

Labour Party member and ex-head of military intelligence Aharon Yariv.

Rabbi Schindler advised Yadin to return to the negotiating table with the Likud after Yadin pulled out when Dayan was appointed.

Schindler's role as Brzezinski's go-between is complemented by the simultaneous presence in Israel of Sen. Stone (D-Fla.).

Throughout the maneuvers for a government coalition, the NSC has operated to contain any attempt at a comeback by the Labour Party. Yitzhak Rabin, the incumbent Prime Minister, has let it be known that he

intends to make a strong play to regroup the Labour Party and its left-wing allies to counteract plans of the Likud and its proposed economic advisor Milton Friedman to destroy the state enterprises of the Histadrut.

To head off such a Rabin move, Shimon Peres, incumbent Defense Minister, has decided to stay with the Labour Party rather than go with Dayan into Likud. Peres is not perturbed by Dayan's defection, as he feels that Labour will serve as "an honourable opposition — unless something very serious happens..." implying that if a war should break out, they will form a unity government.

## Persian Gulf Nations, Arbiters Of World Monetary System

The nations of the Arabian Gulf — by virtue of their over \$70 billion in annual oil revenue, the result of the 1973 Great Oil Hoax in which Rockefeller quintupled the price of crude — have now become the arbiters of the world monetary system. The Arab nations of the Organization of Petroleum Exporting Countries (OPEC), together with the Comecon sector, are the two principal potential sources of hard-commodity credit denominated in gold-backed currency — and, increasingly, both sectors are showing readiness to cooperate with the OECD countries on the outlines of a new monetary system.

The basis for such an arrangement is already being laid as the Arabs begin the ponderous shift from speculative ventures and dutiful bailouts of David Rockefeller's uncollectable debt to real, productive investment.

### Carter Sends Saudis Into Shock

Although the primary motion in that direction by the Arabs comes from Iraq and Libya, and although the tiny

sheikhdoms of Kuwait and the United Arab Emirates are also moving in the same direction, the most interesting phenomenon is the growing tendency of Saudi Arabia to stop serving as a trough for Rockefeller's pigs to grovel in. In part, the new indications of Saudi Arabia's developing an independent oil policy are the result of the trip to Washington last week by Crown Prince Fahd and Oil Minister Zaki Yamani, whose clashes with President Carter left the Saudis in a state of shock.

According to informed sources, in two days of talks with Carter Fahd and Yamani did not budge from their insistence that the U.S. move to ensure peace in the Middle East before approaching Saudi Arabia on cash assistance for the IMF and on institutionalizing the so-called U.S.-Saudi "special relationship."

Since the Saudi delegation returned home, a number of indications have emerged that the Saudis, as one observer overstated the case, "have been radicalized" by their confrontation with Carter. Most significant is the report in the *International Herald Tribune* that Saudi Arabia has successfully completed the nationalization of

## Kuwait Program Of International Joint Ventures

The Kuwaiti government is now considering a far-reaching proposal put forward by the Kuwaiti Oil Ministry to engage in a number of downstream joint ventures. In most cases the ventures will include third partner participation by Royal Dutch Shell, Gulf and British Petroleum. Both Shell and British Petroleum have recently begun to back the European nationalized companies in their efforts to delimit European market manipulation by Rockefeller-dominated multinational, Exxon.

According to the May 23 *OPEC Bulletin*, the Kuwaitis want to insure purchasers of their crude through setting up such ventures. Among the proposals before the government is one to expand local refinery capacity from 400,000 barrels a day to 600,000 b-d by 1980 and then 800,000 b-d by 1985. Among perspective partners for other possible joint venture in refining are South Yemen, where a British Petroleum refinery has just been

nationalized and is being prepared for expansion. Similarly the Kuwaitis have been taking an active role in the Eritrean conflict with an eye to setting up a strategic refinery there. Numerous Far East countries are perspective sites for new downstream Kuwaiti investment, where already Kuwaiti owned refineries in Singapore and Kuwait are supplying fuel to the Fuel Organization of Thailand.

One of the most crucial areas for downstream development, however, is the Eastern Mediterranean. Kuwait has been engaged in contacts with Greece, Cyprus and Spain and has already finalized an enormous deal with Rumania for a petrochemical plant to be located on the Black Sea which when completed will take 170,000 b-d of Kuwaiti oil. Rumania uses most of its approximately 300,000 barrels a day of locally produced crude for petrochemical production for which it is highly skilled.