

Official devaluations commenced in November of 1974 under the Golda Meir government, with a 30 percent cut. From June 1975 on, a policy of "creeping devaluations" was invoked, in the form of 2 percent bites into the value of the Israeli pound. By October of 1977, this was found inadequate and the pound was set loose to "float," resulting in an immediate 31.8 percent decrease in value. At that point, the exchange rate of pounds to dollars was 15.25, characterized by Bank Leumi as a "state of equilibrium." By December of 1978, the equilibrium level had dropped to 19.53. This past week it broke through 21.

The stated justification for the devaluations was to cheapen the price of exports and discourage imports, again reflecting the IMF's "remedy."

Concurrent with the "creeping devaluation," the government imposed a Value Added Tax on goods and services of 8 percent. In October of 1977 it was jacked up to 12 percent. Currently, a regressive real estate tax is being considered by the Knesset. Taxes already account for 48.4 percent of the Israeli government's revenue.

The Labor Party's fiscal time-bomb remedy to the fall in real wages has been to permit limited consumer credit access to most employed workers. Almost everyone is in hock equal to at least the sum of a month's wages. The government offers for sale low-denomination bonds that yield a 3 percent interest after inflation.

As the country's English-language newspaper, the *Jerusalem Post*, put it: "inflation, even hyperinflation, has become profit without effort, a sacrifice without a victim; the only victim of this conspiracy which has now become almost universal is the country's future, and that has no spokesman, no lobby, no electoral appeal."

—Max Sawicky

## With the Nile secured,

The signing of the Camp David agreement secured for Israel its southern flank bordering Egypt. Now, this week, the Israeli government has begun to step up hostilities on its eastern and northern fronts. The motivation behind this step up in hostilities and the truth belying the claim that Camp David is a peace package was revealed by a report this week in the *Jerusalem Post*. "We need more room," claim the Zionist Israeli faction around Agriculture Minister Ariel Sharon.

In Nazi Germany, such a statement would have been identified with the "lebensraum" ideology that "justified" the Nazi war drive. It has the same meaning for Israel today.

The immediate effect of the Camp David accords has been, as Syrian Foreign Minister Khaddam has remarked, to make the nation of Egypt "an autonomous region of Greater Israel." Reportedly, Yitzhak Hofi, the head of the Israeli Mossad intelligence agency, is now in Egypt, a visit that coincides with the commencement of Egyptian provocations against its eastern neighbor Libya. Egyptian President Anwar Sadat has made the continual threats of retribution against those Arab countries which oppose his collaboration with Israel.

### Eyeing the north

On Israel's northern front, the Israeli-backed Falangist army of rebel Major Saad Haddad has declared the strip of territory in southern Lebanon under its control to be a "prestate." The payroll for Haddad's antigovernment militia, which aided the Israeli Defense Forces in driving 500,000 Lebanese Arabs out of their homes in the south, is financed quite publicly by the Israeli government. Haddad's spokesmen have periodically stated their willingness to federate territory under their control to Israel.

For years, the Zionist Israeli government has given covert support to those political tendencies inside Lebanon that favor the partition of that country. Full-scale Israeli military invasions have dispossessed thousands of Lebanese Arabs. Terror and antipersonnel bombardment of civilian populations have been carried out under the Nazi principle of "collective punishment" for the deeds of a handful of Palestinian guerrillas who

# march to Euphrates begins

are themselves manipulated by Israeli intelligence. The Mossad is well known to have paid agents inside the ranks of the Palestinian movement.

Through this systematic terrorist campaign, Israel forced the creation of a buffer zone in southern Lebanon, until this week policed by UN Security Forces. Now it is coming under the control of the army of the Maronite Christian Major Haddad and being readied to become a part of Israel proper.

## Threats against Jordan

On the eastern front, Israel took the occasion of a Palestinian guerrilla incursion into Israel to threaten Jordan's King Hussein, warning of the "consequences" he will face for his failure to buckle under and support Camp David.

King Hussein has charged in an interview published in the Lebanese press that there exists a plot to overthrow him and install in Jordan an "East Bank state" for the Palestinians. According to reports, behind the destabilization attempt is the fascist Muslim Brotherhood in both Egypt and the Ayatollah Khomeini's Iran—backed up by threats from the United

States. Israel, according to these same reports, has allied with the Muslim Brotherhood

The Israeli government announced this week the formation of a negotiating committee for the next round of talks on the subject of the occupied West Bank. The committee is headed by Interior Minister Yosef Burg of the National Religious Party (NRP) who superintended the successful NRP efforts to predetermine that the Begin government's position in the talks would be firmly opposed to ceding any territory. Included on the committee is Minister of Agriculture Sharon who opposed the ceding of the Sinai to Egypt under the Camp David accords. Sharon will not countenance giving up the West Bank territory.

