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END OF AN ERA

LIKUD SWEEPS TO VICTORY WITH 41
KNESSET SEATS; STUNNING UPSET FOR
LABOR WHICH GETS ONLY 33 SEATS
By Yitzhak Shargil

TEL AVIV, May 18 (JTA)—Likud hailed its apparent election victory as "an historic turning point in the annals of the Jewish nation and the Zionist movement." Those were the words of its leader, Menachem Beigin as he addressed thousands of supporters, red-eyed and nearly hysterical with joy, who besieged the party headquarters here at 3:30 a.m. this morning.

The early projections of a Likud upset victory with 41 seats in the next Knesset over the Labor Alignment which was pared down to 33 seats, were confirmed by that hour. Throngs poured into the normally empty pre-dawn streets, shouting, dancing, embracing and chanting "Am Israel Chai." Beigin, 64, and only recently recovered from a heart attack, was up to the occasion. For him, as he said, it was the dream of a lifetime come true.

Beigin leads the Herut wing of Likud, an opposition alignment formed with the Liberal Party and other smaller factions in 1973 after the Yom Kippur War. Herut is the political heir of the Revisionist or New Zionist Movement, founded by Vladimir Jabotinsky at the 17th World Zionist Congress 46 years ago.

Beigin referred several times to Jabotinsky, a fiery militant in his day. He freely acknowledged that the victory of Jabotinsky's disciples in yesterday's voting was achieved through an alliance with the disciples of such Zionist giants as the late Chaim Weizmann, who was apolitical, Menahem Ussishkin, a Labor Zionist, and the late American Zionist leader Abba Hillel Silver, whose political following in Israel today is represented by the Liberal Party.

Calls For National Unity

Beigin, a spell-binding orator and shrewd politician, read a passage from Lincoln's second inaugural address—"With malice toward none"—intimating that Likud bore no grudges and sought only national unity. In fact, Beigin's first political statement after his victory was a call for a national unity government embracing all factions. "I shall ask the Likud Executive meeting this morning to ask all Zionist parties loyal to the State of Israel to form a national unity government," he said.

On peace negotiations, Beigin stated: "I hope that after we get the Knesset's confirmation of the new government we shall present to it, we shall be able to call on President (Anwar) Sadat (of Egypt), President (Hafez) Assad (of Syria) and King Hussein (of Jordan) to open negotiations, whether in the respective capitals or on neutral ground like Geneva."

Beigin told newsmen at a pre-dawn press conference that he would accept with pleasure an invitation from President Carter to visit Washington should he be designated Premier as expected. "I do not know of any negative attitude on the part of the U.S. to my becoming Premier," he said, adding "I shall prepare myself well prior to going to the U.S." He said he thought there was a wide range

of common interests between America and Israel, specifically, checking Communist expansion in the Middle East. He dismissed past allegations by his opponents that Likud had acted as if it wanted to create a split between Israel and Washington.

Beigin said that he has arranged with Labor. Party leader Shimon Peres, who has been acting as Premier since April 22, to meet with him in a few days to brief him on the political and security situation. He said this would facilitate a smooth transition of power from Labor to Likud. Beigin spoke frankly of his recent illness. He said his doctors assured him that he was fit for his normal work. "I shall be a healthy Premier and I hope I shall also be a healer," he said.

LABOR PARTY PALLED BY DEFEAT By Yitzhak Shargil

TEL AVIV, May 18 (JTA)—The pall of gloom that settled over Labor Party headquarters after the first projection of election returns last night showed a decisive Likud victory never lifted. The party that had headed every Israeli government since the State was founded in 1948 was in disarray, if not total shambles.

For Defense Minister Shimon Peres, who was elected party leader only a month ago and seemed to have the Premiership within his grasp, the defeat was stunning. "I was afraid that we would suffer a setback but I never thought it would reach such dimensions," Peres told a group of reporters and weary Laborites early this morning. He had just conceded victory to Likud and the party headquarters were almost deserted.

Nevertheless, Peres took the blow well. "It would be useless to try to cover up the facts," he said. But he hinted that the election results might have been different if he had had more time as its leader to heal Labor's internal dissension. Peres assumed party leadership only four weeks ago, after Premier Yitzhak Rabin resigned because of the bank account he and his wife kept in Washington in violation of Israel's currency laws. The unhappy circumstances of Rabin's departure culminated a series of scandals that rocked Labor in recent months and accelerated defections from its ranks.

Peres, who assumed the functions of Premier when Rabin went on "vacation" after Independence Day, was unable to stem the tide. Only a week before the elections, Labor Party Secretary General Meir Zarmi resigned that post charging that Peres had excluded him from the party's counsels.

