

Alignment Member of the Knesset, Haim Bar Lev, who is also Secretary General of the Labor Party, told *Jerusalem Post* that the Alignment would agree to form an alternative coalition, "because anything is better for the country than the present desperate state of affairs." He added that if the threat of the parties in the coalition to leave the Likud leads to a parliamentary majority for early elections, the Alignment would prefer this to an alternative government.

The events of late January show that the Alignment is attempting to bring down the Likud government, whether through a no-confidence vote or through complicating the crisis of the Likud coalition on the popular level. In the latter effort, Labor's main card is the Histadrut. This was exemplified when Histadrut's General Secretary demanded that the government raise wages, and threatened strikes in many sectors.

Lately, the Labor Party's popularity has increased. The Alignment's political positions, particularly concerning Israeli presence in Lebanon and the settlement policy, correspond to newly emerging trends in Israeli public opinion. According to a poll published in *Jerusalem Post*, January 3rd, 72% of Israelis think that the first budget to be cut in the new austerity drive is the one for settlements in the West Bank and Gaza. Another poll in early February showed 39.5% of Israelis for immediate, unconditional withdrawal from Lebanon.

Due to the Zionist state's heavy dependence on outside aid, mainly from the US, the policies of the Reagan Administration are also a factor in assessing the internal Israeli power struggle. For one, Washington is deeply concerned about the Shamir government's inability

Israeli Crisis Hits Palestinians Hardest

On January 16th, the *Jerusalem Post* reported the statement of Abu Diab from the Arab Department of the Histadrut. He said that hundreds of Arabs working in construction in the western Galilee have lost their jobs over the last six weeks. He attributed this to the budget cuts which affected special and general development projects in the area. Abu Diab also predicted that skilled Arab employees, such as those who have been working in banks for the last two years, could lose their jobs due to the recession in the Israeli economy.

to find solutions for the economic crisis, for social stability in the Zionist entity is a must for imperialism's plans in the area. On the other hand, some circles in the US administration are bothered by the Likud's static positions on issues like freezing West Bank settlements and withdrawing from Lebanon. If other conditions were to make implementation of the Reagan plan appear as a possibility, then the Likud's positions could come to be viewed as obstacles to US imperialism's strategic plans and interests in the area as a whole. The policies of the Labor Party, on the other hand, can harmonize more easily with the US long-term plans.

Expectations

Will the Israeli government resign? Are there going to be early elections? Such questions and many others are being raised in interested political circles. Judging from the fact that the Likud managed to buy off Tami, one of the

small parties in the coalition that was thinking of breaking off, and, on the other hand, the Labor Party's fear of not being able to administer the deteriorating economic conditions, we do not expect a quick resignation or early elections. The following factors concerning the opposition support this judgement:

1. The Labor Party, though united in attacking the policies of the Likud, is not united internally. Peres does not enjoy widespread support. Rabin, on the other hand, while not enjoying broader support, has managed to split the loyalty of Labor Party members.

2. Navon, who is a serious competitor to both Rabin and Peres, is himself reluctant to push this competition. He prefers to wait — probably for better political and economic conditions.

3. The Labor Party prefers not to be "embarrassed" in front of the public concerning the future of the West Bank. In its program, Labor vowed to build more settlements on the West Bank, considering it a part of 'Israel'. On the other hand, Labor has several times hinted at its readiness to negotiate the future of the West Bank with King Hussein.

What we actually expect is further deterioration of the economic situation in 'Israel' under the Likud, until the scheduled date for elections. The Labor Party, for the reasons outlined above, may not be willing or able to impose itself now. Moreover, despite growing public discontent, the Likud can still rely on the militant right-wing base that originally brought it to power in line with the overall consolidation of the right in the Zionist society. Moreover, till now, experience shows that it can also rely on the Reagan Administration's unqualified support.

Peace Now demonstration, Dec. 30th, for a settlement freeze: "Stop spending money in the territories."

