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The Effects of the 1973 October War on the Decline of the Israeli Labor Party

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David Gyepes Pro essor Gallagher Pro essor Lindemann History 195 H March 17, 1985 THE EFFECTS OF THE 1973 OCTOBER WAR ON THE DECLINE OF THE ISRAELI LABOR PARTY.

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INTRODUCTION

In 1977, the Israeli Labor Alignment lost an election for the first time in the country's history. The pattern of Labor's decline is illustrated by the statistics in table #1. Between 1965 and 1977, Labor lost approximately half of its seats in the Israeli Parliament, or Knesset. But, between 1973 and 1977, Labor lost over one and a half times as many seats as it did between the years 1965-1973. Changes in Israel's demography definitely played an important role in Labor's decline, since every year the Alignment lost ground among younger Israeli voters and Israel's sephardic (those Jews from North Africa and Asia) population. But, some other factor besides demographics must have caused Labor's disproportionate loss of Knesset seats between 1973 and 1977.

TABLE #1
How Labor Fared in The Sixth Through Ninth Knessets.1

Party	6th-1965	7th-1969	8th-1973	9th-1977	
 Mapai	45)	56	51	32	
Mapam	8)	(La	abor Alignme	ent)	
Rafi	10)				

The main factor that accelerated the decline of the Israeli Labor Alignment was the 1973 October War and its repercussions. This paper attempts to explain how and why the 1973 October War accelerated the pattern of the Israeli Labor Alignment's decline, helping cause the party's fall from power in the 1977 Knesset elections.

The project is divided into four segments. The first section of the paper provides a brief history of Labor's role in shaping and controlling Israel, a discussion of Labor's traditional opponents and a short account of the October War. The three main parts of the paper, titled "The Rabin Administration", "The Democratic Movement for Change Party", and "The Economic Situation After the War", examine the impact of each of these factors on the Labor Alignment's decline.

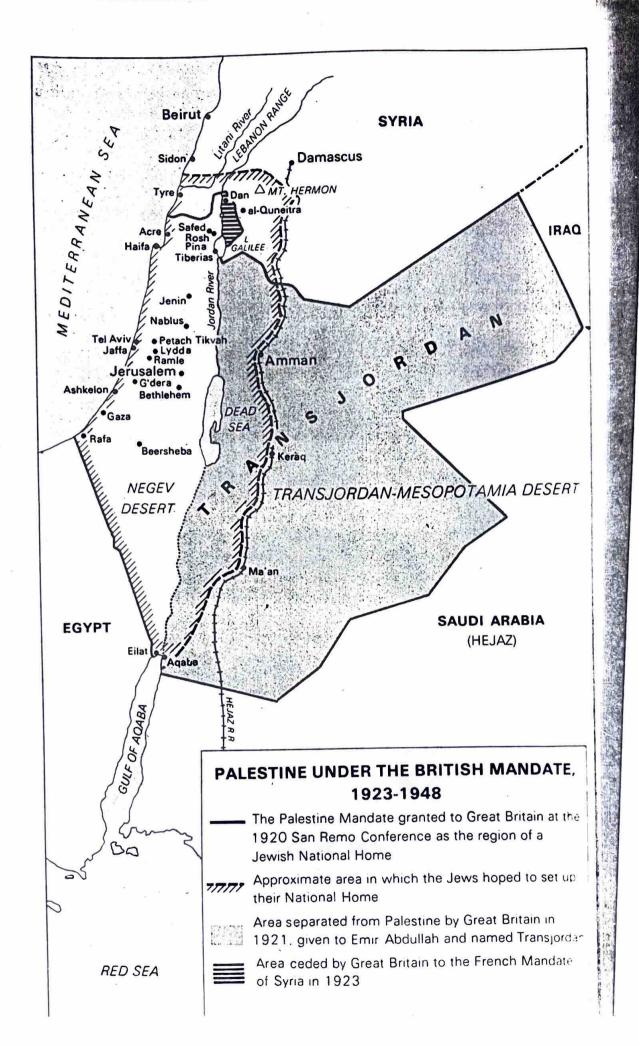
PART I: BACKGROUND

The Role of Labor in Palestine and Israel

Many Eastern European Jews left their homes in the late nineteenth century due to pogroms (organized persecutions and massacres of Jews) in Russia and Eastern Europe. The vast majority of these people went to the United States and Canada, while others settled in Western Europe. A comparative handful went to Palestine, which was under British control at that time.

Almost all the Jews who went to Israel were socialists attempting to fulfill the zionist dream. A philosophy developed by Theodore Herzl, an Hungarian Jew, zionism calls for the establishment of a Jewish homeland in Palestine.

Under the British Mandate (The British controlled an area including present day Israel, Jordan, and a small portion of Southern Lebanon, from 1920 after World War I to 1948, refer to the map on the following page.) the initially small Jewish population of Palestine organized itself. The Jewish National Fund, established in 1897 to buy land for Jewish settlers in Palestine, had bought 155,000 hectares of land by 2 1934. In 1920, the Zionist Organization, an international group, set up the General Federation of Labor for Jewish workers in Palestine, better known as the Histadrut. A workers union, the socialist controlled Histadrut provided the Jews of Palestine



with many vital services, such as medical care, schooling and construction. By 1929 the Jewish Agency, which was established by the Zionist Organization, placed a council, administrative committee and executive in Palestine to act as an unofficial Jewish government. The underground Jewish fighting force, the Haganah, was created at roughly the same time as the Jewish Agency. By 1930 the Jews of Palestine had established a set of institutions that resembled those of an independent nation.

This Jewish system of administration in Palestine was controlled by the precursor to Israel's Labor Alignment, the Mapai Party.

The Jews of Israel came to depend on the Mapai party for land, protection, education, medical treatment and other neccessities.

This dependence translated into leverage and power for the Mapai.

Mapai's influence continued after Israel became independent in 1948. The people of Israel relied on Mapai's descendent, the Labor Party (which became the Labor Alignment in 1969) for the same services that Mapai had offered the Jews of Palestine. Thus the Labor Party controlled Israel's social services and Israel's government for almost thirty years after Israel's independence. Through this extended rule Labor represented more than the dominant party of Israel, it became the Israeli establishment.

The Revisionist Opposition

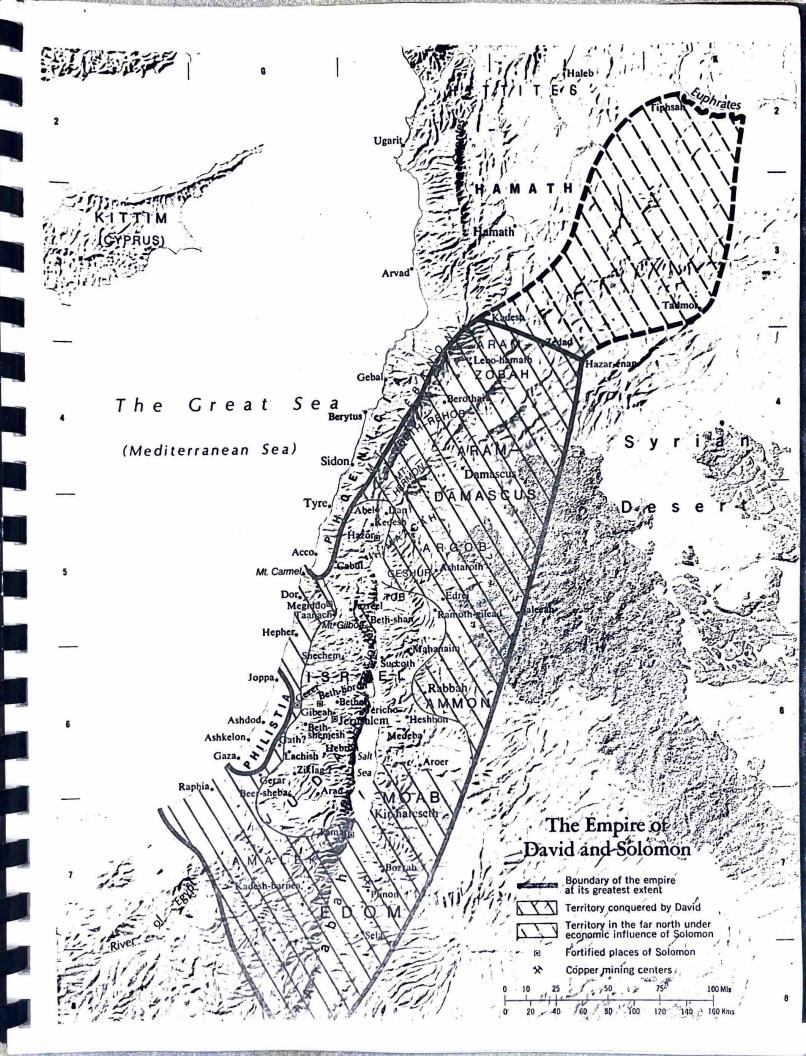
There are two groups that have consistently opposed the Labor Party in Israel. The first, the Revisionist Party, dates that to 1925, and has officially disagreed with Labor's policies

since 1933. Menachem Begin led this party from 1940 to 1983.

