

beginning back with the Lebanese civil war which did not pan out. The war did not pull the Palestinians into line. If it had, it would have been fairly easy to put pressure on Israel to get negotiations going. But now with the PNC (Palestinian National Council) not amending its charter, things look much worse. The Palestinian militants are just refusing to budge on that issue of changing the charter (to recognize Israel —ed.). Therefore the Arab-Israeli front has not moved toward peace. I think that the

Saudis feel at this time there is no reason to discuss the matter with Carter, given this situation...

Also the assassination of Jumblatt really jolted the Saudis. There is a list of other prominent Middle Eastern leaders named for assassination like Arafat and Camille Chamoun...

I cannot tell you (who is putting this list out), but I will say that it is one of my contacts in the Middle East who told me in September that Jumblatt would soon have an accident!

Palestine National Council: Political Consolidation — But No Direction

The dilemma of the Palestinian movement emerged in its sharpest form at the meeting of the Palestine National Council, which ended last week in Cairo.

On the one hand, the meeting of the PNC resulted in a new political and military unity among the various factions of guerrillas and "independents," on the basis of the 15-point political program issued at the end of the meeting. On the other hand, however, the results of the PNC meeting, the first such gathering in almost three years, did not include the emergence of any realistic strategy for Middle East peace.

The conference, which did not take any decision to recognize Israel, did authorize the leadership of the Palestine Liberation Organization (PLO) and Chairman Yasser Arafat to take up contacts for the purpose of negotiating possible attendance by the PLO of "any international conference or gathering which treats the Palestine question."

Arafat who was reelected as chairman, was also named as commander of a unified military force that places the armed units of the guerrilla groups and of the regular Palestine Liberation Army under his direct control.

According to reports from Cairo, the leftist Palestinian "Rejection Front," largely supported by Iraq and Libya, did not oppose the political program presented by PLO Political Department director Farouq Kaddoumi, and although the Popular Front for the Liberation of Palestine (PFLP) refused to join the PLO Executive Committee over certain disagreements with the PLO program, the pro-Iraqi Arab Liberation Front and other leftist Palestinians reached an overall accord with the main body of the PLO, represented by Arafat's Fatah.

However, the militant tone of the meeting and the hardline resolutions largely fail to address the real issues that were on the minds of every participant, especially after 18 months of civil war in Lebanon that decimated the PLO. The hollow reaffirmation of "armed struggle" against Israel did not cover the complete lack of a political program dealing with the international issues that lie at the core of the conflict in the Middle East and which make the Palestine issue so explosive.

"We are fighting for our survival," said one participant at the Cairo meeting, "and we therefore cannot be

expected to take up broader issues of international scope."

Shadow of Carter over PNC

Throughout the meeting, the shadow of the Carter Administration hovered over the gathering. In fact, for the Carter regime, the decision by the PNC not to change its covenant — which calls for the destruction of Israel and its replacement with a "democratic, secular state" — was a desired goal. Sources in Washington have reported that the Carter forces intend to confront and crush the PLO in coming months, and thus sought in the weeks preceding the conference, and in the days of the conference itself, to ensure that the PLO would not be able to adopt a more "moderate" position.

Since last fall, the Palestinians, backed by Egypt, have sought to elicit a quid pro quo from Washington that would indicate that the U.S. was considering making concessions to the PLO, beginning with an invitation to attend the Geneva conference. But the stone wall presented to the PLO by Carter since January ensured that the organization would not ease its hard line.

For instance, the statement by Carter only days before the convening of the PNC that Israel must have "defensible borders" — code words for annexation of occupied Arab land — fortified the hardliners at the PNC and completely "undercut the position of those few who said that perhaps the PLO must expect something positive from Washington."

"Then they sent us the message of terror," said a PNC member, referring to the assassination of Lebanese leftist Kamal Jumblatt, the chief ally of the PLO during the Lebanese civil war. The Jumblatt murder, he said, convinced any doubters that the U.S. was seeking a confrontation with the PLO, not a conciliation.

