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ISRAELI ARMY CHIEF HINTS MORE COMMANDO RAIDS UNLESS LEBANON DENIES FACILITIES TO TERRORISTS

TEL AVIV, April 10 (JTA)--The refusal of Israel's Chief of Staff to disclose details about last night's raid against the homes and headquarters of Arab terrorists in Lebanon led observers to speculate today that another such raid is likely if Lebanon continued to make available facilities for training terrorists.

Gen. David Elazar declined, at a press conference here today, to provide any information on the raid from the operational point of view. He did say, however; that the raid, in which two Israeli soldiers were killed and two wounded was carried out by paratroopers and a commando unit in a combined operation with the Navy and Air Force.

Gen. Elazar said the raid lasted slightly longer than two and a half hours and that the raiders killed three top terrorist leaders and destroyed the headquarters of the Khuwatnien "Democratic Front" terrorist group. The raiders did not take any prisoners, he said.

No. 2 Fatah Leader Slain

Gen. Elazar said the loss of the three guerrilla leaders was a severe blow to the Arab terrorist organizations, particularly since two were leaders of El Fatah. They were identified as Abu Yusuf Najjar, described as Fatah's No. 2 leader; Kamal Nassar, a Fatah leader and spokesman; and Jamal Adwan, believed responsible for planning terrorist activities inside Israel. In response to a question, Gen. Elazar said the three Fatah leaders were involved in the preparation of the massacre last Sept. 5 at Olympiad headquarters in Munich. He said the Israelis had eight targets, seven in Beirut and one in Sidon where Fatah had a garage in which its vehicles were maintained and serviced. Later in the day, Israeli sources estimated casualties in the raid as 50 dead.

Gen. Elazar said specific instructions had been issued to the raiders to avoid, to the maximum degree, any clashes with Lebanese security forces or with civilians. But there was some interference with the raiders and the Lebanese suffered some losses.

Premier Meir Praises Raids

He stressed Israel's two-fold policy against terrorist activity--the defensive one, best illustrated in the incident in Nicosia where a security guard on an El Al plane foiled an attempt by three guerrillas to hijack the plane, wounding all of them; and the offensive one, such as the raid into Lebanon last night, which he said was not an act of retaliation but an action to hit the terrorists.

The raids were praised today by Premier Golda Meir in a speech to the Knesset. She said the raiders had attacked terrorists who had killed before and were planning to kill again. "Shining pages" would be written about the raid in the future, she said.

Israeli sources said the raid was ordered after an intensification of terrorist activities in Europe and elsewhere. They cited "at least" nine major incidents which they said had originated in the Beirut terrorist organization. They listed the murder of an American diplomat in Khartoum in the Sudan, the blowing up of a Greek vessel in Beirut prior to its departure for Haifa, the killing

of an Israeli merchant in Cyprus and the fact that the merchant's killers found shelter in Lebanon.

Lt. Avida Shor of Kibbutz Shoval was identified as one of the two soldiers killed in the raid. The name of the other one was withheld though his relatives were informed. The condition of the two wounded soldiers was called satisfactory.

PROF. EPHRAIM KATCHALSKI ELECTED PRESIDENT OF ISRAEL IN FIRST BALLOT VICTORY

JERUSALEM, April 10 (JTA)--Prof. Ephraim Katchalski, a 57-year-old Weizmann Institute biophysicist, won a first ballot victory in the Knesset this morning to become Israel's fourth President in 25 years. Dr. Katchalski, the candidate of the Labor Party, was elected by a vote of 66-41 with nine abstentions on a secret ballot, defeating the National Religious Party's candidate Prof. Ephraim Uhrbach. The new President will take the oath of office May 24.

Immediately after the election, Knesset Speaker Yisrael Yeshayahu informed the chamber that the new President had told him that if elected he would Hebraize his name, changing it to Katzir, the name of his late brother, Prof. Aharon Katzir, who was killed in the Lod Airport massacre last May 30. A Knesset delegation went to Dr. Katchalski's home on the Weizmann Institute campus in Rehovot this morning to inform him officially of the election results.

Prof. Katchalski's nomination for the Presidency by the Labor Party's Central Committee last March 22 surprised most Israelis. Many of the party's leaders and rank-and-file had favored Deputy Knesset Speaker Yitzhak Navon who was popular in the Knesset. Katchalski was clearly a dark horse. A dedicated scientist, he had never been in politics and although the recipient of international accolades for his scientific work, was relatively unknown.