The other opposition comes from Israel's largest ethnic group, the sephardim (this group will be discussed later).

The Revisionist Party took the name revisionist to indicate its feelings toward the zionist policies of the day. The party aimed to revise the perspectives and theories of the predominantly Mapai Jewish Administration (the words "Jewish Administration" refer to the various institutions controlled by the Mapai Party). The Revisionists found the Zionist Organization's approach toward achieving the goal of a free and independent Jewish state too slow. Motivated by ultranationalism, they believed in terrorism as a means to realizing an independent Jewish state, while the Mapai Party followed a more conciliatory and less violent tack toward the British. Citing the Jewish peoples' biblical right to the land of Israel, that supposedly stretched from the Nile River to the Euphrates River, the Revisionists advocated Jewish control of the entirety of the British Mandate, including the present day country of Jordan. On the other hand the Mapai espoused a more moderate territorial plan. They were willing to accept a partition of the Mandate that resembled the present boundaries of Israel. From an economic standpoint the Revisionists called for a capitalistic free market system that emphasized industry, as opposed to the existing, Mapai controlled, socialist economy that was tightly linked together by the Jewish administration and sought to emphasize agricultural development.

Initially the Revisionists belonged to the Zionist



Organization, but soon the philosophical differences between the two camps became unbearable. In 1933, exasperated by the Zionist Organization's conciliatory policies towards the British, the Revisionists split from the Zionist Organization and formed their own group dubbed the New Zionist Organization.

From the time of that initial split in 1933 until the present day, the Revisionists and their heirs have been at odds with the Mapai party and its political descendants.

Innumerable misunderstandings and conflicts have marked the parties' relationship. The infamous King David Hotel incident of 1947 and the personal contempt the two parties' leaders had for each other exemplify their rivalry.

A brief explanation of the circumstances surrounding the King David Hotel incident will clarify this point. During the mid-to-late 1940's, the Haganah and the Irgun, the Revisionist Party's underground fighting force, launched several attacks against the British in an attempt to achieve an independent Jewish state. The tough British reprisals for these attacks, usually in the form of house to house searches of Jewish homes, influenced the Jewish administration to cease its violent activities. With an apparent cease fire in effect, the Irgun, on July 22, 1947, blew up the King David Hotel, which served as the command post for British forces in Palestine. Over 100 British officers died in the assault.

Infuriated by the Irgun's blatant disrespect for the agreement that the Jewish Administration had reached with the British, David Ben Gurion, the head of the Jewish Administration

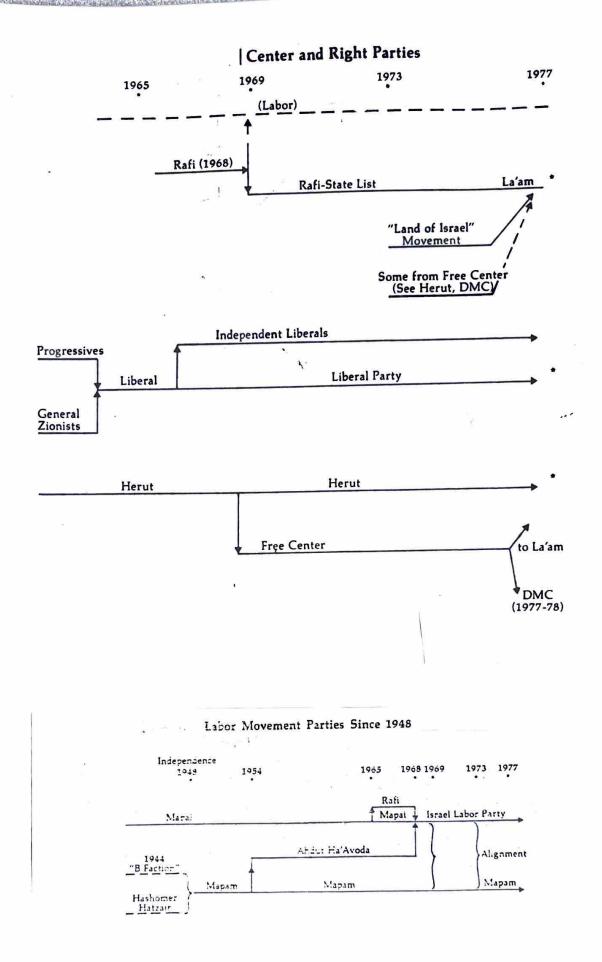
to turn over members of the Irgun to the British authorities.

Ben Gurion's actions immediately following the King David Hotel incident illustrate the Mapai and the Revisionist Parties' differences and dislike for each other. Although the two groups were interested in the same ends, an independent Israel, the radical methods employed by the Revisionist's to attain their goal were unacceptable to the Jewish Administration, so much so that Ben Gurion demanded the arrest of Irgun members by fellow Jews.

Another factor that contributed to the heated rivalry between the two groups was the personal animosity that their respective leaders, Ben Gurion and Begin, fostered for one another. This problem lasted thoughout their political careers. Begin often called Ben Gurion a hooligan, while Ben Gurion referred to his main opponent as a fascist. Later when Israel became independent Ben Gurion would frequently leave when Begin spoke in the Knesset. Ben Gurion refused to even use Begin's name when addressing him and instead referred to Begin as the man on the left or right of the specific member sitting next to 5 him.

After Israel's independence, the rivalry between the two parties continued. The Mapai controlled the government of Israel, while the Revisionist Party, renamed the Herut, remained Mapai's major opponent. The parties' philisophical differences continued with respect to economic planning, Israel's territorial limits and policies towards the neighboring Arab countries.

The descendant of the Herut, the Likud Coalition, defeated the



Labor Alignment in the 1977 Knesset elections. However, the Likud did not pick up a large number of seats between the 1973 and 1977 elections. The real reason for Likud's victory in 1977 lies in the Labor Alignment's decline.

The Sephardic Opposition

The Sephardim are Jews who had moved to Israel from Iraq,
Iran, Yemen, Morrocco, Tunisia and many other North African and
Arab countries. This group knew little of zionism or socialism;
they came to Israel for religious tolerance, to live among fellow
Jews, and for the promise of economic prosperity. Unfortunately,
the reality of circumstances in Israel differed considerably from
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the sephardim's expectations.

For a variety of reasons the majority of the sephardim who came to Israel fell into the economically and educationally disadvantaged segment of Israel's population. Before moving to Israel many of the Sephardim ran their own small shops. But, when Israeli officials came to take the sephardim to Israel, they told the sephardim to leave all of their money and belongings to behind, since everything would be provided for them in Israel. As the Israeli officials had promised there were numerous job opportunities available to these new immigrants in the fields of agricultural and industrial labor, but the sephardim were not well suited for this type of work as they had a cultural aversion to hard manual labor. Accustomed to entrepreneurial employment.

the sephardim found it degrading to work for someone other than 8 themselves. Not having brought sufficient capital with them to start their own small businesses as they had in their native countries, and often unwilling to do hard manual labor for someone other than themselves, the sephardim were immediately placed at a disadvantage in Israel.

The language barrier that the sephardim experienced when they arrived in Israel also hindered their ability to reestablish themselves in their new country. Very few of the sephardim who arrived to Israel initially spoke any European language well, and almost none of the Israeli customs officials were well versed in Arabic or Ladino (old Spanish spoken by many sephardic Jews as the lingua franca). As a result of the language barrier the sephardim had problems communicating their housing needs and preferences. Instead of living in pre-existing population centers where schools and jobs were available, most of the sephardim were assigned to live in frontier towns where both housing and proper education were scarce. When education finally did come to these areas, the sephardic children did not have a proper study environment because they lived in overcrowded and noisy apartments. In this way the sephardim's disadvantage was passed on to the younger generation.

Contrary to the sephardim's predicament, ashkenazic immigrants (Jews from Europe) usually shared at least one common European language with the customs officials, and thus were able to ask to live in areas with good housing and schools. In this way a gap began to open up in the comparative levels of education

and wealth of the sephardim and ashkenazim. This disparity between the two ethnic groups has survived through to the present and pervades Israel's society politically, economically and educationally.