A key indication of the intention of Carter and the Israelis was the decision by Israel not to allow a group of West Bank Palestinians to attend the Cairo meeting. Since the group of West Bankers was considered relatively moderate, and could conceivably have influenced the direction of the PNC vote on crucial issues, the Israeli action can only mean that Israel was actively seeking to block a possible shift in tone by the PLO. According to reports from Israel, the Israeli Government was "satis-

fied" that the PLO did not change its tough anti-Israeli stance.

PLO "Octopus"

Strategically, the key issue addressed by the PLO was the question of its political relations with the Communist parties and leftist movements of the Arab world. For instance, Kaddoumi received a standing ovation from the PNC delegates when he announced that the PLO had begun and would continue contacts with the Communist party of Israel (Rakah). In addition, there were signs of stepped-up cooperation with the West Bank and Jordanian Communist parties and the Lebanese CP and Lebanese national movement led by the late Kamal Jumblatt. Such a decision by the PLO places the organization in a critical position of leadership of the opposition forces throughout the Arab East.

The PLO also strengthened its links with the leftist opposition in Egypt. After Egyptian President Anwar

Sadat spoke at the PNC meeting, in a widely publicized speech in which the Egyptian leader loudly proclaimed his intention never to give up "an inch" of Arab territory, then in a little-reported event the PNC invited a leader of the Egyptian left to address the conference. The links to the Egyptian left and Nasserist movement, which go back to the pre-Sadat days after the 1967 war under President Nasser, are still being maintained at the highest levels of Egyptian military and intelligence establishment, and represent an extremely important impediment to the pressure on Sadat to break with the PLO.

According to the *Jerusalem Post*, the PLO is an "octopus" stretching into almost every Arab country which, if put into danger, can threaten the existence of key Arab "moderate" — i.e., pro-Carter — regimes, including Sadat's.

— Bob Dreyfuss

Why Israel Must Have Peace — The State Of The Israeli Economy

SPECIAL REPORT

Israel's economy is geared to her maintainance as a military garrison state. Since 1967, the United States has maintained Israel on a course of increased military spending accompanied by drastic austerity. The defense burden now being carried by three-and-a-half-million Israelis is destroying her economy and population, just as the policies of Schacht destroyed the German economy during the 1936-39 period. If this policy of auto cannibalization is carried to its logical conclusions, then Israel must commit itself to war by the end of 1977.

This catastrophe can be prevented by those saner Israeli leaders who have devoted their lives to making the deserts bloom, those who know that development, and collaboration with the Arabs over such mutual development, is the key to ensuring the survival of, not only Israel, but all humanity as well.

During the past year the working class has been voicing increasing protest against the New York banks' austerity demands, culminating this month in the biggest strike wave to hit Israel since the 1966 recession. The Israeli newspaper Ma'ariv has called the situation "the very edge of sanity." Nearly every trade union has been on strike or threatening to strike, paralyzing the port and virtually bringing the economy to a standstill. An IMF mission is now in Israel demanding more austerity.

The Budget: Defense and Debt

The crisis facing the Israeli government is directly caused by the commitment to a militarized economy.

Since the October 1973 war, larger and larger

proportions of the national budget have been allotted to defense — and the resulting debt burden from that defense spending. (See Table 1)...The religious commitment to these two items has caused social services to

Table 1

BUDGET 1976-1977

TOTAL BUDGET - \$12 BILLION

MAIN EXPENDITURES

DEFENSE \$4.7 BILLION

DEBT
REPAYMENT
DOMESTIC \$2.6 BILLION

BUDGET 1977-78

TOTAL BUDGET - \$15.3 BILLION

DEFENSE \$ 5.2 BILLION

DEBT
REPAYMENT
DOMESTIC \$ 3.8 BILLION