The future of Labor's uneasy alignment with Mapam was very much in doubt today. Mapam leader Meir Talmi said that whatever the Alignment may decide, Mapam would under no circumstances join in a coalition government headed by Likud.

SPECIAL ANALYSIS OF SWEEPING CHANGE By David Landau

JERUSALEM, May 18 (JTA)—If the elections were held again today it is fair to assume that the results would be substantially different. Labor, though doubtless it would still emerge weakened,

would very probably not come out losing a massive 18 seats out of 51, and the Democratic Movement for Change (DMC), which took most of these votes from Labor, would very likely be significantly reduced.

For what happened in yesterday's elections was, basically, that erstwhile Labor supporters, anxious to punish Labor for what they felt were its failures particularly in internal affairs, swung over to the newly-created and moderately based DMC--and thereby enabled Menachem Beigin to fulfill his lifelong ambition, lead his rightist Likud Party to relative victory as the new Knesset's largest faction.

For Likud, despite Beigin!s historic victory address at 3 a.m., only gained two seats more than it had in the previous Knesset. Labor's huge defeat was almost entirely at the hands of the DMC which thereby, as some analysts noted, "let in Beigin through the back door." This was particularly apparent when the voting was broken down by expert analysts into areas and types of population.

Voting Trend Assessed

In the kibbutzim, for instance, traditionally the strongest bastion of Labor Alignment support, the DMC made substantial inroads winning up to 10 or 12 percent of the vote, while Likud remained at a negligible 2 percent. And in the "well-established" uptown suburbs of the large cities the swing to DMC was particularly marked. In Haifa—another Labor stronghold, DMC pulled over 20 percent according to an analysis of mid-count returns.

The avalanche from Labor to DMC in a massive protest vote against the present government seems, then, to be the major trend in this historic election. But analysts have already noted another significant factor; the election appears to have been, for the first time, a victory for "the second Israel" over "the first Israel."

These quasi-sociological terms denote, of course, the Israel of the development towns and big city slums—mainly of Oriental origin—as opposed to the long-established families mainly of European origin. Paradoxically, it is always the lower classes in Israel, the second Israel, who account for the backbone of Likud's support, while the better established sectors generally favor the establishment represented by Labor.

But Labor Party managers, and especially the late Pinhas Sapir, have always been aware of this undercurrent and have successfully combatted it, investing much effort to woo votes for their party in the development towns of the "second Israel." This time, without Sapir, Labor failed abysmally to do this, as a breakdown of the voting in the development towns clearly shows. Likud scored its biggest successes in these areas, as did Shlomzion and Flatto-Sharon.

That, coupled with the flight from Labor of many of its traditional white collar and intellectual supporters in the big cities and the agricultural settlements, dealt the ruling party its mortal and mortifying blow.

Strong Element Of Punishment

Many observers, among them particularly Labor stalwarts, spoke of the public having sought "to punish" Labor--rather than seeking a genuine shift of policy and ideology to the right. Certainly there was a strong element of punishment. But it would be wrong, nevertheless, to discount or belittle the political-ideological element in this election result.

There was a swing to the right--as witnessed

by the growth of support for the National Religious Party which has adopted of late a stridently nationalistic posture. Counting Shlomzion and Poalei Aguda, which also takes a hawkish position, the rightist forces, in terms of a peace policy, can be said to number 57 Knesseters, and that is without counting DMC, even though it also harbors within its ranks a number of professed hawks such as Knesseter Meir Zorea.

PROSPECTS FOR A COALITION By David Landau

JERUSALEM, May 18 (JTA)—Likud's stunning victory over Labor in yesterday's elections makes it likely that the next Israeli government will consist of a coalition between Likud, the National Religious Party and the two ultra-Orthodox Aguda factions with possibly one or two splinter factions joining in. That was the consensus among political analysts here today with most of the votes counted, except those of the army and merchant seamen overseas.

The only alternative would seem to be a coalition between Likud and Prof. Yigal Yadin's Democratic Movement for Change (DMC) which emerged as the country's third largest party. The prospects for Labor to form a new coalition are almost nil unless, for some reason, Likud is unable to form a coalition during the time allotted for that purpose.

The DMC made a very respectable showing for a brand new faction that appeared on the scene less than a year ago. But its success was clearly at the expense of Labor. It made no inroads in the Likud constituency as had been hoped. Therefore, analysts believe, the DMC is hardly indispensable to Likud and the latter is under no pressure to accept Yadin's terms for a coalition partnership.

