

# IMMIGRATION CRISIS IN ISRAEL

By A. B. Magil

LAST October, shortly before I left Israel, a spontaneous demonstration of new immigrants took place in Jaffa against the intolerable conditions under which they were living. The demonstration was broken up by the police. News of this incident was suppressed by censorship.

The warning signal went unheeded. Within a few months demonstrations on a much larger scale, some of them reminiscent of the hunger marches in our own country in the early thirties, became commonplace in Israel. Such protests have taken place not only in Jaffa and Tel Aviv, but in Haifa, Jerusalem, Safed, the former Arab towns of Ramleh and Lydda and many others. In the reception camp of Pardess-Chanah, 15,000 immigrants went on a 24-hour hunger strike—men, women and children—in protest at the poor and inadequate food. And in an article in the May 1 issue of the *Jewish Day*, Yitzchak Gruenbaum, who was minister of the interior in the provisional government, writes that “weaker elements among the immigrants are turning to the consuls of the countries from which they came with complaints that they were deceived with promises that are not being fulfilled. They are demanding that they be sent back to their former homes.”

All this is no longer being suppressed—it is in fact the main topic of discussion in Israel today. While hundreds of ex-servicemen and new immigrants demonstrated outside the Knesset (parliament) on April 26, Prime Minister David Ben Gurion told the Knesset that of the 210,000 immigrants who had entered Israel since the establishment of the Jewish state, 53,000—over a fourth—“are still living in conditions of frightful overcrowding in the immigrants’ reception camps.” And “apart from those who are still living at the expense of the Jewish Agency in the immigrants’ reception camps, there are several thousand immigrants who are already housed, but who are partly or entirely unemployed.” To these there should be added demobilized soldiers who have not found jobs and thousands of unemployed Arabs. Thus, after successfully repelling foreign military invasion, the young Jewish state is faced with a new crisis, economic and social, that threatens to overwhelm it. Who is to blame for this situation?

First, foreign imperialism. The years of British mandatory rule retarded Palestine’s economic development and placed its natural resources and key economic positions in the hands of foreign capital, thereby impeding its capacity to absorb immigration. Thanks to this oppressive alien regime, the rise in living costs over the 1939 level was by the end of the Mandate more than three times as great as that in the United States during the same period. More recently

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British and American sabotage of the United Nations partition decision and their encouragement of Arab aggression—which in Britain’s case included military and financial aid—forced the Jewish state to devote almost all its energies during its first months to the desperate struggle for survival. Pressure from Washington and from American Jewish capitalist circles, Zionist and non-Zionist, was also a major factor in preventing the adoption of the kind of policies that could successfully cope with the influx of immigrants and with the country’s serious economic problems.

Secondly, the foreign policy and the domestic economic policy of Israel’s government, led by the social democratic Labor Party (Mapai), have aggravated the country’s difficulties and prevented the mobilization of its economic resources for their solution.

## Is Restriction the Solution?

The Israeli bourgeoisie has a simple solution for the crisis: restrict immigration. This has been openly demanded by *Haboker* and *Haaretz*, daily organs respectively of the bourgeois Right and Center. (*Haboker* is the paper of the General Zionists, whose American counterparts control the Zionist Organization of America.) Among some members of the Jewish Agency and the government similar moods have developed.

Immigration is politically the hottest potato in Israel. Public opinion would regard any effort at total restriction of entry of the thousands of survivors of the Nazi hell seeking a permanent home in Israel after years in concentration and DP camps, as a betrayal of the heroic struggle that established the Jewish state. It was chiefly on the right of Jews to enter Palestine that the *Yishuv* in 1939 took up the fight against Britain. After the people annulled the White Paper at such heavy cost, no government could last a day which attempted to enact a Jewish version of the White Paper.

At the same time the present crisis underlines the irresponsibility of Zionist propaganda about “exodus from Europe.” While failing to provide for the elementary needs of the immigrants, the Zionist leaders have been urging Jews in the people’s democracies, where they have homes, jobs and security, to grab bag and baggage and rush to Israel. And they have attacked Rumania and Hungary for curbing this harmful Zionist activity and refusing to agree that their countries should become *Judenrein*.

The fact is that the Israeli government and the Jewish Agency failed abysmally to plan for the large immigration that they themselves proclaimed as Israel’s central task. For months they coasted along. While the war against the Arab invaders was in progress, the crisis was temporarily concealed by the absorption of some of the immigrants

into the armed forces and of others into employment made possible by the shortage of labor during the fighting. The housing crisis was also temporarily covered up by an unexpected "godsend": the flight of 400,000 Arabs from the territory of the Jewish state. But anyone who visited the reception camps and the homes unfit for human habitation in which immigrants were lodged could have predicted that sooner or later there would be an explosion. In the abandoned Arab town of Salameh, for example, near Tel Aviv, 5,000 persons were quartered last year, without electricity, without a doctor, without direct means of transportation, without schools.