Dr. Katchalski rode to easy victory on 54 Labor Party ballots, four from the Independent Liberals and four from the Labor Alignment-affiliated Arab and Druze factions. He picked up unexpected votes from the two Communist factions and from independent MK Meir Avizohar to win with a margin of five votes more than the 61 necessary for a first ballot victory. Dr. Katchalski will serve a five-year term with the option of seeking a second term in 1978.

In announcing the election results to the Knesset, Yeshayahu said "All honor to our new President. We wish him well."

DR. KATCHALSKI EXPECTED TO BE ISRAEL'S MOST ACTIVE PRESIDENT POLITICALLY

JERUSALEM, April 10 (JTA)--Prof. Ephraim Katchalski, the 57-year-old Russian-born scientist who was elected Israel's fourth President today follows in the footsteps of his predecessors in that he is an outstanding scholar. But he may turn out to be Israel's most active President politically, sources close to the Weizmann Institute of Science biophysicist indicated today.

Like Israel's first President, the late Dr. Chaim Weizmann, Dr. Katchalski's field is the physical sciences. His other two predecessors, President Zalman Shazar and the late President Yitzhak Ben Zvi, were immersed in different areas of scholarship. Associates of Dr. Katchalski said today that

"he will not represent any departure from these three except in terms of age." Dr. Katchalski is Israel's youngest President.

But he is expected to be a very active President. He left that impression the day after his nomination last March when he said he hoped to be more than a symbolic leader and possibly even a force behind Middle East peace developments. He said he was convinced that as a scientist he could play a major role in focussing local energy on the application of science in Israel and the Middle East. "Once we have peace, our scientific leadership will give us a real mission to raise the economic and technological level of our entire region. It can be a challenge in which Jews and Arabs can work together," Prof. Katchalski said.

Dr. Katchalski was the first scientist to synthesize a complex protein-like molecule, polyllysine, which is used in immunology research. He will continue his research on a part-time basis while serving as President, just as Dr. Weizmann did during his tenure. He was the first chief scientist of the Defense Ministry, a post he took in 1966.

Israel's new President has two children and two grandchildren. His son, Meir, who is married is a mathematics student at the Hebrew University. His daughter, Irit, is in the Army.

STATE DEPT. DEPLORES BEIRUT RAID, DENIES U.S. AIDED ISRAELI COMMANDOS

WASHINGTON, April 10 (JTA)--The State Department today deplored the Israeli raid on Arab terrorist headquarters in Beirut last night and branded as "mischievous" allegations by the Palestine Liberation Organization of U.S. complicity in the attack.

Department spokesman Charles Bray told newsmen at today's briefing that "We ourselves have on many occasions deplored the cycle of violence which has taken such a heavy toll in human life and suffering and we must regretfully deplore it again." He said if it were proved that innocent lives were lost, the United States' regret would be "even greater."

Bray said the PLO allegation that some elements of the Israeli commando force had taken refuge in the American Embassy in Beirut "is utterly without foundation."

Waldheim Deplores Beirut, Cyprus Attacks

(A United Nations spokesman said today that Secretary General Kurt Waldheim "learned with deep concern of the incidents in Cyprus and Lebanon" and that "he deplores these new acts of violence" which can "only further increase tension and complicate the search for a just and lasting peace in the Middle East.")

MRS. MEIR SAID FEAR OF SPECULATION CHANGED HER MIND ON LIFTING LAND PURCHASES BAN

JERUSALEM, April 10 (JTA)--Premier Golda Meir told the Knesset today that she changed her mind on the issue of land purchases in the administered territories after seeing the list of applications from private persons for permission to buy Arab lands and watching the prices "leap skyward" during the two weeks of nationwide debate on the subject. She said that claims that she was pressured by Washington to change her mind on altering the status quo were "laughable" and she would not bother to rebut them. Israel's record on pressure since 1967 needs to defense, the Premier declared.

Mrs. Meir admitted that she was reluctantly

prepared to go along with a compromise, offered by Justice Minister Yaacov Shimshon Shapiro, that would have permitted Jews to purchase Arab land under strict government supervision and license requirements. But she said she changed her mind last week when she was given a list of applications for the purchase of huge tracts of land in the administered territories. She said the applications added up to over 100,000 dunams (25,000 acres) of land between Jerusalem and Ramallah and Jerusalem and Bethlehem. She said the size of the tracts led her to believe that speculators were at work in at least some cases.