The sephardim have expressed their frustrations with the situation by not voting for the Labor Alignment, the shaper and controller of the unfriendly establishment. In 1970 the Black Panthers, a group of young and unemployed sephardim, drew the world's attention to the plight of the Israel's sephardic Jews through protests and demonstrations against the white or European Jewish elite. The Black Panthers touched off a trend of increased political awareness and activity among the sephardim, that eventually took its toll on the Labor Alignment (This will be discussed more thoroughly in Part IV of the paper).

.Recent History

Before moving on to the main sections of this paper, an understanding of the 1967 Six Day War and the 1973 October War and their immediate effects will provide the reader with needed information to better follow the arguments put forth later in the paper.

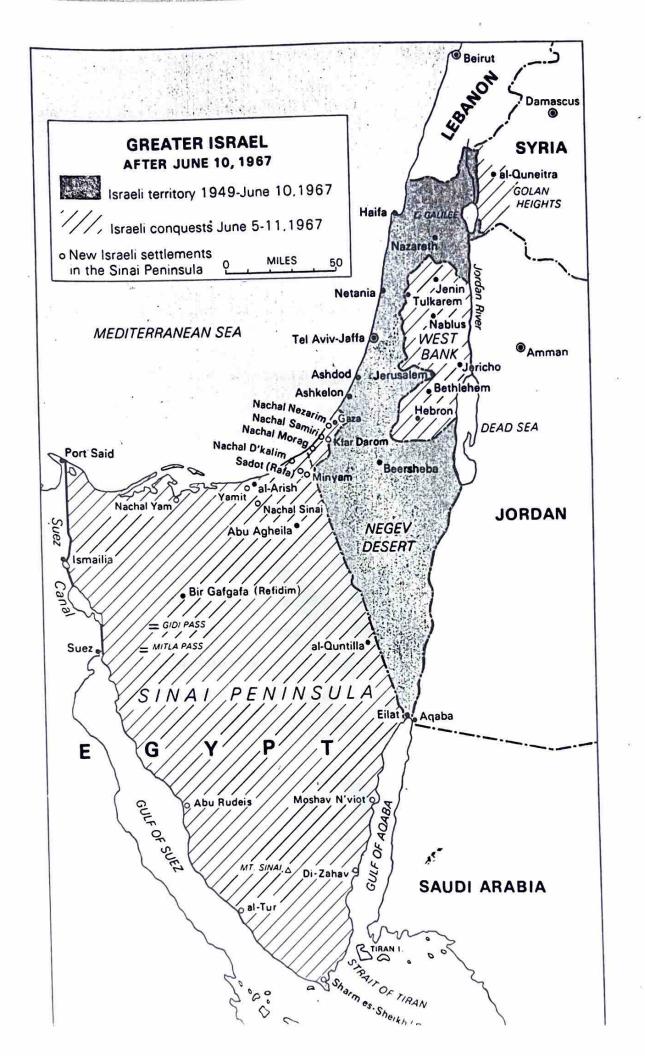
Israel won a stunning victory over its Arab neighbors in the 1967 Six Day War. In the North, the Israelis gained the Golan Heights from Syria. In the West, they garnered the Gaza Strip and the Sinai Desert from Egypt and to the East, the

Israelis took control of the Eastern sector of Jerusalem and the West Bank of the Jordan River, both previously under the control of the Jordanian government. Immediately after the war the Israeli government annexed East Jerusalem into Israel, while the Israeli military was assigned the task of administering the remaining land, known as the Occupied Territories. The amazing success of Israel's victory spurred on unprecedented economic growth in Israel and a soaring national morale.

The war, however, had the opposite effect on the losers.

None of the Arab countries accepted the new territorial situation. On October 6th, 1973, with the purpose of regaining this lost land that seemed increasingly more integrated into Israel and its economy, Syria and Egypt attacked the Jewish state. Initially, the Arabs had the upper hand in the war, since the Israelis were underprepared. But eventually the Israeli military drove the Arabs back, and ended the War having maintained control over the Occupied Territories taken from the Arabs in 1967. Although Israel did not give up any territory in the war, many Israeli soldiers died especially during the early stages of the conflict, when Israeli units were underprepared for the Arab onslaught.

Contrary to the 1967 War, the country's confidence was weakened by the Arab armies' surprising show of strength in the October War. The population of Israel had been led to believe that the Arabs would not attack Israel within the next few years, as the Arab forces were relatively weaker at this time then they had been during the 1967 Six Day War. The Arab armies' great competence, organization and timing during the October War



surprised the Israeli public, and left them feeling more vulnerable to attack than ever before.

Another consequence of the October War was the resignation of Golda Meir's cabinet, in the wake of the findings of an Israeli government ordered investigation known as the Agranat commission; that attempted to determine why Israeli intelligence had left the country unprepared for the Arab assault. The Agranat commission found that a number of head generals were guilty of incompetence, along with some other high-ranking Israeli officials. Yet the report accused none of the cabinet members or the prime minister of improper action during the crisis. The public outcry raised by this obvious oversight forced Prime Minister Meir and her cabinet to resign.

Lastly, the Israeli economy was jolted as a result of the war. Israel's government spent the equivalent of one year's GNP on the conflict. This relatively massive expenditure forced the government to cut into social welfare funds, that in turn worsened the situation of Israel's poor and lowered the average Israeli's standard of living.

PART II: THE RABIN ADMINISTRATION

This section of the paper analyzes the Rabin

Administration's (1974-1977) role in the decline of the

Israeli Labor Alignment. In 1974 Yitzach Rabin became the prime

minister of Israel as a result of the October War. If the 1973

War had not occurred or if the Labor leadership had dealt with

the war in a more responsible way, Yitzach Rabin would not have

become Israel's prime minister in 1974, and the Labor

Alignment might not have lost the 1977 Knesset Elections.

Labor's Broken Chain of Leadership

The Labor Party's fifty-year domination of Palestinian and Israeli politics was characterized by excellent leadership.

David Ben Gurion, a dynamic and farsighted man, headed the Labor Party from 1948 until 1965. Ben Gurion's undisputed successor was Levi Eshkol, a man noted for his brilliant organizational and

diplomatic skills. After Eshkol's death, Golda Meir acceded to the prime ministership Like Ben Gurion and Eshkol, Meir was a seasoned politician, having served as Israel's minister of labor, foreign minister, and executive secretary of the Mapai Party. Eshkol and Meir's political experience and positive public reputations before they gained the office of prime minister, allowed for the smooth transition of Israeli and Labor leadership.

Until the 1973 War the Alignment's chain of leadership remained in good order. Few doubted that Moshe Dayan, Israel's most popular political figure, would succeed the aging Golda Meir when the time came. And when Dayan was ready to step down from the leadership, many felt that this pattern of smooth transition would continue, as Labor's younger members like Shimon Peres and Yitzach Rabin would by that time be sufficiently experienced and well known to fill Dayan's shoes.

But the Alignment's chain of leadership was broken as a result of the 1973 War. Meir, Dayan and the rest of the cabinet resigned in early April 1974 due to public pressure over the mismanagement of Israel's forces during the October War. The weight of the Israeli public's criticisms for the army's lack of preparation resulting in the deaths of many young Israeli soldiers, fell on the shoulders of Moshe Dayan. As defense minister during the crisis Dayan ignored Israeli intelligence reports stating that the Arabs were going to attack on October 6. Thus, as the main link in the Alignment's chain of succession, Moshe Dayan's political record became sufficiently tainted to render him ineligible for the Alignment's leadership. For the

first time in Israel's history the Labor Alignment did not have a natural successor to the prime ministership.

Dayan's absense from the Labor Alignment left a power vacuum in the party. Two younger and less seasoned politicians, Yitzach Rabin and Shimon Peres, vied for the Alignment's leadership. In a close vote, the Labor Alignment's Central Committee chose Yitzach Rabin to take over as Israel's new leader. The Alignment chose Rabin for two reasons: 1) He had served as chief of staff for the Israel Defense Forces (IDF) during the successful Six Day War campaign; 2) More importantly Rabin was one of the few Labor Alignment members who had absolutely nothing to do with the October War, since he had just returned from a stint as Israel's Ambassador to the United States when the War began.

Yet, there is little question that because of the changes that occurred inside the Israeli Labor Alignment due to the 1973 War, Rabin was put into a position for which he did not have sufficient political preparation. Comparing Rabin to his predecessors at the time they assumed the prime ministership makes this point painfully clear. At fifty-two years of age, Rabin was much younger than his three predecesors were when they first assumed office. This difference in age reflects Rabin's relative political inexperience. As previously mentioned, Rabin had served as Israeli chief of staff during the 1967 Six Day War and as Israel's Ambassador to the United States from 1969-1973, his only other political experience came when he filled the position of Israel's labor minister under the short lived Meir administration of 1973. Thus prior to becoming prime minister,

Rabin had almost no political experience compared to both Eshkol, who came to power after a political career of over thirty years that included the position of minister of finance, and Meir who served as both the Israeli foreign minister and secretary general to the Mapai Party.