During the period of hostilities building activity was allowed to decline, and most of it was not for immigrants, but for established families with some means. The house I lived in during most of my six months in Israel was a good example. When I rented a room there, the building was still not fully completed. Adjoining it were two other buildings in varying stages of construction. All three consisted chiefly of apartments with expensive modern installations for middle-class families. During the next few months workers and materials were employed in completing this group of buildings—how much better if they had been utilized to provide homes for new immigrants.

### ***Much Talk, Little Action***

In regard to the cost of living the government talked action and acted chiefly with talk. As a result, prices shot up till meat was the equivalent of \$2.20 a pound and eggs \$2.16 a dozen. Finally, last October the government appointed an economic coordinator, Sigfried Hoofien, chairman of the Anglo-Palestine Bank. This is virtually the national bank of Israel though most of its shares are owned in Britain by private individuals and companies, including



***Immigrants in the Shaar Haalyia reception center.***

Lloyd's Bank, one of the British big four. Hoofien was hailed as a "strong man" who would break the back of inflation. Four months later the cost of living index had risen another 15 points.

Instead of a progressive tax system, which would provide substantial revenue while placing the main burden on those best able to pay, a tax system was introduced modeled largely after the one in force under the British: 65 per cent of the revenue is derived from indirect taxes which bear most heavily on the masses of the people, and only 25 per cent from individual income taxes. Corporation taxes are lower than in the United States and Britain, and there are no levies on excess profits, undivided profits, gifts and inheritances, though the government recently proposed an inheritance tax.

The absorption and healthful integration of the new immigrants is also being seriously hindered by the refusal of the capitalists to expand industry and agriculture. Citrus production, which before World War II accounted for three-fourths of the value of Palestine's exports, is being kept at a low level. Industry declined during 1948 and is continuing to lag, industrialists preferring to get easy profits through price increases and speculative deals rather than expand production which may involve certain financial risks. At the same time the capitalists attack as "socialistic" any move to aid cooperative or other forms of public enterprise.

What is the Israeli government's program to cope with this dangerous crisis? The program rests on two pillars: internal "austerity" and external aid. The first step taken in the austerity program announced at the end of April was to crack down not on the food black marketeers, but on the farmers, by reducing the prices paid them. All indications are that this program is largely one of further impoverishing the poor. And main reliance is on American aid. Certain it is that the young Jewish state needs all possible help from American Jews, as well as private investments to promote industrialization, and governmental loans. However, all three forms of financial aid are being extended under conditions that defeat their alleged purposes and serve to undermine Israel's independence. Of the \$100,000,000 American credit, only 20 per cent can be used for industrialization. All plans for the expenditure of the credit must be approved by the United States, and Washington is given wide powers to intervene in Israel's economic affairs.

Fund raising activities are largely controlled through the United Jewish Appeal by wealthy Jewish bankers and industrialists aligned with the reactionary American Jewish Committee. They use their positions to influence the way the funds are spent and to bind Israel more closely to American foreign policy. As for private American investors, to whom the government of Israel is offering inducements such as they get only in the weakest colonial countries, their primary interest is in guaranteed profits and not in the planned development of industry and agriculture. In its census of American-owned assets abroad for the year 1943 the United States Treasury Department found that

in Palestine only five per cent of American assets were in manufacturing, while nearly half were in real estate.

### *Plan for Action*

What, then, can be done? Obviously, there is no simple solution. Even under the best circumstances the arrival in a small country of so large a number of immigrants would have created serious, though not insoluble, problems. These difficulties, however, have been greatly compounded by wrong policies. The progressive forces of Israel, represented by the Communist Party and the United Workers Party (Mapam), have indicated an approach which alone can grapple with these problems and master them. They are demanding a break with the policy of permitting the capitalists, local and foreign, to make their own selfish profit interests the criterion of action for immigrants. The Communist Party especially is pressing proposals as follows:

1. Nationalization of all foreign-owned concessions such as the Palestine Electric Corporation, Palestine Potash, and the Haifa refineries and their operation by the government in the interests of the people.
2. Genuine price control and rationing that will force a lowering of prices, wipe out the black market, and assure all citizens adequate distribution of essential commodities.
3. Large-scale public works to provide immediate employment for immigrants.
4. An overall government housing program instead of

the numerous fragments of programs put forward by various agencies. The present conflict of authority between the government and the Jewish Agency needs to be ended and central authority vested in the government. The lowering of prices will also make it possible to plan more housing than hitherto projected.

5. Nationalization of imports. This will make it possible to halt the practice of imported manufactured goods that could be produced in Israel. Instead, Israel's limited supply of hard currency should be used to import machinery and necessary raw materials.

6. Mobilization of financial aid from Jews of all countries and utilization of the funds to finance government industrial enterprises and the expansion of cooperative agriculture.

7. Development of closer economic and political relations with countries that will treat Israel as an equal, will be willing to buy from her as well as sell to her, and will not seek to dominate her. Trade agreements already negotiated with Hungary and Poland are of this character, but Israel's trade with the Soviet Union and her allies remains insignificant, and the political relations of her government with them are only formally friendly. Instead, there is a one-sided economic and political orientation toward the Anglo-American bloc. This weakens Israel and obstructs the solution of the problem of jobs and homes for the hopeful newcomers who are now pouring in at the rate of 25-30,000 a month.