

Middle East

ISRAEL

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The already uncertain prospects of Israel's long-dominant Labor Party in the national election next month were dealt a new blow by the exposure last week of financial irregularities on the part of caretaker Prime Minister Rabin and his abrupt withdrawal from the top position on Labor's electoral list. The party's new candidate for prime minister after the election, Defense Minister Peres, managed to win the grudging endorsement of factions within Labor and an allied party that have long opposed him.

Ironically, the Labor Party, which for months had been rocked by corruption scandals and torn by dissension, was just beginning to rebound from its low standing in opinion polls when the Israeli press disclosed that Rabin and his wife had illegally maintained bank accounts in the US. The most recent public surveys showed the Labor Party and its small left-wing ally, Mapam, moving ahead of both the right-wing Likud opposition group and the new reform-minded Democratic Movement for Change.

Rabin, under Israeli law, must continue as caretaker Prime Minister until after the election, but he clearly intends to play a minimum role. Control of Labor's campaign quickly passed to Peres, a more polished and self-assured politician and one who will likely run a more dynamic campaign.

The new party leader, who almost defeated Rabin in party voting in 1974 and again at Labor's convention last February, is an established hawk on



Defense Minister Peres (l) and Foreign Minister Allon

Arab-Israeli questions but at the same time a pragmatist who is well aware he must broaden his support beyond the party's conservative faction. Immediately after Rabin dropped out, Peres moved to conciliate leading party doves, notably Foreign Minister Allon, who settled for the second spot on Labor's list and a promise of the defense portfolio. Abba Eban, already an ally of Peres, was promised a new tour as foreign minister in a Peres government.

This week Peres succeeded in persuading Mapam to maintain its alliance with Labor. His public statement last weekend that he remains committed to the party platform, which calls for withdrawal from some occupied territory as part of a peace settlement, and the prospect of Eban's return to the Foreign

Ministry probably helped. Mapam leaders were probably also influenced by the lack of a realistic alternative to Labor as a political ally and concern that abandonment of Labor now would jeopardize their prospects for participating in the coalition that will be formed after the election.

Peres may take other steps to broaden his appeal before the vote on May 17. He is unlikely, however, to do anything that would seriously alienate his conservative backers. He has said that the conservative National Religious Party must be included in any new Labor-led coalition. He has even indicated he could take the Likud into his government, although privately he has said that the Democratic Movement would be a more likely coalition partner.

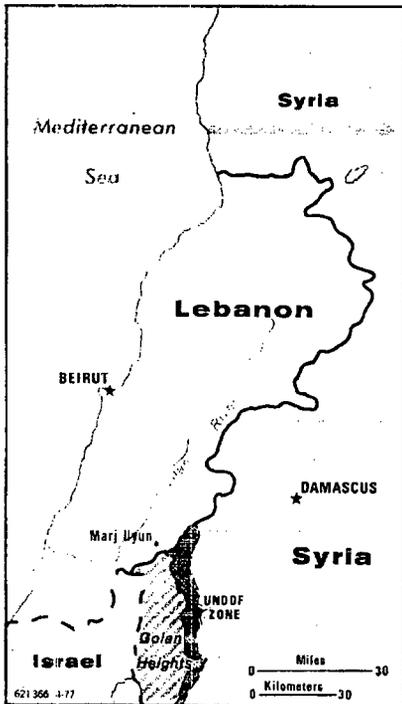
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LEBANON 3-4

The intensive fighting in southern Lebanon between Christian extremists and Palestinians that began last month appeared to be subsiding this week. With the status quo ante about restored after three weeks of seesaw battle, the foreign patrons of both sides—Israel for the Christians and Syria for the Palestinians—have apparently become anxious for the fighting to die down lest it lead to a wider conflict.

Although the warring groups continued to exchange heavy artillery fire, there was little movement on the ground this week and the overall situation seemed to be stabilizing. The Christians, in retreat last week before a Syrian-supported Palestinian counteroffensive, succeeded in fending off attempts to drive them out of their important base at Marj Uyun near the Israeli border. By midweek, there were indications that the Palestinians had agreed not to try further to take the town and that leaders on both sides might be ready for a cease-fire.



The Christians, who started the round by launching an intensive drive to eliminate the Palestinians from a buffer zone all along the border with Israel, have at this point little to show for their effort. All important territory taken by them during the first two weeks is now back in fedayeen hands. In addition, the intensity and initial success of the Christians' drive brought the mainstream Palestinian group Fatah, which had not been significantly involved in the southern fighting, into the field against them and contributed to a growing rapprochement between Fatah and the Syrians.

The new commander of the Lebanese army, General Khoury, indicated this week that he hopes to send a supervisory force into southern Lebanon in about two weeks. He reportedly intends to use troops from a small mixed Christian-Muslim group originally put together by the Syrians to form the nucleus of a new Lebanese army. Khoury recognizes that this force will not be able to maintain peace in the area unless the Palestinians and Christians acquiesce; he does not intend to send the force into the area until a cease-fire is actually in effect.

NORTH YEMEN 19-20

The assassination last weekend in London of a prominent North Yemeni political figure may prompt President Hamdi to move against tribal opponents.

The identity of the assassin of Abdallah al-Hajri, a former prime minister of North Yemen, is not yet known. The North Yemenis believe the killing was the work either of ousted leftist politicians in league with dissident tribesmen, or of radical South Yemenis opposed to their country's growing ties with North Yemen and Saudi Arabia.

Al-Hajri was an arch-conservative and a close adviser to Hamdi; he was viewed by many as the unofficial number-two man in the government. He had been leading an effort to broaden the regime's base of support by establishing a progovernment political party encom-

passing the country's disparate political groups.

The US embassy believes Hamdi is likely to place the blame for al-Hajri's death on the leftist tribal grouping, at least until contrary evidence is available. Tribesmen led by Hamdi's rival, Abdallah al-Ahmar, recently have again asserted their control over parts of northern North Yemen at the expense of the central government's authority.

Hamdi will attempt to turn popular resentment over the death of al-Hajri, who was widely respected, into support for the regime. As he has in the past, Hamdi is likely to move against the tribal dissidents by indirect political means rather than with military force.

EGYPT-LIBYA 13/14/17

The continuing flow of invective between Egypt and Libya was accentuated during the past week by officially inspired violence in both countries. There have been no major new military developments along the border.

The Egyptian consulate in Benghazi was sacked last weekend, and its workers confined in a nearby hotel; on April 13, Libyans demonstrated at the Egyptian embassy in Tripoli following a government-sponsored rally to denounce Egyptian President Sadat. Libya has also imposed further restrictions on travel by Egyptians, this time on those trying to leave Libya.

Egypt has retaliated in kind to almost every incident. Egyptians burned the Libyan consulate in Alexandria. There has been no indication so far that Libyan diplomats will be ordered out of Egypt or recalled by Tripoli.

The media in both countries continue to trade charges. In a slight shift in tactics, Cairo dailies this week argued that Egypt should exercise restraint with regard to Libya because Libyans themselves were fed up with Qadhafi and would soon oust him. Egypt, it was said, must guard against providing Qadhafi with a foreign scapegoat.

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