Mrs. Meir spoke in reply to motions of no confidence from the Gahal and Free Center factions. She stressed that settlement on government-purchased land in the administered territories was going ahead as planned. She noted that 45 settlements have been set up so far in the territories and observed that the Cabinet had never stated that any part of those areas was barred from Jewish settlement. But every new project must have Cabinet approval, she said.

NIXON ASKS BROAD AUTHORITY TO GRANT U.S. TRADE BENEFITS TO ANY COUNTRIES INCLUDING USSR

Offers Congress Veto Over MFN Status;
Jackson Introduces Amendment

WASHINGTON, April 10 (JTA)--President Nixon asked authority today to extend U.S. governmental trade benefits to any country, including the Soviet Union, without prior Congressional sanction when he deemed it in the national interest. But he offered Congress a compromise in the form of a veto on the issue of granting most favored nation status.

The President's request was contained in a 134-page legislative proposal to Congress entitled the "Trade Reform Act of 1973." His proposals appeared to be asking for more Presidential power over trade than any other American President in history to help meet the competition U.S. industry faces in overseas markets.

The President's request no sooner reached Congress when Sen. Henry M. Jackson (D.Wash.) introduced the legislative measure bearing his name which would withhold most favored nation status from any country that denies its citizens the right to emigrate and which imposes more than nominal emigration fees. The Jackson measure is obviously aimed at the Soviet Union and the exorbitant diploma tax it levies on citizens seeking to emigrate, virtually all of whom are Jews.

The Jackson amendment is supported by 76 Senators. An identical measure introduced in the House by Reps. Wilbur Mills (D.Ark.) and Charles Vanik (D.Ohio) has the support of 275 Representatives.

In his proposal, Nixon said he would notify Congress at least 90 days in advance of concluding an agreement and if neither the House nor the Senate moved to block it, it would go into effect. He made it clear that he wanted the authority to grant the Soviet Union most favored nation treatment--tariff concessions, U.S. credits and investment guarantees--and thereby ensure repayment by the Soviet government of its World War II lend-lease debt.

Referring directly to the diploma tax imposed on Soviet Jews, Nixon said, "I recognize the deep concern which many in the Congress have expressed over the tax levied on Soviet citizens wishing to emigrate to new countries. However, I do not believe that a policy of denying most favored nation treatment to Soviet exports is a proper or even an effective way of dealing with this

problem." Nixon had on previous occasions expressed his wish to engage in "quiet diplomacy" on the emigration issue.

Sen. Jacob K. Javits, a leading supporter of the Jackson legislation, indicated that the veto proposal embodied in the Presidential statement would prevail. "It is my expectation that the Congress will build a check--that is a veto--in those areas of the bill which accord the President unusual new authorities," he said.

U.S.-ISRAEL RELATIONS ON 'PLATEAU' CAN GO HIGHER, DINITZ TELLS JEWISH LEADERS

NEW YORK, April 10 (JTA)--Simcha Dinitz, Israel's new Ambassador to the United States, said today that there was no such thing as a "summit or peak" in U.S.-Israel relations, but that relations between the two countries were on a "plateau and we must strive ever higher."

The 44-year-old diplomat who presented his credentials to President Nixon at the White House yesterday, addressed the Conference of Presidents of Major American Jewish Organizations. It was his first appearance before American Jewish leaders or any Jewish audience since coming to the U.S. as Israel's Ambassador.

Dinitz said his meeting with Nixon was "friendly." He said his conversation at the White House yesterday underscored his belief that "I was not talking to people who close their eyes or their minds to Israel's needs or who are about to change their basic policies."

Ambassador Dinitz warned, however, that "no basic issues had been resolved in terms of Israel's desire for peace with its Arab neighbors and that Israel's foremost priority remains the maintenance of its economic, military and social strength." He also emphasized the need for "more dialogue" between American Jews and Israel.

ZALMANSON UNCLE STARTS HUNGER STRIKE OUTSIDE UN

Seeks Intervention For Kin In Soviet Forced Labor Camps

NEW YORK, April 10 (JTA)--Avraham Zalmanson, a 50-year-old Israeli whose niece and nephews--Sylvia Zalmanson, her husband Edward and her brothers Israel and Vulf--are serving long sentences in Soviet forced labor camps, began a hunger strike outside the United Nations today in the hope that by dramatizing their plight he could prompt the UN to intervene in their behalf.

