

ISRAELI SOCIALISM?

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OFFICIAL Israeli propaganda, theorists of the Zionist-socialist parties in Israel, champions of 'democratic socialism' all over the Western world, and even a number of well-meaning people from the new states in Africa and Asia, all have much to say about what they term 'Israeli Socialism'. It is time to deal more thoroughly with this aspect of Israeli life and provide a sober and realistic evaluation from a scientific working-class standpoint.

Let me begin with a typical quotation, making clear what the Zionist-socialist theorists claim. P. Lavon, then Histadrut† General Secretary said:

There remains the basic fact that in Israel—and in Israel alone out of the entire world—a society was established whose economy belongs in its overwhelming majority to free working people. If the term socialist economy has a meaning, then we have come nearer than any other state in the world to the advancement of the real content of this term.

(*Davar*, April 9, 1959.)

According to this view, the Kibbutz—the Israeli agricultural collective farm—is the supreme creation of this socialist economy. Thus, one of the more 'left' leaders of Israeli Zionist-socialist reformism, A. Ben-Aharon of the Achdut-Ha'avoda party, said:

we have established an important nucleus for the achievement of a socialist society—the Kibbutz.

(*Davar*, December 11, 1957.)

It is instructive to note that more sober-minded people of the same circles, notably economists and sociologists, have recently come to somewhat different conclusions. Professor H. Halperin, director of the Agricultural State Bank, himself a prominent member of the ruling party, wrote in 1961:

The Kibbutz as such is in danger. Notice that at the beginning of the century we had in this country a co-operative *movement*, but now such a movement no longer in fact exists. We have co-operatives with imposing institutions; but a movement we have not got . . . We are engaged in exporting co-operative principles, but we ourselves possess no such movement. And what is more, signs of degeneration are beginning to appear in the existing co-operatives . . . and this causes serious concern. The lack of a movement threatens to impair our most important creation, the apple of co-operation's eye—the Kibbutz.

(*Davar*, September 19, 1961.)

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This statement is proof that there are people even within the reformist camp who realise that there is a discrepancy between their theory and real life. It is difficult within the scope of a short article to deal in detail with every feature of so-called 'Israeli socialism', so I shall touch only briefly on the State and Histadrut enterprises.

S. Mikunis, General Secretary of the Communist Party of Israel, giving a report to the 14th Congress of the Party, dealt with the argument that the extent of the State sector in economy was proof that Israel is socialist:

If we adopt these 'theories' advanced by the leaders of Mapai* among other things we should have to conclude that the social order and economy of the neo-nazi West German state of Adenauer and Globke are 'mainly socialist'. After all, there the state-controlled part of the national economy, at least as far as industry is concerned, is more extensive than that in Israel.

Regarding the Histadrut sector the report pointed out

Foreign monopoly capital has also designs on the economic enterprises of the Histadrut. These enterprises . . . began as producer, consumer, contracting and credit co-operatives; in the course of time, however, they became typical capitalist enterprises, owned jointly by 'Hevrat Ovdim' (the Histadrut holding company) and by foreign and Israeli capitalists. The U.S. Ampal Corporation is one of the principal channels through which investments and loans are transferred by American capitalists to Histadrut-owned enterprises (250 million dollars between 1948 and 1959). Recently, West German capital, too, has been penetrating these enterprises.

Mikunis quoted the Hamburg paper *Die Welt* which on September 12, 1959, wrote that the 'atmosphere in Israel is favourable to foreign investment, due to the fact that the Histadrut is a big employer of labour . . . and is not fettered by Marxist doctrine'. He remarked: 'As we see, the Ben Gurion government and the Histadrut have won the admiration of international monopoly capital'.

When we turn to investigate the facts in more detail, the essential class character and the trends of development in the Israeli Kibbutz movement, I feel it is necessary to stress once again that we in no way deny that a valuable part can be played by co-operative organisation of agricultural production and producers, even in conditions of capitalist society. While always remembering Lenin's definition that, under capitalism, co-operatives are bound to be 'co-operative capitalist institutions', we at the same time value the Israeli agricultural producers collectives (the Kibbutzim) for their efficient and

*The right-wing Social Democratic Party, at present in power.

original form of organisation, for their high level of management and agrotechnics. But with all due respect to the members of the Kibbutzim for their devoted toil, for their principles of communal life and of physical labour, we cannot forget that they exist and produce in conditions of capitalist society, subject to its laws.

We therefore deny categorically that they are 'islands of socialism' quite independent of their environment. On the contrary, the Israeli Kibbutzim, numbering about 230 settlements and comprising about 18,500 families, are producers' co-operatives of workers who are collectively exploited by big capital.