The next on the Zionists' list of targets is most likely Saudi Arabia with the objective of destroying the economic and military capacities of Syria and Iraq and seizing the Saudi and Persian Gulf oilfields—under the "protection" of a U.S. nuclear umbrella granted by the Camp David treaty. Given the commitment of the Soviet Union to defend Iraq and Syria the cost of Camp David threatens to be more than monetary.

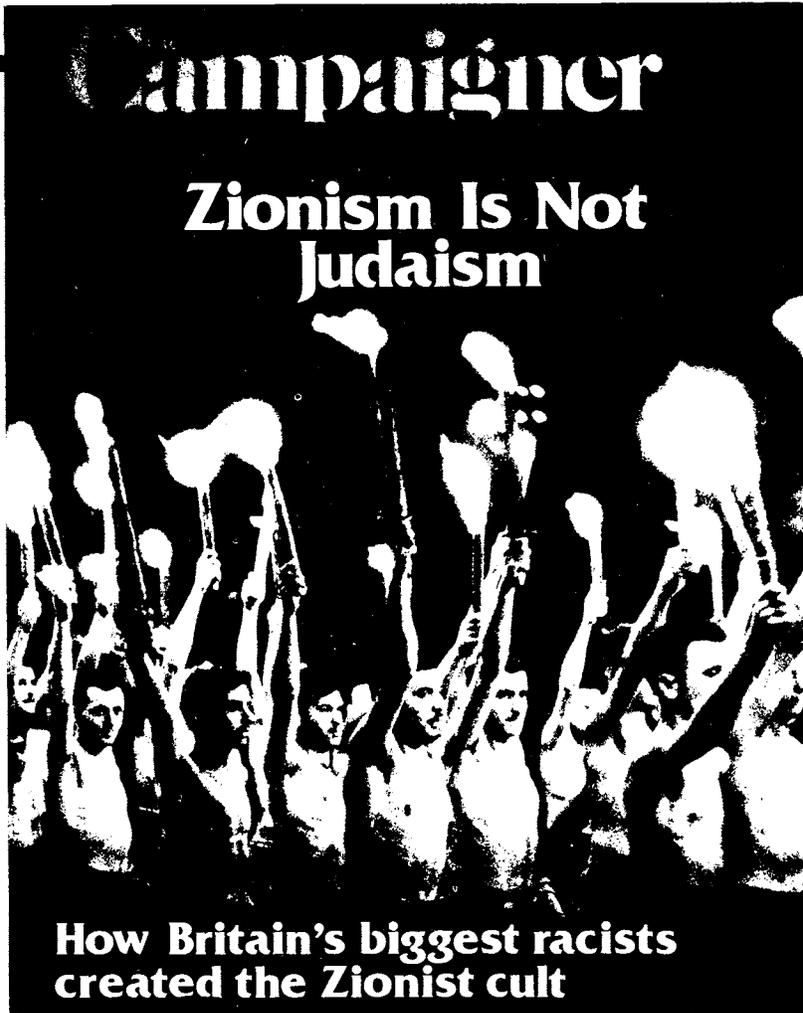
## Prostitution Thrives in Schachtian Israel

One of the most notorious activities of the organized crime kingpins in Israel—including "mafiosi" with close ties to Israeli Foreign Minister Moshe Dayan—is the management of one of the most sophisticated and extensive prostitution rings internationally. These rings are known to produce millions of dollars in annual revenues, particularly in cities like Tel Aviv.

According to a high-level source in the Israeli-occupied West Bank who is in a position to know the details of the Israeli internal situation, "In Tel Aviv alone there are at least 20,000 prostitutes. The city is filled with them. Almost one woman in ten is now a prostitute there." Independent estimates made

by a Jerusalem source are that this 20,000 figure is "very conservative....In many households in Tel Aviv, when the woman doesn't return home until the wee hours of the morning, no questions are asked, everybody understands what is going on."

The Israeli prostitution plague, a tragic consequence of Schachtian economic looting policies, has spread abroad to the shores of Europe. Dayan's son, among others, has been indicted by West German law enforcement agencies for running prostitution-and-dope rings in the German Federal Republic. According to a highly informed Israeli source, "These rings not only operate in Germany, they extend to France and Latin America. Overseas Israelis like Dayan's son make big profits from them." □



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