

party headed by Mr. Menachem Begin. For those who care for and respect Israel this is very grave news....

We should recall that the United States Government has grossly overplayed its hand in the pressure it has exerted upon a good friend of the West and highly civilized man, General Yitzhak Rabin. General Rabin and the Labour alliance were asked to prepare the way too publicly for withdrawal from disputed territories. Consequently, United States diplomacy now has on its hands not only a former leader of the Irgun Zvai Leumi, but an Israeli national policy which is spelt out in those three Hebrew words.

They mean 'Both sides of the Jordan.'

West Germany

Suddeutsche Zeitung, May 19, editorial by Schroeder:

...It is unusual for the Israelis to be governed by former terrorists. Corruption and the economic disintegration of

the country has led to this change, but the real factor of change was Carter.

Frankfurter Rundschau, May 19, editorial by Herbert Freeden:

Begin's victory is a political earthquake. It would not be right to put the blame (for the Labour Party defeat) on the scandals or the economic situation alone. The Labour Party had a policy of friendship with the U.S., and this policy has been crushed by the Carter Administration. It is peculiar to see that the Americans are shocked by the result of the elections since it was they who applied too much pressure to the Labour Party.

With Begin the situation is getting difficult. He considers that the West Bank must not only be administered by Israel but becomes an integral part of Israel.... The war danger has increased with this earthquake.

Who Will Rule In Israel

After 29 years of political power Israel's Labour Party has been defeated by the right-wing Likud opposition. The likely lineup of 120 seats in the new Israeli Parliament is as follows: Likud, 42; Labour, 34; Democratic Movement for Change, 14; National Religious Party, 12; Agudat Yisrael and Poale Agudat Yisrael (a small religious bloc), 5; Democratic Front (including Communists), 6; Shelli (including socialists), 2; Shlomzion, 2; Shmuel Flatto-Sharon, 1; Independent Liberal Party, 1; Citizens Rights Movement, 1; United Arab Party, 1.

Needing 61 seats to form a majority government, Likud leader and one time Irgun terrorist Menachem Begin, is regarded as likely to form a coalition with the small right-wing and religious parties. His own 42 seats plus the combined seats of the National Religious Party and the Agudat-Poale Yisrael would bring his coalition to 59 seats. More than likely, the one man parties of Flatto-Sharon and Shlomzion will also join giving him the required majority.

The Likud

The Likud party, formed in September 1973 by the organizing of Ariel Sharon, is a coalition of four parties, all "hardliners." Leading the coalition is the largest party, the Herut (Freedom) which was until recently run by half a dozen ex-Irgun operatives. This election has eliminated them from any prominent position and has brought to the fore younger right-wing technocrats like Ezer Weizmann and Professor Moshe Arens, both of whom are connected to the Israeli airforce and air industry. Weizmann founded the Israeli airforce.

Their party platform is one of free enterprise (anti-trust) and would oppose the corporate state that the Labour Party has maintained so long. While there is some differentiation among the various parties on this issue, they are all agreed that the occupied territories are "liberated" territories and they believe in "a greater Israel" concept, a maximalist approach to the occupied lands.

Ariel Sharon, while having his own party Shlomzion, is

asking Begin for a top position within the new Likud government. Sharon has many opponents within the Likud bloc and may find it more of a battle than he imagines to get accepted by the party.

His major opponents within the Likud come from the second largest faction within the party, the Liberals — General Zionists center group who are believed to exercise some moderating influence on the occupied territories issue, not opposing some concessions to the Arabs. The major spokesmen for this party are Simcha Erlich and Aryeh Dulzin who is also the treasurer of the Jewish Agency.

The Arabs Were 'Used To A Weak-Kneed Labour Party'

The following are comments from a spokesman of the American-Israeli Public Affairs Committee, closely associated with the U.S. National Security Council.

The Arabs are scared of Begin! They are used to a weak-kneed Labour Party; now they have to face someone more their equal, someone as maximalist as they are. What has happened in Israel is the same as, say, King Hussein of Jordan abdicating and naming Arafat his successor.... As a result of the elections, it could mean that there will not be a Geneva conference....

Maybe I should tell my friend Ahmed not to be so worried. The Likud is a centrist and liberal party and Begin is like Henry Jackson. Likud is not a right-wing fascist party. I don't think Israel will invade the Gulf, nor do I think Begin will do it. There will be major changes in policy.

The time table? That may be a problem. If the U.S. wants firm preparations for a Geneva conference, the way things are going now, it may never be.