Rabin was not as well known or popular as Eshkol and Meir were when they assumed office. Eshkol and Meir developed their public images by serving in important Israeli cabinet positions for a number of years before becoming prime ministers. Rabin's six month tenure in Israeli politics was not long enough to ripen his political reputation.

Due to his own personality and/or his limited political experience, Rabin also lacked the dynamism of the Israeli leaders before him. This lack of animation worked against Rabin not only in the public's eye but among his own party members as well.

Many Israelis seek comfort and solace in the radiant self confidence and oversimplifications of the magnetic leader. In the aura of a Ben Gurion, a Dayan and a Golda Meir there had always been a radiance. It was Rabin's lack of radiance that prompted some of the most spirited attempts to block his nomination.11

Experienced Labor Alignment members knew that Rabin's lack of popularity, charisma and political experience would hurt the Labor Party. For the first time ever, the Israeli Labor Alignment did not have (arguably) the most experienced and well known politician in Israel serving as prime minister.

The man who had battled the Labor Party for over thirty years, Menachem Begin, the leader of the opposition Likud

Coalition, was now Israel's oldest and best known politician.

Although Begin was disliked by many Israelis for his "hawkish"

stance on defense, few could deny that he had cornered the market

on charisma. His dynamic oratory attracted many Israelis,

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especially the Sephardim, to the Likud Coalition.

Begin had been challenging the Labor Party since Israel's independence, but he never posed a serious threat to Labor's rule, because the Alignment always had a leader whose experience and reputation overshadowed Begin's political record and charisma. Moshe Dayan, the natural successor to the leadership after Meir, had the credentials and political seasoning to neutralize Begin, but unfortunately for the Labor Alignment, as noted, Dayan was unable to become Labor's new leader because of the 1973 War. Without experienced leadership, Labor was weaker and more vulnerable to a challenge from the opposition than it had been previously.

The Labor Alignment's broken chain of leadership due to the 1973 October War was one factor that contributed to the loss of the Alignment in the 1977 Knesset elections. Because of his role in the October War, Moshe Dayan, the Labor member who had far and away the most attractive political combination of experience, savy and popularity for the leadership position, could not assume the prime ministership in 1974. Instead a relatively inexperienced and unknown Yitzach Rabin became prime minister. Unlike Dayan, and Labor's previous leaders, Rabin, and the Labor Alignment's rule as a result, was seriously challenged by Menachem Begin's experience, charisma and growing popularity among Israeli voters.

Labor's Disunity

Indirectly, the 1973 October War led to the Labor
Alignment's disunity between 1974 and 1977, by rendering Moshe
Dayan, ineligible for the Alignment's leadership. This innerparty division, caused primarily by disputes between Prime
Minister Yitzach Rabin and Defense Minister Shimon Peres,
detracted from Labor's popularity among the 1977 Israeli
electorate and was one of the reasons for the Alignment's loss in
the 1977 Knesset elections.

Before 1974 the Labor Alignment's Central Committee had always given one candidate its overwhelming support to succeed to the prime ministership. The closeness of the 1974 Central Committee vote ended this epoch of uncontested and united leadership; as the competitiveness of the vote carried over into the Rabin Administration.

Both Rabin and Peres believed that the other man was striving for political gain at the expense of his colleague. The prime minister felt that Peres had never really stopped trying for the Labor Alignment's leadership.

I was dogged by the feeling that he [Peres] had been running for prime minister ever since April 1974, when the Central Committee vote chose me as the Labor candidate to form a government. 13

Rabin's perceptions of Peres's constant challenge were accompanied by his fears that Peres was trying to destabilize the

administration. In his memoirs the prime minister explains how Matti Golan, a journalist and a close friend of Shimon Peres' who wrote Peres' biography, came into possession of some strictly classified transcripts of talks between the Rabin government and the United States' secretary of state, Dr. Henry Kissinger.

Rabin writes:

This wasn't a matter of a tip to A journalist friend;...The aim of the move was clearly to destroy Kissinger's trust in the feasability of conducting frank and intimate talks with the Israeli government and to undermine the cabinet's public standing by impeding its ability to function in the sphere of foreign affairs.14

Implicit in Rabin's writing is his belief that Peres had passed government secrets along to Golan, in an attempt to destabilize Rabin's Administration. Regardless of whether Peres "had been running for prime minister since 1974" or had tried to "undermine the cabinet's public standing", the fact still remains that Rabin felt challenged and threatened by Feres.

On the other hand Peres, Israel's defense minister, felt insulted and embarrassed by Rabin's public reprimands concerning defense matters. Matti Golan explains that "Rabin took special pleasure in flaunting his military expertise which he thought superior to Peres'. For example:"

Peres: I can tell you that the Arabs are holding excercises according to a plan that will enable them to bomb our emergency stores.

Rabin: That's not new.

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Peres: What is new is that it can happen!

Rabin: Armoured corps, true. Air Force, not so.

Peres also feared that Rabin was trying to limit his role as defense minister. Peres' apprehensions were confirmed when the prime minister appointed major-general Ariel Sharon, a member of the opposition Likud coalition, to be his advisor on defense affairs.

The move was a stinging, flagrant slap in the face, first and foremost to Peres, but also to the chief of staff and senior IDF officers as well.17

No other prime minister had ever had an adviser on defense affairs, for the simple reason that the minister of defense and chief of staff were regarded as his military advisers.

The defense minister justifiably feared that Rabin was trying to push him out of an active role in the government by limiting his

Eventually, the two top Labor Alignment officials manifested their dislike for one another in public. During one cabinet discussion on political affairs, Rabin and Peres locked horns over the following:

Peres: Schlesinger told me that he always knew Kissinger never intended to keep his promise to give us a billion and a half dollars.

Rabin: He didn't promise a billion and a half dollars, that's a fact.

Peres: I challenge that fact.

responsibilities.

Rabin: You can check the minutes of the meeting with President Nixon.

Peres: I have no objection to that. He did say "support" and not "grant", but these are diplomatic formulas...Schlesinger said in his statement that it

should be announced that we will give them additional rifles.

Rabin: He didn't say rifles He said guns and guns are not rifles.

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Peres: He said rifles, not guns.

In the course of these arguments, the cabinet would sit 15 distraught and embarrassed, waiting for the storm to pass.

In time Rabin and Peres' differences began to impinge on the government's efficiency; since the Prime Minister's attitude towards the chief of staff, Mordechai Gur, a friend of Peres' was becoming influenced by his feelings towards Peres. During one security discussion Rabin asked the chief of intelligence to present an assessment on terrorist actions. The chief of staff responded that the subject was not on the agenda for the meeting so that the appropriate material had not been prepared in advance. Rabin demanded the chief of staff to "cut out the act" and referred to the lack of preparation (in a raised voice) as a "disorderly situation assessment." Relationships became so strained that chief of staff Gur refused to participate in a cabinet meeting to which he was summoned at the end of March 1976:

I didn't come to the meeting because I didn't want to blow up....I wouldn't be surprised if one day I explode in response to the Prime Minister's statements. 21

The problems between Rabin and Gur increased both tensions and division among the upper echelons of the Israeli government.

The public's knowledge of Rabin's and Peres' squabbles, via the press, undoubtedly worked against the Labor Alignment in the 1977 Knesset elections. Asked about the possible dissolution of the government by Prime Minister Rabin, Minister of Information
Yariv was quoted in a Jerusalem daily as saying "we may as well
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have it out at last. We're tearing ourselves apart anyway."

Comments such as these from members of the Rabin cabinet prompted harsh criticisms of Rabin's leadership abilities. Ha'aretz (an
Israeli daily) columnist Yoel Marcus wrote of Rabin, "Instead of
inspiring he is weak. Instead of uniting ranks he divides."

Another Israeli paper commented that "A government crisis is
looming because the prime minister's status had deteriorated."

The press' discussion of the divisions within the Israeli cabinet along with its condemnations of Rabin's leadership abilities
left a negative image of the Labor Alignment in the minds of
Israelis, people who had never experienced a weak and divided administration such as Rabin's.

The rivalry between Rabin and Peres culminated when Feres declared his candidacy for the Labor Alignment leadership in early 1977. Never before had an incumbent Israeli prime minister been challenged for the Alignment's top position. Previously, succession occurred by death or resignation. Peres' declaration of candidacy for the Alignment's leadership, four months before the General Knesset Elections, divided the party when the Alignment should have been pooling its support for one person (Rabin) and patching up differences.