Apart from sharp foreign policy differences, the DMC's major demand is electoral reform that would replace Israel's present system of proportional representation with direct elections by constituencies. Yadin believes that his reform would automatically eliminate many of the smaller factions, forcing their amalgamation with the larger parties and thereby making for a stable one or two party government instead of the multiparty coalitions.

With that in mind, Yadin made it clear during the election campaign that the DMC would not join any coalition unless its partner agreed to call for new elections within two years under the new system.

NRP Holds Crucial Balance

Likud, whose various elements have been in the opposition for the past 29 years, can hardly be expected to agree to face the voters before its four-year term of office is up. Moreover, as matters stand, Likud does not need the DMC and Yadin's hope to "hold the balance" has been swept away. Even if he offered to join a coalition with Labor, the two parties would be well short of the minimum of Knesset seats needed to govern. They would have to enlist the NRP which leans toward Likud.

The religious parties now hold the crucial balance. The NRP, the Aguda and Poalei Aguda with 17 Knesset seats between them and a few splinter factions could give Likud a comfortable governing margin without the DMC. According to well-placed pundits, Likud will soon initiate coalition talks with the religious parties and is expected to accede to their demands aimed at

reinforcing the Orthodox establishment's control over many facets of social and family life in Israel.

Another serious obstacle to a Likud-DMC coalition is their wide gap over the approach to peace. Likud is committed to annexation of the West Bank. The DMC favors territorial concessions in return for a genuine peace. It would return much of the West Bank to Arab sovereignty although it wants Israel to retain land adjacent to the Jordan River as its "security border.

However, there have been some signs of moderation in Likud policy on the territories. Elimelech Rimalt, elder statesman of the Liberal Party, proposed a "compromise formula" on a recent television interview. He suggested that Likud and the DMC reserve their positions and agree to hold a plebiscite on the fate of the West Bank if and when the issue becomes immediate. This would mean a retreat from Likud's annexation pledge which has troubled many Liberal politicians anyway because they fear it would slam the door on any peaceful settlement with the Arabs.

Meanwhile, the Likud Executive today called on all parties in Israel (excluding Rakah and other extreme left parties) to join in a national unity government. The resolution adopted by the Likud Executive, on a proposal by Beigin, calls on the parties to enter negotiations with the Likud so that a national unity government can be formed.

U.S. REACTS TO THE ELECTIONS By Joseph Polakoff

WASHINGTON, May 18 (JTA)--The White House said today that President_Carter believes that the "basic nature of the relationship" of Israel and the United States is apart from the identity of their leaders.

Presidential News Secretary Jody Powell, commenting on the probability that Likud leader Menachem Beigin will be the next Premier of Is—rael, said that Carter told him "the most important aspect of the relationship" between the two countries "was quite apart from the particular identity of the leaders of either country and is based on the long standing friendship of the peoples of the two countries." Powell also said that the President has "no concerns" about Israel's government.

Carter Administration would not comment, analyze or interpret the outcome of Israel's election but made it clear that the U.S. will continue to push the Middle East peace process.

"We recognize that Israel will need some time fo put a government together," the State Department said in a brief statement read by spokesman Frederick Brown. "Once that happens we will want to get on with our consultations with Israel and the Arab governments on how to move the peace process forward. The U.S. government remains fully committed to that process." In response to a question, Brown said that "once the Israeli government is formed we look forward to meeting the new Prime Minister."

(Meanwhile in Geneva, Secretary of State Cyrus Vance, arriving there for talks with Soviet Foreign Minister Andrei Gromyko, said "We shall have to see what sort of government shall emerge. It would be unwise to speculate until then." The uncertainty over the election was given as the reason why Vance and Gromyko, who were due to discuss the Middle East in depth today, have post-poned this discussion for a day or two.)

REACTIONS BY JEWISH LEADERS

NEW YORK, May 18 (JTA)--Leaders of Amer-

ican Jewish organizations lauded today the results of Israel's national election as providing another demonstration of the democratic process at work in Israel.

Rabbi Joseph P. Sternstein, president of the Zionist Organization of America, declared that the ZOA "wholeheartedly endorsed" the call for a national unity government by Likud. Adding that the ZOA has long been an advocate of such a government, Sternstein urged the American—Jewish community "to give every encouragement to the people of Israel to close ranks and bring about national unity to withstand pressures that would force Israel to make sacrifices without the attainment of a full and lasting peace."

The United Zionists-Revisionists declared that as an "affiliate of the Likud in the United States, it saluted Likud leader Menachem Beigin and his parliamentary colleagues "in this glorious hour of victory." Asserting that "the socialist Labor Party has been defeated and its policies rejected" after more than three decades, the Revisionists said "a change of administration was necessary to restore stability and direction to a country beset by scandal, a vacillating foreign policy and an uncontrolled economy."