Zalmanson, who emigrated from Russia to Israel in 1959 and lives in Bat Yam, called attention to his vigil by entering a mock-up four-foot square cell built against the Isafah Wall facing UN headquarters, a facsimile of the cells in which his kin are confined. He said he would subsist on water. Zalmanson told a Jewish Telegraphic Agency reporter that he was a diabetic. He said that since the arrest of his family in Russia he had conducted eight hunger strikes, four of them at the Walling Wall in Jerusalem. He told the JTA that he was not able to get police permission to remain in front of the UN overnight. He said he would leave at midnight and return the next morning. "I chose to have a hunger strike here because I want the UN to do something about this," he said.

Zalmanson was being assisted by members of the American Jewish Congress, the Zionist Organization of America and the Student Struggle for Soviet Jewry. He was visited at noon by Israel's UN Ambassador Yosef Tekoah who told him that he had discussed the matter of the Zal-

manson family with UN Secretary General Kurt Waldheim and would bring it up with Waldheim again.

Sylvia Zalmanson is serving a ten-year sentence at a strict regime labor camp in the Soviet Union. Her husband, Edward Kuznetsov is serving a 15-year sentence and her brother, Israel, an eight-year sentence. All were defendants in the first Leningrad hijack trial in Dec. 1970. Another brother, Vulf, who was tried separately, is serving a 10-year sentence at hard labor.

JEWISH VISITORS OUSTED FROM CZECHOSLOVAKIA

LONDON, April 10 (JTA)--Three former Czech Jews visiting relatives were expelled from Czechoslovakia, according to a Prague radio broadcast. The Jews, Arthur Laufer, of Frankfurt and his two daughters, had been visiting family grave sites when they were ordered out. Laufer told the International Council of Jews from Czechoslovakia that he had engaged in no political activities whatsoever and did not know the reason for his ouster. He is an official interpreter at the country court in Essen, West Germany.

ISRAELI HOTEL RATES SOAR 25% ON EVE OF HOLIDAYS

JERUSALEM, April 10 (JTA)--Many Israeli hotels have raised their rates by 25 percent as a result of the recent price hikes for food, oil and water. The price rises were put into effect on the eve of the annual tourist rush that precedes the two major spring holidays, Passover and Independence Day.

The director of the Hotel Owners Association, Dr. Kurt Licht, said "the price of meat just rose by 50 percent. Basically, everything has gone up in price. What do you expect from hotel owners? --that they will absorb all these price increases themselves?"

A check of 30 hotels in Israel indicated that hotel owners had already imposed indirect price increases by abolishing special reductions for children and by raising food prices. The largest price increases were at hotels in Safed, Tiberias, Ashkelon and Natanya, usually in the modest two-star and three star hotels.

ISRAEL SEES IMPROVED COMMERCIAL TIES WITH EUROPEAN COMMON MARKET

BRUSSELS, April 10 (JTA)--Israel will seek to consolidate its commercial ties with the enlarged Common Market over the next six years and create a sound market in European Economic Community countries for its technological and industrial products, Ambassador Itzhak Minerbi, director of the Israeli Foreign Ministry's economic department, said here today.

In the first complete policy statement since the enlargement of the EEC, Minerbi said that Israel should be able by 1976 to export 46 percent of its gross national product, chiefly to the EEC. "In order to achieve this result," Minerbi said, "we must develop mainly industrial exports." He added that Israel would assure its relations with the EEC by assuming free-exchange zone status with the Europeans, in gradual steps to be completed by July 1, 1977.

President Zalman Shazar wrote the final two letters in a Torah scroll presented in Jerusalem by 200,000 Jewish children from 25 countries, in what he described as "the final ceremony of my presidency and the start of a new period of public activity."

BEHIND THE HEADLINES**GOVERNMENT OFFICIALS EXPLAIN****HOUSING SITUATION**

By David Landau, JTA Jerusalem Bureau Chief

JERUSALEM, April 10 (JTA)--When Finance Minister Pinhas Sapir announced early in March that too many apartments were being built in Israel and that he had therefore persuaded the contractors to cut down by 12,000 units in the coming year he left a lot of questions unanswered. Israelis and Israel's supporters abroad wanted to know how in March there was suddenly a surfeit of homes when in January and February there had been panicky talks of a housing crisis.