The intensity of the Alignment's division became known to the public as articles were published containing quotes from Rabin and Peres that only succeeded in flaunting the Alignment's disarray before the electorate. The <u>Jerusalem Post</u> quoted Rabin admonishing Peres not to run for the leadership position:

We will sin if we turn the arguments into a race...A party immersed in electoral speculations will lose its sense of direction. 25

Peres explained that he decided to run for the leadership

position "on the basis of public opinion polls and (his) own

political instincts. (I believe) the party will suffer a beating

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in the upcoming elections." Such comments from the

Alignment's leaders served as self-fulfilling prophesies of doom,

since they increased the Israeli public's awareness of the

troubles within the Labor Alignment, and surely weakened the

voters'confidence in Labor.

After all of Rabin and Peres' rhetoric, on January 10, 1977, when the Central Committee votes had all been counted, Rabin came out on top, but his margin of victory was smaller than it had been in the 1974 Central Committee election. Rabin, an incumbent prime minister, barely retained the support of his own party.

Nonetheless Rabin had secured the Alignment's backing. If Labor was divided before the Central Committee vote, now it needed to close its ranks to prevent a further loss of respect among the voters. But even after the election the party could not heal itself. In a Jerusalem Post article, members of Peres' faction within the Alignment expressed concern over possible post-election political maneuvers:

Peres' key supporters are watching with suspicion and apprehension for Prime Minister Yitzach Rabin's next moves after winning the Labor party's nomination. One of the Defense Minister's key campaigners said 'if we see Rabin's people pushing ours out in places where we're weak we'll push theirs out where we're strong.' 27

Three months before the Knesset elections and after the Central

Committee vote, the Labor Alignment was still divided.

This inner-party division, brought to the public's eye through the Israeli press, must have detrimentally effected the Alignment's prospects for victory in the 1977 Knesset elections. One can trace the Alignment's division back to the 1973 October War. Moshe Dayan, as stated, rendered ineligible for the prime ministership because of his involvement in the 1973 War, could have provided Labor with the strong leadership necessary to unite the Alignment. No Labor member could have seriously challenged Dayan, because of his experience and prestige, in the way that Peres challenged Rabin.

In a post-election interview, ex-Prime Minister Rabin summed up the reasons for Labor's loss in the 1977 elections.

It was the failure of myself, the government and the Labor Party to create a cohesive cabinet that would work as a team. As I see it, this was the main reason we lost the elections last May. The strongest opposition to us came not from other parties but from within. 28

Rabin's Political Blunders

While serving as Israeli prime minister, Rabin committed political blunders that were detrimental to the Labor Alignment. Whether the mistakes came as a result of inexperience or poor political sense does not matter, as their consequences contributed to the Labor Alignment's decline.

Rabin made questionable appointments to two positions of great responsiblilty within the Labor Alignment. The post of

secretary general was filled by "one of the weakest politicians , Meir Zarmi (Zarmi, a kibbutznik, someone who in Party history" lives on a kibbutz or Israeli commune, had no personal political standing or experience). The secretary general functioned as the organizer of the Mapai party. In the past people with a great deal of experience, like Golda Meir, had held this position. did not make good political sense for Rabin, a man with limited political seasoning, to appoint a person with less experience than himself, to the most important position within the Mapai party. Later, Rabin chose former Israeli chief of staff, Chaim Bar Lev to head the Alignment's election team. An excellent General with scarcely more political expertise than Rabin, Bar Lev, was chosen over many other more experienced party members. This move also made little sense, since every poll predicted the next election to be very close.

Rabin also decided to reverse the order of the Knesset and Histadrut elections, negatively effecting his chances of winning the 1977 election. Until 1977, elections to the Histadrut had always preceded the Knesset elections. The Histadrut elections served not only to indicate electoral trends but to absorb some of the voter's grievances with the Labor Alignment. Given the results of both elections in 1977, it seems likely that had the Histadrut election come first it would have absorbed some of the punishment that the electorate wanted to give Labor.

Consequently the drop in Labor's number of Knesset seats would \$31\$ have likely been less than it was.

Another costly mistake of Rabin's was the separation of

local and national elections, which had traditionally taken place on the same day. The Labor Alignment had a larger and better organized party apparatus than its opponents, this system was based on the work of numerous local branches. In his article "The Decline of the Labor Party," Myron J. Aronoff explains:

It is no secret that by and large local labor politicians are more motivated to get out the vote for themselves and their local candidate..then they are for their national candidates. 32

When the elections were separated, the local Labor offices lacked the personal motivation to plug Labor during the Knesset elections. In effect this nullified Labor's organizational advantage over its opponent, and probably cost the Alignment numerous undecided voters that local branch workers had previously influenced.

Lastly, Rabin's dissolution of the Israeli government in April of 1976 and subsequent call for early Knesset elections harmed the Labor Alignment (The early elections will be discussed in more depth later in the paper). During the early part of 1976 Israelis were shocked and disgusted by the trial and conviction for bribery of Asher Yadlin, a high ranking member or the Histadrut and the Rabin government's selection as head of the bank of Israel; Israelis were also shocked by the suicide of Housing Minister Avraham Ofer, that was prompted by investigations concerning his allocation of some Labor Alignment finances. Because Rabin called for early elections, Israeli voters went to the polls with the impression of Labor Alignment corruption fresh in their minds. This obviously hindered Labor's

chances in the 1977 election.

All of the above mentioned political mistakes made by Rabin hurt the Labor Alignment's chances for victory in the 1977 elections. Of course every politician makes mistakes, but the nature of Rabin's errors leads one to believe that a more experienced politician like Meir or Dayan would not have committed the same type and/or as many blunders as Rabin committed. Again, had Dayan's career not been cut short by his involvement in the 1973 War Rabin would not have held the prime ministership in 1974 and consequently Labor would not have suffered from his political errors.

The Territories

Another factor that added to Labor's loss in 1977 was Yitzach Rabin's policies on the Occupied Territories, that led to the dissaffection of a valuable member of the Alignment, the National Religious Party (NRP), and popular disenchantment with Rabin and Labor. If the 1973 War had taken a different course, Moshe Dayan, who endorsed a tougher territorial policy than Rabin's, might have prevented the NRP's split and would certainly have been more attractive to the Israeli electorate than Rabin was.

A brief reminder of the events of the 1967 Six Day War and an explanation of the various perspectives on the Occupied Territories up to the 1973 War will help the reader to better understand how Rabin's policies negatively effected the Labor

Alignment.

In the 1967 Six Day War, Israel won the Golan Heights from Syria, the Gaza Strip and Sinai Desert from Egypt and the West Bank of the Jordan River along with the Eastern portion of Jerusalem from Jordan. The government assigned the Israeli military the task of administering the Territories. In the Sinai Desert and the Golan Heights administration was easy as neither of these areas had large populations. But considerable debate arose over how to administer the heavily populated Gaza Strip and West Bank (combined population of 750,000 Palestinians).

Two philosophies towards the West Bank and Gaza Strip existed among the Labor Alignment's cabinet ministers. Two-thirds of the ministers, including Frime Minister Eshkol, backed the moderate Allon Plan that advocated the placement of a string of settlements along the Jordan River to provide for security against Jordanian advances. Once this line of settlements had been established the plan encouraged Israeli withdrawal. from the 33 remainder of the West Bank.

These ministers endorsed withdrawal from the West Bank because they believed that the absorption of 750,000 Palestinians would change the nature of the Jewish state. They felt that either Israel would lose its Jewishness, as the Arabs would eventually comprise a majority in the country through higher birth rates. or perhaps the nation would become an oppressor state, ruled by either a small minority or a vast majority. Such a situation would destroy Israel's democratic nature.

Contrary to their fellow cabinet ministers' theories, Golda Meir and Moshe Dayan felt that Israel would have to maintain a Israel could not let the FLO operate out of the West Bank, as it previously had. He wanted to station the Israeli army in and around the major towns on the West Bank, to prevent FLO activity.

Several political groups and parties took a more radical stance toward the fate of the territories than the Labor Alignment did. The "Promised Land" group, the most hard-line of all, espoused a philosophy that called for the control of the biblical land of Israel that extended from the Nile River to the Euphrates, in the northern part of Syria. This being impossible, the group opposed the return of any land won by Israel in the Six Day War. The "Promised Land" also advocated the building of settlements in all of the Occupied Territories to reinforce the Jewish right to these lands. They were especially adamant about establishing a Jewish presence on the West Bank, the site of 35 numerous Jewish Holy places.

The Gachal Coalition, the predecesor to the Likud Coalition and the National Religious Party (NRP), a member of the Labor Alignment, also prescribed a hard-line policy on the Territories. They felt that the only way to protect Israel from potential invasion was to create a deep defense in the form of settlements in the Territories. The two parties called for the establishment of a Jewish town next to every Arab town on the West Bank.

The actual policy implemented by both the Eshkol and Meir administrations was a hybrid of Allon's and Dayan's recommendations. The Israelis decided to set up a line of military-agricultural settlements along the Jordan River, and

place military personnel outside of every Arab Town.