Rabbi Alexander Schindler, president of the Conference of Presidents of Major American Jewish Organizations, said the Presidents Conference congratulated Israel's leaders and pledged to give them "the support and commitment that the American Jewish community has given since the day the Jewish State was born." Schindler added that "as new leaders take the helm" in Israel, "we renew the sense of unity and identification that form the indissoluble ties that bind American Jewry with the people of Israel."

Rabbi Arthur Hertzberg, American Jewish Congress President, said the apparent decision of Israeli voters to change political leadership was made "freely and peacefully—in sharp contrast to the purges and coups that have marked political change among Israel's Arab neighbors."

Richard Maass, American Jewish Committee President, called the emergence of the Likud as Israel's leading party an expression of the "democratic process at work" and expressed confidence that the Jews of Israel would now "close ranks" and continue in a unified way their search for peace.

REACTIONS OF BRITISH JEWISH LEADERS

LONDON, May 18 (JTA)—Jewish leaders sympathetic to Israel's defeated Labor Party have reacted to yesterday's election results by saying they respect the Israeli people's democratic right to decide its own government and reaffirming their support for the Jewish State.

Eric Moonman, MP, chairman of the Zionist Federation and co-chairman of the community's Solidarity with Israel Campaign, told the JTA that the Likud's success "in no way alters the enormous activity which has built up, our commitment and the direct need to support Israel whichever party is in power." Dr. S. Levenberg, veteran Labor Zionist, expressed surprise at the results, but added: "We have to respect the verdict." Diaspora support for Israel would continue, he said.

However, an official statement by British
Poale Zion, to which both Moonman and Levenberg belong, voiced "deep concern" at the result
and said that they would offer "constructive criticism" if a new coalition government adopted
"anti-Labor measures."

JIA Daily News Bulletin
LIST OF NEW KNESSETERS
JERUSALEM, May 18 (JTA)The results of
yesterday's election shows that the following will
constitute the Ninth Knesset:
LIKUD - 41: Menachem Beigin, Simha Ehrlich,
Yigal Hurwitz, Ezer Weizman, Moshe Nissim,
Yitzhak Shamir, Gideon Patt, Moshe Arens, Ye-
hezkel Flumin, Eliezer Shostak, David Levi, Av-
raham Sharir, Yoram Aridor, Pessach Grupper,
Moshe Shamir, Hillel Seidel, Geula Cohen, Yitz-
hak Modai, Haim Corfu, Avraham Katz, Yigal
Cohen, Eitan Livni, Shmuel Rechtman, Yigal
Cohen, Yitzhak Berman, Mordechai Zippori, Dov
Shilanski, Amnon Lin, Yosef Rom, Gustav Badian,
Ehud Olmert, Moshe Katzav, Roni Milo, Sarah
Doron, Michael Daiskell, Zalman Shuval, Meir Cohen, Moshe Meron, Kamal Nasser A-Din,
Yitzhak Peretz and Yosef Tamir.
LABOR ALIGNMENT - 33: Shimon Peres, Yigal
Allon, Abba Eban, Shlomo Hillel, Meir Talmi,
Haim Zadok, Moshe Dayan, Shoshana Arbeli-
Almoslino, Yitzhak Navon, Naftali: Feder, Haim
Barlev, Gad Yaacobi, Aharon Yadlin, Yehoshua
Rabinowitz, Yeruham Meshel, Tamar Eshel, Amos
Hadar, Danny Rosolio, Chaika Grossman, Yitzhak
Rabin, Menachem Hacohen, Eli Moyal, Moshe
Shahal, Eliahu Speizer, Uzi Baram, Moshe Amar,
Jacques Amir, Yehezkel Zakkai, Ora Namir,
Yossi Sarid, Adiel Amorai and Micha Harish. (The
name of the 33rd Labor Knesseter was not immedi-
ately available because of a last-minute change in the number of seats from 32 to 33.)
NATIONAL RELIGIOUS PARTY - 12: Yosef Burg,
Haim Druckman, Zevulun Hammer, Aharon Abu-
Hatzeira, Avraham Melamed, Yehuda Ben-Meir,
Eliezer Aftabbi, David Glass (Gal), Zerah Warhaf-
tig, Benzion Rubin, Sarah Stern-Katan, Pinhas
Sheinman.
DEMOCRATIC MOVEMENT FOR CHANGE - 14:
Yigael Yadin, Amnon Rubinstein, Meir Amit,
Shmuel Tamir, Meir Zorea, Stef Wertheimer,
Shmuel Toledano, Akiva Nof, Binyamin Halevi,
Assaf Yaguri, David Golomb, Shafik Assad,
Zeidan Atache and Mordechai Virshuvski.
RAKAH - 6: Meir Wilner, Tewfiq Toubi, Charlie Biton, Tewfiq Zayyad, Hanna Weiss and Avraham
Levenbraun.
AGUDAT ISRAEL - 4: Yehuda Meir Abramowitz,
Menahem Porush, Shlomo Lorincz and Shlomo
Yaacov Gross.
POALEI AGUDA - I: Kalman Kahane
SHELL - 2: Arye Eliav and Meir Payil
UNITED ARAB LIST (Labor-affiliated)- 1: Seif
e-Din Zuabi
SHLOMZION - 2: Ariel Sharon, Yitzhak Yitzhaki
FLATTO-SHARON - 1: Samuel Flatto-Sharen
SHLOMZION - 2: Ariel Sharon, Yitzhak Yitzhaki FLATTO-SHARON - 1: Samuel Flatto-Sharon INDEPENDENT LIBERALS - 1: Gideon Hausner CIVIL RIGHTS - 1: Shulamit Aloni