Government officials now offer a two-part answer to explain the apparent contradiction. Firstly, they say, Sapir did not mean there were too many flats being built for immigrants; for young couples, and for slum dwellers. The surfeit was on the private market. As for the suddenness of his conclusion--that was simply the result of erroneous figures provided by the Central Bureau of Statistics which were only corrected last Feb.

In Nov. the Bureau reported that 76,000 apartments were being built throughout Israel. But in Feb. it was reported that there were in fact 82,000. The extra 6000 were almost all in the private sector.

No Cutback On Immigrant Housing

As a result of these figures, and as part of the government's general drive against inflation, Sapir decided that private home building must be cut back. By threatening the contractors with a tax on all expensive apartments he forced them to agree to cut-back by 12,000 a year, i.e., instead of some 30,000 privately built homes originally planned for next year, less than 20,000 will be built.

There is to be no cutback, however, in government-built housing for immigrants and needy Israelis, Sapir's assistant, Dan Halperin stressed. Some 30,000 such apartments were originally planned for next year for these purposes and they will all be built. Indeed, the government hopes they will be built more quickly now that the pressure on the building industry from the private sector, both on manpower and on materials, is somewhat alleviated by Sapir's cutback.

The cutback on private building is likely to escalate the soaring prices of housing still further. But, says Halperin, prices were rising anyway, even with oversupply and with private apartments lying unsold and vacant for many months. Contractors have been making such handsome profits, Halperin said, that they could afford to wait rather than sell for less.

The Treasury, Halperin continued, is as keen as the individual citizen to check prices; but the alternative facing the Minister was to cut back--as he has done--or to let the building industry continue in its present overheated condition until a sudden slump occurred. With thousands of empty private flats on the market, a slump would be a distinct likelihood, Halperin said. He said that past experience played an important part in Sapir's decision? In 1966 a similar situation of overbuilding existed and a slump did indeed set in, forcing the government to buy up hundreds of apartments it did not need, driving many contractors to the wall and causing mas-

sive unemployment.

False Prognoses Had Some Value

Barry Cherniavsky, economic advisor to the Housing Minister, added that the cutback on private building will tend to discourage speculation in housing whereby people with money to spare have been investing in flats which they allow to remain empty until prices rise. He said keeping the prices of flats up while cutting down supply is itself anti-inflationary in that it deters people from buying. Young couples, new immigrants and slum dwellers--those who comprised the real "need" rather than the economic "demand"--would be compensated by higher loans and grants from the government to help buy their homes, he said.

Cherniavsky labled the earlier warnings of an immigrant housing crisis, which have since died away "hysteria." He admitted that there was a difficult period at the beginning of the year but said that even the "hysterical warnings" could have been seen by studying the figures that it would pass by the spring. Both Halperin and Cherniavsky pointed out that some good emerged from the false prognoses of an immigrant housing crisis. The government decided to induce rental homes for immigrants by offering income tax concessions to landlords who rented apartments at reasonable terms for olim. The experiment has been successful inasmuch as nearly 3000 homes have already been rented by the government. But only 800 immigrant families have so far agreed to avail themselves of this opportunity as a short term solution to their housing problem.

Not All Agree With Government

If the shortage in immigrant housing is only transient why is the Housing Ministry importing hundreds of trailers as stopgap solutions for new olim? Cherniavsky explained that the trailers would still be useful because they would release housing facilities at absorption centers. Jewish Agency director general Moshe Rivlin also stressed that the immigrant housing program had not been cut at all--on the contrary he is urging that it be increased. With aliyah conditions in Russia as they are at present, Israel must have a reserve on hand.

Not everyone agrees with the government. Yitzhak Deutsch, a leading economic commentator, believes that by simply publishing the figures showing a surfeit of housing in the private sector, the free play of market forces would eventually deflate prices. According to Deutsch, the construction of private housing for the wealthy and subsidized housing for the poor are directly linked. As the higher economic brackets move into new housing, each lower bracket family advances a step into the apartments vacated, Deutsch said.

The government is aware of this but prefers more rigorous planning. Apart from the 30,000 new flats it builds for immigrants and young couples each year, it finances another 20,000 "housing solutions" which involves enlarging existing flats or assisting buyers in their purchase.

An exhibition of ceramic sculptures by two Israeli ceramists Nora and Naomli, will open at the Jewish Museum in New York on Wednesday April 11. The exhibition, titled Impressions From Sinai, displays ceramic sculpture by Naomi Bitter and Nora Kochvi, who were invited here by Avraham Kampf, the artistic advisor of The Jewish Museum after he had seen their work in Israel.