Israeli policy towards the Territories shifted to the right when Golda Meir became prime minister. This shift is reflected in Defense Minister Moshe Dayan's statement that, "Israel should take the role of a permanent government in the Occupied 38 Territories." By 1971, Meir's administration had decided to keep the conquered regions indefinitely.

One would think that Meir's step to the right with respect to the Territories would help to patch up differences between the NRP, that as previously mentioned, felt the leadership's position on the Territories was to moderate, and the leadership. But a change in the power structure of the NRP eclipsed the possibility of better relations between the two parties. The NRP was becoming radicalized due to the influence of younger politicians. At the 1972 NRP convention, held to prepare for the upcoming 1973 elections, the Young Guard, an increasingly powerful faction of young religious hard-liners, claimed that it would go against the 39 traditional call for alignment with the Labor Party.

The Young Guard relegated traditional NRP concerns, such as religious schools, Sabbath observance, and other domestic issues to a secondary status. The group placed the realization of an Israel that contained the Occupied Territories, "Eretz Israel," as its primary political goal. The leader of the Young Guard and Israel's youngest cabinet minister, Zevulon Hammer, commented upon initiation into the position of minister of social welfare that his only motive for joining the cabinet was "to fight for Eretz Israel."

The differences in Territorial policy between the Labor

leadership and the NRP became increasingly public, as the growing influence of the Young Guard was changing the priorities of the NRP. The Party openly campaigned against the leadership's territorial policies by espousing the 1973 election slogan 40 "Let's Break the Allon Line." Frevious to this time the NRP concerned itself primarily with domestic issues.

The NRP moved further away from the Labor Party following the 1973 October War, by refusing to join Golda Meir's new coalition. The NRP hoped that the Labor Alignment would not be able to form a strong enough coalition to maintain leadership and thus would have to concede to the formation of a National Unity 41 government that would include the NRP and the Likud. However, the NRP's plans were spoiled when Meir was able to form a majority coalition without the NRP.

The NRP was not the only traditionally pro-Labor group that called for tougher Territorial policies. After the 1973 War, the Israeli public shared the NRP's hard-line sentiments. Forty-four percent of those Israelis who voted in the 1973 elections signed a petition opposing withdrawal from the occupied West Bank even 42 in exchange for peace.

Considering this right ward move by the Israeli public and the NRP, one would assume that the Labor Alignment would at least maintain Golda Meir's moderately firm Territorial policies, if not move towards a tougher stance on the Territories. But this was not to be the case. Yitzach Rabin acceded to the prime ministership espousing a soft-line Territorial stance that, at the time, went against both the NRP's and the Israeli public's

sentiments. Rabin's policies severely detracted from the Labor Alignment's chances for victory in the 1977 Knesset elections.

Rabin was not willing to compromise his long-held principles on the Territories for political gain. The new prime minister regarded "the Occupied Territories (with the possible exception of the Old City) not as sacrosanct acquisitions but as bargaining 43 counters." Even though his soft-line would obviously drive the NRP further away from the Labor Alignment and irritate a considerable portion of the Israeli public, Rabin felt his policies would make agreements easier to reach in the Middle-East.

One of Rabin's first acts as prime minister was to order the army to evict unauthorized settlers form the Occupied Territories. After the settlers had been forcibly removed, many Israelis including some Knesset members, protested the government's actions. The New York Times reported:

Rabin was alarmed by the explosive mixture of chauvinism and religiosity that inspired these and other attempts by non-governmental bodies to perpetuate Israel's presence in the Occupied Territories. 44

If Rabin had not known how the Israelis felt about the retention of the Territories and the erection of new settlements in these areas, he did now. The Prime Minister's first action concerning the Territories and the reaction it provoked foreshadowed a pattern that would continue until his ouster in 1977.

In September of 1975 this trend continued. Under the guidance of Rabin, Israel made its first Territorial concession since it took possession of the Occupied Areas in 1967. Israel gave up the Abu Rudies Oil fields (that supplied two-thirds of

Israel's oil) along with the Mitla and Gidi Passes in the Sinai, both of strategic importance to Israel, in exchange for a vow of non-belligerencey from Egypt.

The right-wing jumped to criticize Rabin for this exchange. They claimed that Israel had given the Egyptians the oil fields, an especially costly move because of the Arab Oil Embargo at the time, and two important strategic strongholds in exchange for something as vague as a vow of non-belligerency. Many Israelis 45 felt Rabin was putting them in economic and strategic danger.

Within a few months after the agreement with Egypt, Rabin showed himself to be even more of a dove than had been thought previously. The Prime Minister quickly accepted the notion of partial withdrawal from the West Bank in return for peace with Jordan. Of course Rabin would only withdraw Israeli troops from the area if Israel could be guaranteed that no Palestinian state would stand on this soil. The Prime Minister also commented that he was "prepared to venture and even take deliberate risks with 46 Israel's security", to gain peace in the region. As can be imagined, the religious element along with many other Israeli citizens reeled when they heard these comments.

In response to the perceived threat of Rabin's soft-line Territorial stance, the Gush Emunim was formed. Closely aligned to Israel's religious parties, the Gush Emunim directed all of its energy towards obtaining government permission to build settlements on the Occupied Territories. Though the ultrareligious group put intense pressure on the Labor leadership, they were only able to procure one settlement on the West Bank

during the Rabin Administration's reign.

In a further extension of his liberal policies Rabin cut down on the number of settlements built in the Territories.

Between 1967 and 1973 the Labor leadership allowed for the creation of forty—two Jewish settlements on the Territories as 47 compared to nineteen during Rabin's Administration. Between 1967 and 1973 Eshkol and Meir allowed sixteen settlements to be built on the West Bank, while Rabin permitted the construction of 48 only four settlements in this area. The combination of Rabin's willingness to negotiate a partial withdrawal from the Occupied Territories, and his tough stance on Israeli expansion into the Territories, especially the West Bank, pushed the NRF into taking drastic political measures.

It came as no surprise that when the ultra-religious United Torah Front Party called for a vote of no confidence in the Knesset, because of Israel's reception of American F-15 fighter planes on the Sabbath, nine out of ten NRP Knesset Members abstained from the vote, breaking the rules of their coalition with the Labor Alignment. Some sources claim that the NRP voted against Labor to show its religious committment. But past history (the party's hold-out against the new Meir Administration in 1974) indicated that the NRP's abstention was an excuse to break from the Labor alignment, force a new election, and join a new National Unity Government that would take a tougher and more 49 favorable stance for the NRP, toward the Territories. Although Rabin did not lose the vote of no confidence, he disbanded the government and called for new elections, citing the NRP's break with coalition agreements for his actions. In the

early elections that followed in May of 1977, the NRP's entry into the Likud Coalition provided Menachem Begin's group with enough votes to claim a majority in the Knesset.

In 1977, the soft-line adopted by the Labor Alignment was still not viewed favorably by the majority of the Israeli population. In March, 1977, and again in June, some two-thirds of a survey sample supported the hard-line position of returning none of, or a very small portion of, the Territories under any 50 circumstances. With Israeli citizens holding such hard-line opinions on the Territories, along with the NRP's merger with the Likud Coalition, it is not surprising that Rabin was voted out of office.

Again one can hypothesize that if the 1973 October War had turned out differently, Golda Meir and/or Moshe Dayan, both of whom endorsed much tougher policies on the Territories than Rabin did, might have kept the NRP within the Alignment and would have also been more agreeable to the increasingly right-wing Israeli public.

PART III: THE ECONOMIC SITUATION AFTER THE WAR

The 1973 October War severely jolted the Israeli economy and consequently forced the Rabin Administration to take several economic measures that lowered the average Israeli's standard of living. These measures, which were not well received by the Israeli public, especially the poor, worsened the governing Alignment's popularity among the country's electorate. If the war had taken a different course or if it had not occurred at all, the Israeli economy might have been more stable and consequently the Labor government might have fared better in the 1977 elections.

Between the 1967 and 1973 wars, Israel's economy grew in leaps and bounds. Bolstered by German reparation payments made to those Jews whose lives were effected by the Holocaust, along with lavish donations by Jews in the United States, the country's Gross National Product (GNF) increased at a rate of nine percent a year, while its balance of trade was in the black. As Newsweek reports, "Until the 1973 Yom Kippur War (October War) Israel was 51 the wunderkind of the developing countries."

As the Jewish state's economy grew, many Israelis experienced 52 an increased standard of living. Yet while the average Israeli's wage increased, the lot of the strongly disadvantaged and newly married couples needing housing did not improve.

