic front, Israel's lot worsens at an accelerating rate, as the London Sunday Times reports, culminating with Premier Menachem Begin's misbegotten effort to apply the advice of fascist economist Milton Friedman. Conceivably, British or allied financier circles may see fit to pull the plug on the Israeli pound, plunging the country into a wave of strikes and hyper-inflationary chaos.

Poised on the brink of attacking Syrian troops in Lebanon, Israel needs very little social destabilization to propel it into the fourth Middle East war.

Government Terror and . . .

Excerpted from the Aug. 29 Washington Star article, "Girding for Terrorist Attacks An Everyday Concern in Israel":

In 10 days alone, 12 bombs were found in Jerusalem. A tense and alert public discovered most of them before they went off, so there were no casualties

In light of terrorist attempts to interfere with the Camp David talks, Israelis are taking the bomb threats seriously, and as a result, a wide range of precautionary steps are newly in force.

Buses ... have added security measures. Some drivers have begun using their microphones to remind passengers to look carefully for suspected bombs

Police have been bombarding the air waves and the local press with messages of warning. For the first time, people are even being advised to walk around their homes twice a day to search for explosive devices.

A private group ... has offered a total of \$27,472 in rewards to alert Israelis who discover parcels with bombs inside. The organizers said they would pay \$550 to anyone who finds a bomb and alerts the police. The first few awards were handed out last week.

A program of large-scale anti-terrorist exercises began last week in the major population centers of the country At one exercise in the Ben-Gurion Airport region, air raid sirens were sounded, roadblocks were erected, a practice of evacuating mock casualties was carried out and flares were hurled into the night sky.

With so much media attention devoted to terrorism, it is no wonder that an already fidgety public has seemingly grown more nervous. Adding to the general state of nervousness, Israeli air force jets soar over Jerusalem almost daily. Frequently those on the ground mistake the thunderous sound for a terrorist bomb ... despite requests from Jerusalem Mayor Teddy Kollek to avoid such blood curdling behavior

The rise in tensions throughout Israel has led, inevitably, to a heightened watchfulness by Israeli soldiers on the West Bank The West Bankers themselves are especially upset at the growing number of times they are being asked to leave buses and stand on the roadside as part of the security checks

. . . Economic Nightmare

Excerpts from the Aug. 27 London Sunday Times article, "The Vital War that Israel is Losing":

Israel's finance minister Simcha Ehrlich was due back home from Latin America this weekend, for what his many critics call sarcastically "a short break in his junkets," to face demands from the Labour opposition and trade unions that he resign because of the hopeless mess into which the nation's economy has slithered....

The shock came earlier this month. July's prices index was found to have risen 2½ percent — the month in which, Israelis used to say, "even the inflation takes a Holiday."

The treasury continued to print about £30 million in notes monthly, equalling an annual 12 percent of the budget, and the governor of the central bank foresaw a growth of the foreign trade gap by about £150 million after steady reductions in the past three years of an average £260 million. Israel's total foreign indebtedness now stands at about £5,700 million.

All this proves that the 'economic revolution' of last October has flopped. Applying the textbooks of Milton Friedman, the American Nobel Prize winner and free enterprise and laissez-faire prophet, Ehrlich and his team generously liberalized foreign currency controls and floated the local pound. This brought an immediate devaluation of 50 percent, and another 20 percent since then as the Israel pound's value has been dropping steadily.

A six-month wage, price and tax freeze laboriously clinched last spring pending conclusion of new wage contracts, went by the board as cabinet ministers, Knesset members and the judges got huge raises....

Now they are all holding their breath as the 70,000 teachers from high school principals down, demand the same 40 percent rise which the tax collectors and some technicians exacted several months ago. They threaten to strike until they win, and if they do, the rest of the public servants will demand the same. Then, the money presses will have to produce banknotes much faster and the inflation spiral will wipe out all their gains. Some pessimists fear that then, the economy will collapse altogether.