JERUSALEM, May 18 (JTA)—The official results of yesterday's election, in which nearly 80 percent of the 2.2 million eligible voters went to the polls, will be published in 10 days. At that time, President Ephraim Katzir, after consultations with all the parties, will call on Menachem Beigin, leader of the victorious Likud, to form a government. Beigin will then have 42 days to achieve this. If he fails, Katzir can ask another party leader to attempt it. In all, coalition attempts can continue up to 119 days under the law. In the next few days election returns from the army and merchant seamen will become known. There is no likelihood that they will change the Knesset lineup of seats.

PARTY SEATS IN NEW KNESSET

KNESSET -	1977	K	NESSET.	- 1973
Likud	41		3	9
Labor . DMC	33		5] ^
NRP	12]	0
Rakah	6			4
Agudat Poalei Agudat	4			5
Sheli.	2			0
Shlomzion	2			0
ILP CR				4
Labor-affiliate	ad I			3 3
Arab list				
Flatto-Sharon	_ 2			0

The DMC (Democratic Movement for Change) was a new party founded late last year by Prof. Yigal Yadin and originally known as the Democratic Movement. Later, it merged with Shinui (Change) movement headed by Amnon Rubinstein and subsequently joined by Shmuel Tamir's Free Center. Agudath Israel and Poalei Agudath Israel ran together in 1973 but split up for this election.

Sheli was also a new party this year. It represented a merger of the leftist Moked, which had one seat in the outgoing Knesset, the Independent Socialist Movement founded by Arye Eliav, which had two seats, a splinter group of the Black Panthers and Uri Avneri's Haolam Hazeh movement. Flatto-Sharon was formed by millionaire businessman Samuel Flatto-Sharon who ran on a one-man ticket but garnered enough votes to obtain two seats. The votes for the second seat will not be credited to him but will be split up among the other parties in a complicated system of sharing votes.

Among the Labor Knesseters and aspirants who didn't make it are: Yosef Tekoah, former United Nations Ambassador; Esther Herlitz (former Ambassador to Norway); Yehiel Leket (former chief aliya shaliach in the U.S.); and Dov Zakin, the colorful Mapam leader. Others who ran but who didn't make it were: Rabbi Meir Kahane; Mordechai Ben-Porat; Shalom Cohen (former Panther leader); Yehoshua Peretz (Ashdod labor leader); and two Arab lists—Coexistence With Justice and the Arab Reform Movement.

SPARK TAKEN OUT OF DMC WIN

TEL AVIV, May 18 (JTA)—Last night's election results should have brought jubilation to the leaders and ranks of the Democratic Movement for Change (DMC), the new faction headed by archaeologist Yigal Yadin, which did not exist a year ago and is, today, Israel's third largest political party. But the spark was missing.

DMC's hope for a role as the balance of power in the formation of a new government failed to materialize. It had expected a much closer contest between Labor and Likud. In that event, it would have been in a powerful bargaining position, joining a coalition with whichever of the two larger parties agreed to accept its terms. But the magnitude of Labor's defeat has deprived DMC of much of its leverage.

TEL AVIV (JTA)—Haifa, Israel's third largest city, which used to be known as "Red Haifa," was traditionally the bastion of Socialist Zionism and Labor Party strength. In the Knesset elections it went for Likud by more than 1000 votes. Haifa's workers and laborers seemed pleased with the results. Said one worker, "Let's try a change, after all Beigin is also a Jew."