This disparity in the Israeli standard of living prompted

the Meir government to drastically increase funding for social programs. For the first time, in 1972 more of the budget went to social purposes than for defense. Formerly defense received the number one funding priority, with the rest of the budget drawn up 53 from left-over funds. The 1973 budget, as it was proposed before the War, directed even a larger percentage of funds to social programs than had the 1972 budget; it showed a small decrease in defense, a moderate increase in expenditure for economic development and a twenty-six percent increase for social 54 services.

The 1973 October War, and the Arab Oil Embargo that was prompted partialy by the War were detrimental to the Israeli economy. Israel's loss of material and income during the October War totaled seven billion dollars, the equivalent of Israel's GNP for 1973. The country lost 400 million dollars in production in 1973. Because of the lack of sufficient military manpower in Israel, production in 1974 dropped by another 400 million dollars as the nation's citizens were committed to additional military The Oil Embargo caused Israel's oil bill to reserve duty. triple , but more than this the Arab boycott imposed on Israel closed off markets to Israeli goods in many developing nations. Thus, Israeli exports were down at a time when the country desparately needed foreign currency. Declining foreign reserves and the prospect of mass unemployment once the country could no longer pay for raw materials to feed its factories also threatened the Israeli economy with collapse.

The economic ramifications of the October War left Prime
Minister Rabin in a no-win situation with respect to economic

policy. Rabin had two options: he could impose limited austerity measures that would result in a slight reduction of the Israeli standard of living but would do nothing to heal Israel's ailing economy, or he could implement strict austerity policies designed to strengthen Israel's economy and defense forces at the expense of the citizen's standard of living. If he had chosen the first scenario, Rabin would have been accused of destroying the Israeli economy. Rabin chose the second, however, and took the blame for a severe reduction in the Israeli standard of living.

Rabin's first concern upon acceding to the prime ministership was to rebuild the damaged Israeli military. The Israeli leader directed a whopping 49 percent of the national 58 budget to defense as compared to 25 percent the year before. So as not to further deplete the foreign reserves, Rabin devalued the Israeli pound by 46 percent, banned the importation of twenty-nine luxury items, including cars, for six months, slapped a ten to twenty percent tax increase on 39 other luxury items and imposed a six month moratorium on the construction of all public 59 and luxury buildings. Lastly, to reduce consumption and real inflation, Rabin cut subsidies on basic food items that resulted in an 80 percent increase in the price of bread, a seventy percent increase for cheese, a fifty percent price rise for eggs and a 100 percent jump in the price of margarine.

In the few years following 1974, Rabin continued to implement strict economic measures that by 1977 began to bare fruit. The prime minister instituted a monthly 2 percent

decrease of the Israeli pound, along with other measures calling for low interest loans and tax breaks to induce Israeli companies 61 to export their goods. The head of the Bank of Israel at the time, Arnon Gafny, believed that Rabin's economic planning was well conceived: "economically speaking the strategy was as sound 62 as could be devised." And indeed by the end of 1976 Israeli exports were up by 18 percent over the previous year, cutting the 63 anticipated trade deficit by 500 million dollars.

Despite such successes, Rabin's strict austerity plans and his redirection of funds away from social programs (in order to refinance the Israeli military) were not well received by Israelis, whose standard of living plummeted as a result of Rabin's plans. In 1974, almost immediately after Rabin's finance minister Yehoshua Rabinowitz informed the nation of the prime minister's economic plans, Israelis began protesting.

Riots broke out in the rundown Hatikua section of Tel Aviv. For three nights mobs of hundreds of people roamed through the streets, stoning cars and policemen and looting shops. Orderly demonstrations took place in Haifa, at Ben Gurion Airport, outside Tel Aviv, and in Ashdod.64

In 1976, after Rabin announced the second subsidy cut of his term as prime minister, that sent food prices up an additional 45 percent, "well over 70,000 Israelis stopped working or threatened 65 to strike." In a country of three million people the impact of such strikes is potentially devastating, especially for a nation that already has considerable economic difficulties. Later in the same year, "workers at a factory locked themselves and their bosses in for 66 thirty-six hours" protesting their declining standard of living.

Most frightening of all was that public unrest effected the efficiency of the military, " when 16,000 government engineers went on strike to repair a water conduit- leaving an Israeli 67 military unit in the Sinai without any water."

The upset of the Israeli populace over Rabin's austerity measures was reflected in the results of a poll taken a few days 68 before the General Knesset elections—that revealed that Israeli voters considered the state of their nation's economy the most important issue facing them. In the same poll 85 percent of those surveyed, felt that Rabin had not successfully dealt with Israel's economic problems.

The negative appraisal of Rabin's economic strategy reflected in the pre-election poll seems to have stemmed from the voters misplaced anger over their lower standard of living, not Rabin's poor economic planning (as noted earlier economic experts felt Rabin had done the best job possible with the problematic Israeli economy). Of course one can hardly blame the Israeli public for being upset. Caught between lower real incomes, because of the devaluation of the Israeli pound, and rising food prices, due to reductions in government subsidies, Israelis watched their standard of living drop rapidly.

The sephardim felt the economic pinch worse than any other group in Israel. Aside from lower real incomes and higher food prices, the sephardim, who constituted 90 percent of Israel's 69 social welfare recipients, had to cope with reduced government financial aid and a significantly lower quality and quantity of public services. Undoubtedly, Rabin's decision to maintain the Israeli military and economy at the expense of social welfare

programs contributed to the 1977 defection from Labor of roughly
20 percent of those sephardim who had supported the Alignment in
70
1973.

The party favored by the majority of the sephandic population in Israel, the Likud Coalition, gave one member of the Coalition, the Liberal Party, the responsibility of drawing-up the Coalition's economic platform for the 1977 elections. A party of businessmen and entrepreneurs, many felt the Liberals had the practical economic experience to put the Israeli economy 71 back on its feet.

The Liberals claimed that they could improve Israel's economy. They promised to lower inflation from 29 percent to 15 percent, retain full employment, balance the budget, increase economic competition, mobilize investment funds through a strengthened stock market and to introduce new productivity schemes. In his article "The Consolidation of Power", Efraim Torgovnik explains that the Liberals' more general statements read like a textbook of capitalist economics, but with a few hitches:

the Liberals supported "free economy," "efficiency," "initiative," "competition,". But, in a section dealing with "social welfare," one reads a list of programs, supports, and subsidies with which a socialist party could easily be comfortable. For example, the Likud committed itself to subsidizing housing in order to help all those living three persons or more to a room.72

History illustrates the implausability of the Likud's economic platform, as inflation rose by more than 60 percent during the first year of Begin's term as prime minister. Yet in the time just before the 1977 Knesset elections, many Israelis believed in

the Liberals' ability to improve the citizens standard of living and the economy. This type of desparate and ignorant faith in the Liberal Party's economic "wizardry" strengthened the Likud Coalition and consequently worsened the Alignment's chances for victory in the 1977 elections.

The economic problems that grew out of the October War detracted from the Labor Alignment's chances to win the 1977 Knesset elections. Rabin's past support of strong social welfare programs, indicates that he would have continued to improve Israel's social programs while maintaining food subsidies, if a more stable economic situation had existed when he came to power. Such policies would have been more favorable to the Israeli electorate as a whole and the large lower class sephardic minority.

PART IV: THE DEMOCRATIC MOVEMENT FOR CHANGE PARTY (DMC)

The Democratic Movement for Change Party (DMC) was created as a protest to the Labor Alignment's military blunders during 73 the 1973 October War. The DMC dealt a heavy blow to the Labor Alignment in the 1977 elections by winning more seats than any other new party in Israeli politics had ever won previously. Many Israelis who voted for this party, born out of protest, defected from the Labor Alignment.

After the 1973 October War a group of people, disenchanted with Labor's mismanagement of the 1973 war, gathered under the leadership of Professor Amnon Rubinstein, the former dean of the Tel Aviv University Law School and columnist for the Israeli daily, Ha'aretz. They understood that protest alone was not enough to change the system; to have any influence they had to enter politics. So, this group of protesters formed a political 74 party called Change.

A year and a half later another professor, Yigael Yadin, entered Israeli politics. Yadin was a famous archaeologist and had served as the Israeli chief of staff during the War of Independence in 1948. In May, 1976, less than a year before the Knesset elections, Yadin declared himself a candidate of the newly formed Democratic Movement. He stood for making the electoral system more democratic (this will be discussed in greater detail later in the paper) focusing on domestic issues and

75

maintaining a flexible policy on the Territories.

Rubinstein's Change and Yadlin's Democratic Movement had similar goals, "but Change lacked a candidate with the stature of Yadin and the Democratic Movement lacked the organizational 76 apparatus of Rubinstein's party." Seven months before the General Knesset elections of 1977, the two parties realizing their individual limitations, merged and became the Democratic Movement for Change Party.