The two other groupings within the Likud that can be linked together are the Free Centre and the State List, which calls itself La'am (People's Party). These factions are the extreme hardliners composed primarily of ex-intelligence and military personnel. The State List is linked to the hard core ex-Rafi group founded by Ben Gurion and Shimon Peres in 1965 that refused to join the Labour government in 1969.

NRP and DMC

The other parties that may join the government are the National Religious Party and the Democratic Movement for Change. The NRP, which recently purged its top leader who had collaborated in the Labour government, is now controlled by a "Young Guard" led by Zevulun Hammer and Yehuda Ben Meir, both fanatical religious supporters of the Gush Emmunim group that has been illegally attempting to settle in the occupied territories.

The Democratic Movement for Change is a new catch-all party led by former Chief of Staff head Gen. Yigal Yadin. Yadin put together his party on the basis of electoral reform promises and very little else, and has been blamed as the spoiler in the Labour Party defeat. Yadin has attracted every hardliner who would not accept the Labour Party leadership's decision not to launch a new Middle East war. Defectors to the DMC from the Labour Party include ex-military intelligence heads Aharon Yariv and Meir Amit; the latter also resigned from the position he held in the Israeli labor confederation, Histadrut, as head of its Koor industries sector for eight years. The DMC leadership maintains close communication with the U.S. National Security Council and leading intelligence coordinators within the Rockefeller family's intelligence establishment.

'Civil War Conditions Already Exist In Israel'

The following is an interview with a leading British Zionist, who has connections to the NSC, on the results of the Israeli elections:

Q: What do you make of Begin's victory?

A: I am absolutely shocked. I was persuaded by my

friends that this couldn't happen. But it did: Begin won! It's a complete reversal of the 1973 elections. The old slogan of the Labour Party was "Everything With Labour." Now it's turned out "Everything Except Labour."

Q: The American-Israeli Public Affairs Committee believes that Begin will be able to form a government from the religious parties only and not bother with Yadin.

A: Yes, that may happen, but I'm not sure. Jesus Christ, I can't imagine Begin coming to the U.S. as Prime Minister. He is a fascist of the old school. Even Begin calls himself a fascist. Everyone does! Look — Begin's policy for the West Bank is that the West Bank is *not* occupied territory by *liberated* territory. And now the Arabs are rubbing their hands with glee — Begin's appointment confirms everything they feel about Zionism. Sadat is not happy. For him, this is another nail in his coffin, and he is counting his days. Quite possibly there will be an activation of the extremist Muslim Brotherhood types in Egypt, which will only add to the instability of Sadat and the entire area. There is no chance of a settlement now, that much I know.

If Carter doesn't deal with Israel in the framework of the "special relationship" he pledged last week, then there will be war. *Civil war* conditions already exist in Israel. All I can say is that the whole situation is terrible.

Q: What about the threat of war? We have heard from Egyptian sources that Israel is prepared to invade Saudi Arabia if the Horn of Africa affair gets out of hand and the Red Sea is blockaded.

A: War is not far off. It could be any one of a number of scenarios. The conditions are right for war. The Arabs are desperate. And Begin needs a war to consolidate support around him. The Horn of Africa scenario may be one scenario. There is also extreme tension in Lebanon and on the West Bank that could ignite a war very easily. I agree: there will be war, but I don't think the Arabs will start it.

A terrible period of instability lies ahead, including violent clashes. Begin is a violent man. I am very worried about how he deals with Israeli Arabs. It is about time that Mapam (Israel's major left party —ed.) realizes that they have to do something.

Rockefeller Oil Multis Maneuver For New Oil Crisis

According to estimates made public by the partners of the Arabian American Oil Company (ARAMCO), Saudi Arabian oil output of light crude will suffer a reduction of 30 percent for this month, or approximately 1 million barrels a day (mbd). As a result, the four Rockefeller-dominated multinationals, Exxon, Socal, Mobil, and Texaco have cancelled 20 percent of their sales contracts for both May and June due to the damage done to the large Abqaiq pumping facility during last week's fire.

The cause of the pipeline explosion has been attributed by authoritative sources to the sabotage operations by Rockefeller networks, in order to derail the Saudi's effort to hold the oil price down, involving an ambitious pro-

gram of expanded oil output, opposed by ARAMCO.

The motive behind the sabotage of the fields has two main features: to permit a driving up of the price of crude through ARAMCO speculation and market manipulation, and to restrict the consumption of oil to thus impose a de facto limited embargo on the U.S., Japan and Europe, creating the preconditions for energy austerity internationally.

A well informed New York oil analyst has indicated that the ARAMCO partners have already "covered themselves" by purchasing a sizeable amount of Iranian light crude — purchases, he emphasized, made at a discount. At the same time, in the week since the fire at Abqaiq, a