

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 Ze'evon 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

round of panicked spot purchases has driven the price of light crude up from its previous low price. The Rockefeller partners have also exercised their option of buying light crude from Iraq, in lesser amounts, and may do the same with Kuwait, according to the *Journal of Commerce*.

As a result, Exxon, et al., stand to make a killing by dumping the Iranian crude at the present high market price. This puts additional pressure on the Saudis to break with their position of maintaining the lower crude price which they and the United Arab Emirates, since the December Organization of Petroleum Exporting Countries (OPEC) meeting, have kept 5 percent lower than the other 11 OPEC members.

Aside from the Shah of Iran's willingness to sell large amounts of Iranian light at a discount to the ARAMCO partners, there is other evidence that his Highness may be working with Rockefeller and the Carter Administration to undo Saudi price moderation. Following a recent visit to the Persian Gulf by the influential Venezuelan president Carlos Andres Perez, an OPEC price compromise was reported to have been reached by the Middle East Economic Survey, a journal known to be on close terms with Saudi Oil Minister Yamani. Shortly thereafter the Saudis suddenly announced the deal was off, and that no change would be made in the price of Saudi crude. The basis of the Perez-proposed compromise according to widespread reports was an agreement struck between Iran (10 percent) and Saudi Arabia (5 percent) to have the price level off at *between 5 and 10 percent above the '76 price*.

Timed with the sudden Saudi denunciation of a compromise, Secretary of State Vance arrived in Tehran for private meetings with the Shah, and the CENTO meeting. Shortly thereafter, the Shah again called for a price agreement, but this time based on a 5 percent increase by the Saudis, adding yet more pressure on Riyadh to foresake its staunchly defended policy of moderation.

Exxon Crisis Mongering

Executives for the ARAMCO partners, meanwhile, have released numerous public statements warning of the severity of the damage done to the Saudi pipeline and Abqaiq pumping facility, which normally handles about 5 million barrels a day of crude. Clifton Garvin, president of Exxon, announced this week that the vital pumping station could be out of commission until September. All the companies wasted no time in making public their intention to reduce sales. By contrast, both officials of ARAMCO (known to have a closer relationship to the Saudi royal family than the Rockefellers), and Yamani himself, have stated that damage was exaggerated, and that Saudi production will soon be back to the levels enjoyed prior to the fire.

Exxon, however, has acted to maintain the crisis atmosphere around world energy. During an unprecedented press conference given by the president of Exxon's Italian operation, Italy was urged to reduce its oil consumption by as much as one half; the Italians, he said, are relying too much on Soviet and Algerian gas. He suggested that instead, Italy should expand its dependency on coal, a proposal mirroring the relevant feature of Carter's U.S. energy program.

Saudi Arabia on the U.S.: 'With Friends Like These...'

The following are excerpts from the article, "With Friends Like These," which appeared in the May 16 issue of the British-based Arabia and the Gulf magazine.

There has been growing scepticism at the highest level in Riyadh about the optimism that earlier surrounded Crown Prince Fahd's projected visit to the United States. Postponed from the original date of April 21 to May 24, the trip was envisaged by the Saudis as a short summit of the world's "energy duo" solving the Middle East and international economic problems. Now they are having second thoughts.

As *Arabia and the Gulf* reported last week, President Carter's reference to the CIA energy study last month suggested to Saudi Arabia that by hook or by crook the United States would secure her energy supplies in Saudi Arabia. If the Saudis did not play the game, the present hierarchy could find itself in danger. Saudi apprehensions are being kept a close secret, but it has been suggested by informed diplomatic sources that the postponement of Crown Prince Fahd's visit had much to do with furtive investigations of a "pre-emptive" Israeli air-strike against Saudi Arabia's military installations in the Red Sea area, which is apparently taken seriously at a senior level in Riyadh.

Saudi sources claim that current thinking in the capital suggests President Carter is quite happy to see Prince Fahd cut down to size. Furthermore, the Saudis have convinced themselves that such is the Carter Administration's policy toward all the Arab regimes: The hand of Washington is being detected in Arab divisions and setbacks in a manner more characteristic of Baghdad or Tripoli than Riyadh.

Whatever President Sadat may say, Saudi Arabia now believes that it was the United States rather than the Soviet Union which provided the mysterious "foreign influence" behind the January riots in Egypt. The United States is perceived playing a double game in Lebanon to tie down the Syrians, and independent reports from Beirut have claimed that in his meetings with Lebanese Foreign Minister Fuad Butros, U.S. Ambassador Parker has laid special emphasis on the security and well-being of the Maronite Christians (principally the fascist Falange militia - ed.).

Further, the scandal connecting King Hussein to the CIA is thought in Riyadh to have been deliberately engineered to weaken the position of the King before serious negotiations start on a Middle East settlement. President Carter's references to a Palestinian "homeland" and his failure to specify that this will not be on Jordanian territory point in the same direction.

Quite what all this adds up to is uncertain even to the Saudis, who have been assiduously trying to tie up the loose ends for some months. But it is clear to them that a connection exists between Israel's standing in the way of the run up to Geneva and the preoccupation of Syria with Lebanon and Jordan, Egypt with Africa and the United States with energy supplies from Saudi Arabia.