Although the DMC's roots can be traced to dissatisfaction with the Labor Alignment's military errors during the 1973 War, the group focused primarily on domestic issues. Actually, the DMC's security policies resembled those of the Alignment's. Like Labor, the DMC believed there could be no Palestinian state on the West Bank of the Jordan River, and they believed that, "although the people of Israel had a historic right (biblical right) to all of its territories, the desire for peace mandated territorial concessions." The fact that the DMC (to my knowledge) never criticized Rabin's military decision making abilities, along with the Party's Labor-like military and territorial policies, leads one to believe that the DMC may have used Labor's mismanagement of the 1973 War merely as a stepping stone into national Israeli politics. Once in the political lime-light, the new party could concentrate most of its campaign on domestic issues.

One of the DMC's domestic policies was to do away with inner-party factionalism. As explained earlier, many Israelis disaproved of the Labor Alignment's in-house fighting, primarily between Shimon Peres and Yitzach Rabin. The DMC publicly

criticized the Labor Alignment for being a collection of institutionalized factions, "each of which demanded its pound of flesh in government spoils, thereby paralyzing the government and 78 making it impossible to evolve coherent policies." Along with these attacks on the Alignment, the new party's leadership introduced party rules that were designed to limit inner-party division. Immediately after the merger of Change and the Democratic Movement, the DMC stipulated that, from then on, no new political group would be allowed to join the DMC as a block. Thus, when the Free Center Party (the first to join the DMC after the party's initial formation) joined the DMC, its members had to apply for party membership individually.

Another of the DMC's policies was democratic selection of party candidates. With the exception of the DMC, every party in Israel had an appointment committee that selected its electoral candidates. Rank and file members had no role in the nominations. The DMC introduced a more democratic selection procedure where by all 38,000 party members voted for candidates and were eligible to be party candidates.

Lastly the DMC wanted to alter the Israeli electoral
process, "advocating a system of several electoral districts to
80
replace the present single national constituency." The DMC
claimed that through electoral reform Israel's underpriviledged
would no longer remain under represented. Most sources describe
81
the electoral reform as complex and unclear.

TABLE # 2

MAJOR-PARTY VOTERS, BY YEARS OF SCHOOLING, 1977 ELECTION 82

(in percentages)

less 9	to 12 1	3 and over
3.0	42.0	50.0
9.8	46.9	33.3
.6.3	57.7	26.0
1	3.0 19.8 16.3	19.8 46.9

TABLE # 3
MAJOR-PARTY VOTERS BY INCOME LEVEL, 1977 ELECTION 83
(in percentages)

CHIEF, DAY, GAR, AND AND THE MAY MAY MAY BEEN AND THE MAY NOT AND		Monthly	Income	
Party	IL 2,999 IL	3,000-	IL 5,000	Not
	and under	4,999	and over	available
DMC	18.0	16.0	46.0	20.0
Labor Alignment	22.9	27.1	33.4	16.7
Likud	24.0	30.8	29.8	15.4

Tables two and three reveal that the DMC attracted mainly the better educated and wealthier segments of the Israeli population, traditional Labor supporters. Perhaps the DMC's emphasis on domestic issues that tended to be more abstract than economics and defense appealed more to the rich and well educated, ardent supporters of Labor, than to the poorer segments of the populace, who as previously mentioned were mainly concerned with improving their standard of living.

The wealthy might not have felt the economic pinch as severely as the poor and as a result, may have placed greater emphasis on the need for the DMC's party reforms. It was here that the DMC dealt the Labor Alignment a heavy blow. Many Labor supporters, even though disgusted with their traditional party, could not bring themselves to switch over to the right-wing Likud or the left-wing Israeli parties. "The DMC offered this group a pleasant 84 alternative". The new party was moderate, "it favored a defense policy similar to Labor's and had a reasonable 85 Territorial policy."

The DMC also called for increased Israeli economic independence and a return to the zionist values of the past. Although the policies of economic self-sufficiency and a return to traditional values ring with positive idealism, the DMC never explained how it planned to realistically implement and encourage these plans. One can safely say that these two policies fell more under the label of campaign gimmickery than realistic political planning.

When the results of the 1977 Knesset elections were tabulated the DMC had won fifteen Knesset seats, a suprisingly good showing for a new party. The Israeli bureau of statistics calculated that defections from the Labor Alignment to the DMC 86 accounted for two-thirds or ten of the new party's seats. Thus, the DMC managed to take ten seats directly from the Labor Alignment. When one recalls that the Alignment lost nineteen seats between 1973 and 1977, the impact of the DMC on the Alignment's loss of the 1977 elections was significant.

Although the DMC's success, and as a result, part of the

Alignment's disasterous showing in the 1977 elections was due primarily to its stance on domestic issues, the party used the military blunders of the Labor Alignment in the October War as a means of entering Israeli politics. Had the 1973 War resulted in a more favorable outcome for the Labor Alignment, the DMC might not have come into existence. Even if the DMC had been formed it would not have had the political "jumping-off point" that its criticisms of Labor's handling of the war provided. There is little doubt that if the DMC had not participated in the 1977 elections in Israel, the Labor Alignment would not have suffered such a disabling loss in 1977.

CONCLUSION

The effects of the 1973 October War, accellerated the pattern of the Israeli Labor Alignment's decline as shown in table #1. The war's repercussions, namely the Alignment's broken chain of leadership, Rabin's premature accession to Labor's command, the weak Israeli economy and the advent of the DMC caused the Alignment to lose the 1977 Knesset Election.

Indirectly, the October War broke the Labor Alignment's chain of popular and politically seasoned leaders. Moshe Dayan's disregard for vital intelligence information set Israeli forces back at the beginning of the war and left him the heir apparent to the Labor leadership, ineligible to serve as Israel's prime minister. As a result, Yitzach Rabin, a man whose political experience and popularity paled in comparison to Dayan's experience and renown became the Alignment's leader.

Rabin's premature accession to the Israeli prime ministership negatively effected Labor in many ways. For the first time in Israeli history the Labor Alignment did not have the most experienced and well known politician in the country leading their party. Menachem Begin, the head of the Likud Coalition now held that honor.

The Alignment's lack of an unchallengeable party leader, like Dayan split Labor into two factions, one supported Rabin, while the other backed Peres. Labor's internal disunity detracted from its popularity among the Israeli electorate.

Dayan could have provided the Alignment with the strong leadership necessary to unify the party. But as stated earlier, the mistakes made during the 1973 War, rendered Dayan ineligible for the party leadership.

Rabin committed numerous political mistakes that a more experienced politician would not have made. The prime minister's blunders contributed to the decline of Labor. Rabin's reorganization of election procedures, namely, switching the order of the Histadrut and General Knesset Elections and separating the local elections from the national elections, hurt Labor in the 1977 Elections. By calling for early elections in 1976, Rabin allowed less time for the memory of Labor corruption to fade from the minds of Israel's electorate. This move cost Labor needed support.

The Prime Minister's soft-line policies on the Territories angered many Israelis and increased the electorates and the NRP's disenchantment with the Labor Alignment, resulting in a further loss of votes for Labor. Meir and Dayan's tougher stances on the territories would have sat better with the Israeli electorate than did Rabin's policies.

The fact that the 1973 October War left Israel's already poor economy in horrible shape forced Rabin to take harsh austerity measures that were unpopular with most Israeli voters, particularly the poor Israeli sephardim. If the war had not been so deblilitating to the Israeli economy, Rabin, a man who had always endorsed heavy social welfare spending, might have continued with Meir's trend to allocate increased funding to

welfare programs. In this case the Labor Alignment would have illicited a better image among Israelis.

Lastly, the Democratic Movement for Change Party that took ten of the nineteen seats the Alignment lost in 1977 would never have had the access to national Israeli politics that the 1973 War provided. The DMC's criticism of Labor's mismanagement of the war catapulted the new party into national politics, at which time it dropped its criticisms of Labor's handling of the 1973 War and focused on domestic issues. Without the 1973 War the DMC would have had neither a rallying point nor a means of entering Israeli politics. If the DMC had not participated in the 1977 elections, the Alignment might have retained many of its supporters and consequently fared better in the Knesset Elections of 1977.

Of course, it is impossible to know how the Labor Alignment would have fared had the 1973 October War not have occurred, or if it had resulted in a more favorable outcome for Labor and Dayan. But it seems likely that had Meir retained her stronghold on the prime ministership and been succeeded by Moshe Dayan, the Alignment might not have lost the 1977 Knesset elections.

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David,

I am especially phased with the extent to which your work has improved over the q quarters; you have listened to criticism and made appropriate adjustments. In those regards I would give you am At. The paper as a whole I judge as an A- (which is also the grade Prof. Gallagher intended to give you). Congratulations

