

Israeli Austerity Crisis Paves Way For Yadin-Dayan Takeover

The sweeping austerity measures announced in Israel this week and described by the *Jerusalem Post* as a "bombshell" have opened up a domestic political crisis that may pave the way for a takeover of the Israeli government by Deputy Prime Minister Yigal Yadin and Foreign Minister Moshe Dayan.

ISRAEL

The centerpiece of the new measures, which were announced by Finance Minister Simcha Erlich, was a decision to remove controls on Israeli currency and exchange rates. The move sent the Israeli pound plummeting at the opening of trade on Oct. 31 from a little over 10 Israeli pounds to the dollar to more than 15 — an astounding 45 percent devaluation. Export incentives and price subsidies on many consumer goods were also removed, an act that is expected to send prices upward by 15 percent or more, following an earlier decision last week to raise fuel prices.

The Israeli action followed by one day a visit to Israel by Secretary of the Treasury Blumenthal. In Washington, Treasury spokesmen denies any connection between the Blumenthal visit and the Israeli action, although Blumenthal endorsed the measures in a public announcement. It was widely acknowledged that Milton Friedman, the architect of draconian austerity policy for countries such as fascist Chile and Argentina, was the inspiration behind the Erlich decision. In an interview in the *Jerusalem Post*, Friedman hailed the Israeli move as "one of the greatest things that has happened to Israel since it was founded," and added that he had been "recommending this kind of program for many years."

The Yadin Connection

The storm of protest against the austerity measures, led by the Labour-Party controlled Histadrut trade-union confederation, may have been able to topple the Begin government had it not been for the entry into the governing Likud coalition by General Yigal Yadin's fascist Democratic Movement for Change (DMC). Yadin assumed the post of deputy prime minister.

"It was a deal," said a Pentagon analyst in Washington. "The deal was that Yadin would come into the government to deal with domestic affairs and the economy, and stay away from foreign policy." The 15 votes of the DMC brought the government majority to 77

out of 120 Parliament seats, ensuring that any vote of no confidence could not oust Begin.

The architect of Yadin's entry into the Israeli government apparently was Foreign Minister Dayan, who, according to the *Jerusalem Post*, "encouraged" Yadin to join the regime. The *Post* reported that Dayan "would support Yadin for prime minister were Menachem Begin forced for health reasons to relinquish the office," and added that Dayan and Ezer Weizman, the defense minister, would rule Israel under Yadin. Yadin "would readily involve the two more seasoned men — Dayan and Weizman — in all major decision-making," concluded the *Post*.

The triumvirate of generals — Dayan, Weizman, and Yadin — backed by General Sharon, the agriculture minister, is now in place to prepare Israel for the coming political-military confrontation that is expected.

Israel Will Take Atomic Energy Help Where It Can Get It

The president of the Israel Society for the Atomic Sciences, Professor Shimon Yiftach, said that Israel should consider proceeding with the construction of a nuclear power plant utilizing the country's own resources, and get the "outside help it needs wherever it can find it." Yiftach's remarks were made at a day-long symposium on the future of nuclear energy production in Israel held at Tel Aviv's Weizmann Institute Oct. 28.

At the meeting, sponsored by Israel's Atomic Energy Commission, Yiftach said that the Carter policy statement made last April concerning controls on nuclear energy development "had blurred the position of American help in building a nuclear power plant in Israel."

Israel, according to Yiftach, can either wait for the U.S. position to be clarified, and then agree to the terms outlined by the U.S., or look for help elsewhere. If Israel can't get help for nuclear energy development from countries such as West Germany, France, Canada, or Japan, Yiftach proposed that Israel take the initiative as Spain, Italy, and Argentina have done. The professor concluded, "If we need help we could apply to the latter countries... since they apparently do not see eye-to-eye with America."