Here is some evidence: The first Kibbutz (*Degania*) was founded fifty years ago; most of its younger members joined it after the First World War; but figures show that they are still very deeply in debt, that they are still not the real owners of their farms and are paying immense sums of interest. If anyone argues that this is normal, and that the farms have not yet achieved economic independence, he is painting too rosy a picture and falsifying the facts. The following table, taken from a report on *The Situation of Israeli Agriculture* published by the official Horovitz-Commission in 1960, is striking:*

Year	Total Capital Invested in all Kibbutzim (in millions)	Capital belonging to the Kibbutzim (in millions)	% of total
1952	73.9	4.8	6.5
1954	138.8	6.9	4.9
1956	249.7	10.0	4.0

This means that 96 per cent of the whole property of all the Kibbutzim, does not belong to them; and that the percentage of their own capital far from increasing, is actually decreasing. Of course some people may argue that this is the average since the formation of new Kibbutzim distorts the general picture. But here are some figures for 113 long-established Kibbutzim only: Their overall debt *increased* from £122 million in 1955 to £269 million in 1960 (figures cited by Sh. Rosen, general secretary of the Hakibbutz Haarzi movement). Taking the interest paid on loans by all the Kibbutzim, you find that in 1954 the £6 million to be paid for interest could be taken from the sum of £111.7 million of gross profit, in 1957 the 17 million to be paid already absorbed all the gross profit which in that year only amounted to 17 million. Now the situation is worse. A working family in the Kibbutz has to pay yearly an average of £1,200 interest.

*Figures throughout are given in Israeli pounds, denoted I£.

At present, interest represents an average of 12 per cent of production costs in Israeli agriculture. There are even cases where the average is 24 per cent . . . This is an excessively high interest rate, which is scarcely equalled anywhere in the world.

(Professor H. Halperin, *Davar*, May 4, 1962.)

What made the Israeli collectives fall into such ever-increasing enslavement to big capital and usurers? The iron laws of capitalist economy apply to all producers—whether private or co-operative. The drive of capital for maximum profit; the need for working farmers to compete with the dumping of food surplus from the U.S.A.; the continuous rise in methods of production (machines, fuel, fertilisers, water, selected seeds, etc.); all this compels the Israeli farmers, whether smallholders or members of co-operatives, to invest more and more and to increase the organic composition of capital. This means in consequence that they must get ever more entangled with the big capitalist corporations, be they open financial trusts, or disguised as 'National' or 'Histadrut' institutions.

These economic developments, which show themselves among other things in severe crises of overproduction of agricultural commodities for the home market, have also very serious social repercussions for the Kibbutz movement.

Since finance capital in agriculture striving for maximum profit, is interested mainly in monocultural crops for export (oranges, peanuts) or raw materials for local industry (sugar-beets, cotton-fibre, oil-kernels), it comes into conflict with the established practice of intensive mixed-farming usual in the Kibbutz economy. The Kibbutz settlements are reluctant to switch over to farming methods which demand a huge number of farmhands during the limited harvest season; mixed farming provides steady employment for the Kibbutz member all the year round. In their efforts to break up these Kibbutz farming methods and force methods suitable for monoculture production upon them, monopoly capital is actively assisted by the Israeli government, which by administration and taxation encourages wholesale slaughtering of dairy cattle, laying hens and so on. Thus the way is paved for introducing wage-labour from outside into these 'islands of socialism' and the exploitation of one toiler (the labourer) by another (the Kibbutz member).

It is only natural that the pressure of the immense debt burden, as well as the appearance within the Kibbutz of employer-wage earner relations, bring about a crisis in the traditional Kibbutz ideology and society. People who have been taught ever since

childhood and told for years that they are building socialism, or even that they have attained the final stage of communism, suddenly realise that they are exploited, or that they themselves are bound to become exploiters; and they fall into despair, nihilism and degeneration. There are signs of complete loss of perspective; hundreds of families leaving their Kibbutz settlements for good. There are symptoms of social differentiation between the Kibbutzim, and even within the closed society of each Kibbutz. Pages could be filled with quotations from statements made, articles written and discussions by Kibbutz members who feel that the ideological ground is vanishing from beneath their feet. It is, therefore, obvious that the Kibbutz as a form of social life and form of organisation of agricultural production, is a shrinking phenomenon. In 1948 the Kibbutz membership was 6.5 per cent of Israel's total population, and 51.6 per cent of the rural inhabitants: by 1958 it had been halved, dropping to 3.9 per cent and 24.2 per cent respectively. Since then it has certainly fallen further.

But there is not only despair and acceptance that capitalist development is inevitable. More and more Kibbutz members themselves begin to understand that only struggle can save their many modern and efficient collective villages. Discontent with the actual development and ruling agricultural policy, as with credit and monetary tie-ups are voiced on an ever wider scale at meetings of organisations of the agricultural collectives and co-operatives. Of course not all criticism is principled, not many arguments are Marxist, the ways of struggle proposed are not very class conscious; but things are moving. But the same change in outlook will come about among this section of the Israeli working population as are beginning among the industrial working class. The members of the Kibbutz movement will have to realise that as exploited toilers—like all toilers under capitalism—they must abandon the illusion of having set up 'socialist nuclei'; they must understand that their collective farms cannot develop and flourish in capitalist conditions which prevail in Israel; that only by joining in conscious class struggle in fraternal unity with the wage labourers can they save the way of life they have created from degeneration and loss of every progressive social features.