

Letter from Israel

Who supports Netanyahu?

THE Israeli bourgeoisie and its organisations — Federation of Industrialists, Federation of Chambers of Commerce etc. — openly and vocally support Peres' Labor Party and share Peres' view of "the new Middle East". An offhand answer might be that Netanyahu has taken over the Likud — a party which traditionally gets the majority of working-class votes, though it in no way deserves them, least of all under Netanyahu.

However, Netanyahu gets considerable support from a group of US, Canadian and Australian millionaires, who gave him enormous sums in 1993 to help his campaign to take over the Likud Party, and financed his successful 1996 campaign for Prime Minister.

Every few weeks another new millionaire backer emerges for Netanyahu, the latest being the Jewish banker Safra of Brazil, whose bank in Sao Paulo is one of the biggest in Latin America. Some of these millionaires are fanatical Jewish religious nationalists, such as Erwin Moskowitz of Florida USA, and Yosef Gutnik of Australia — both of whom also gave enormous sums to the settlers and the extreme right. Most of them, however, seem mainly interested in obtaining chunks of the Israeli economy which Netanyahu promises to privatise. Ron Lauder is reported to have his eye on both the Israeli postal authority and the Israeli broadcasting authority.

On 22 November 1996 Netanyahu proclaimed that his main economic aim was "to bring the Thatcher revolution to Israel", which will have the result of "making Israel one of the richest countries in the world." This apparently means bringing his international friends into the Israeli economy.

Still another element, which is most speculated upon, is a connection with the organised crime and "the new millionaires" of the former Soviet Union, who are known to be operating in Israel — where a large Russian community exists.

The contact person — if these contacts really exist (of course

Netanyahu hotly denies them) — would be Netanyahu's chief henchman, Avigdor Lieberman, director of the Prime Minister's Bureau, who is an immigrant from Russia himself and who is in charge of Netanyahu's privatisation plans.

Also, rumours of this kind of connection have arisen around the new Russian Party, headed by the former dissident Nathan (Anatoly) Scharanski, now Minister of Trade and Industry — a party which arose out of nothing to become a major power in Israeli politics, in a way which was never completely explained.

In general, what seems to be shaping up is a fight between the established Israeli bourgeoisie (represented by Labor) and foreign millionaires allied with Netanyahu who intend to carry out "a hostile takeover" of the Israeli economy.

I have a feeling that the first shot was Israeli tax authorities taking the offensive against Rupert Murdoch's Israeli operations, a few weeks ago; Murdoch is also reported to be one of Netanyahu's contacts, and the Prime Minister is known to stay with him on visits to London. It seems to be significant that this affair first got the headlines and then totally disappeared from media attention.

The big question, of course, is what will the workers do? The workers at the public sector companies seem militant, and backed fully by the Histadrut. After some strikes, Netanyahu took a step back and promised the workers that "the smaller companies will be privatised first." He now seems to focus on the other aspect of his "Thatcher revolution": dismantling the Israeli welfare system.

The budget due to be presented to the Knesset in December includes deep cuts in welfare, health and education. But it will not be easy for



Clinton supports Netanyahu

Netanyahu to pass it. There is a rebellion inside his own party, especially from the faction of Foreign Minister Levy, which carries on the populist traditions of the Likud.

Until now, the Likud had much more in common with the Peronist party of Argentina than with the British Tories or the US Republicans. But then Carlos Menem has proved, with the original Peronist party, that such a party can be "tamed"... We will have to see how it develops.

One thing more: established Israeli big business, which has a lot to gain from opening up of the markets of the Arab world to Israeli goods, clearly has an interest in supporting Peres and the peace process. But some smaller industrialists, producing low-quality consumer goods in workshops employing ten or twenty low-paid workers (in the past, Palestinian ones, now migrant workers from different third world countries) seem afraid of competition from similar workshops in the Palestinian territories, where the wages are even lower. The same is true of Israeli farmers, who very much fear agricultural imports from the Palestinian territories or from Jordan. These two sectors clearly have an interest in keeping the borders closed, and regard peace as a threat. Many of them support Netanyahu.

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