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RABIN URGED TO TRY TO HALT DISINTEGRATION OF LABOR PARTY

By Yitzhak Shargil

TEL AVIV, Jan. 23 (JTA)--Premier Yitzhak Rabin, whose ministerial duties leave him little time for party activities, has been called upon urgently to try to prevent the Labor Party from disintegrating into its three original factions. The Party was formed in 1968 by the merger of Mapai, Ahdut Ha'avoda and Rafi which agreed to submerge their individual identities for the sake of a united Labor Party.

Now the factions seem to be coming unglued. Veteran leaders of Mapai, once the dominant element in Labor, have warned the Premier that the other two factions show signs of regrouping under their old banners. Rabin has reportedly agreed to make every effort to prevent such a development which he and his colleagues believe could only lead to a three-way confrontation and a split in Labor ranks.

Rabin is said to be trying to recruit Haifa Mayor Joseph Almogi, the former Minister of Labor, to head up a new unity group within the Labor Party. Almogi is a strong believer that all traces of the former factions should be eliminated.

Rafi May Be First To Bolt

The former Rafi faction, which still regards former Defense Minister Moshe Dayan as its leader, may be the first to try to break away from Labor Party ranks. A Mapai member reportedly overheard a telephone conversation between two Rafi'ites recently, the gist of which was that Rafi would re-group behind Dayan whose political fortunes may be revived when the Agranat Committee submits its final report on the Yom Kippur War.

According to unconfirmed reports, the Agranat findings will absolve Dayan of any responsibility for Israel's military setbacks in the early stages of the war. In that event, a Dayan-led faction within the Labor Party might pose a serious challenge to the moderate policies of the Rabin government. The Agranat report is expected to be presented to the Cabinet within the next two weeks.

(See special story, p. 4.)

PERCY: ISRAEL CANNOT COUNT ON U.S. SUPPORT IF SHE LAUNCHES A PRE-EMPTIVE WAR

By Gil Sedan

JERUSALEM, Jan. 23 (JTA)--Sen. Charles Percy, the liberal Republican from Illinois who Foreign Ministry officials describe as "a friend of Israel," conveyed a friendly warning to Israel today that it could not count on American support if Israel launched a pre-emptive war. Percy arrived here yesterday at the end of a 10-day Middle East tour that took him to several Arab capitals. He is accompanied by his wife, Lorraine.

The Senator told Israeli newsmen that American public opinion has undergone a change. "It is no longer Israel right or wrong, but only when Israel is right," he said. He warned that if extremists on either side pushed for a pre-emptive strike leading to war "they will be remembered as the villains of the Mideast." Any side that makes a pre-emptive strike will lose American support and the U.S. would then step in to support

the country that was attacked, Percy said.

He said that contrary to what is widely believed in Israel, the Arab leaders he met "expressed virtually universal acceptance of Israel's sovereignty and right to peace and security." He said one Arab leader, who he did not name, told him explicitly that Israel has now won the right to sovereignty. Percy clarified a remark attributed to him in news dispatches from Amman and Damascus to the effect that there would be no peace without Israel's withdrawal from the occupied territories.

According to Percy, what he actually said was that there would be no peace unless there was an essential restoration of occupied territories, taking into account areas that are essential for the security of the parties concerned.

Occupation At-Odds With Peace

During his visit Percy lunched with Premier Yitzhak Rabin, visited the Yad Vashem, had dinner with Foreign Minister Yigal Allon and was taken on a tour of Jerusalem and environs by Mayor Teddy Kollek. While driving through Ramot Eshkol, a Jerusalem suburb built on territory occupied by Jordan before 1967, Kollek observed, "There are 12,000 Jews living in this part of the city" and asked "What will (King) Faisal (of Saudi Arabia) and (King) Hussein (of Jordan) do with them if we fulfill their demands to return this territory to the Arabs?"

Percy replied that he could not answer that question but said that Faisal and Hussein would answer it by saying that as long as the territory is populated by Jews there would be no peace. Sen. and Mrs. Percy toured the Golan Heights today and were to meet with Finance Minister Yehoshua Rabinowitz this evening. They leave Israel tomorrow.

ADMINISTRATION MAY BE MOVING TO PRESSURE CONGRESS INTO EASING LIMITS ON U.S.-USSR TRADE RELATIONS

By Joseph Polakoff

WASHINGTON, Jan. 23 (JTA)--Political analysts were on the alert today for a new move by the Ford Administration to pressure Congress into easing the limits it has imposed on trade relations between the United States and the Soviet Union.

The prospect that such a campaign is underway was indicated by the announcement that Secretary of State Henry A. Kissinger will deliver a major address in Los Angeles tomorrow which the State Department said will be concerned with "current important issues across the board" and "the relationship of those issues to Executive-Congressional relations."

The importance of the Kissinger speech was further underlined by the fact that Ambassador Robert J. McCloskey, one of Kissinger's most trusted lieutenants, has been assigned to brief the media in advance of delivery of the speech.

The Ford Administration is known to be pressing for greater authority in foreign affairs generally and is trying to persuade Congress to relinquish its insistence on setting limits within which the President and Kissinger must conduct U.S. policy. The Administration is seeking a freer hand with regard to lifting the limitations on arms supplies to Turkey which arose from the Cyprus crisis last summer, and on its aid to the governments of Cambodia and South Vietnam.

Kissinger's Speech May Be Opening Gun

Analysts agree that the Administration attaches at least equal importance to the issue of trade with the Soviet Union. Both Ford and Kissinger have strongly implied in recent days that the Soviet repudiation of its 1972 trade agreement with the U.S. was due primarily to the Jackson-Vanik amendments in the new trade law and the \$300 million per year limit imposed by a virtually unanimous Congress on Export-Import Bank loan authority to the USSR.

Although Ford signed the trade bill and Kissinger expressed his approval of it, even with the Jackson-Vanik measures which he described to the Senate Finance Committee last Dec. 5 as a compromise on the issue of trade benefits and Soviet emigration practices, the Administration now appears to have reversed its acceptance of those limitations.

Analysts believe that the Ford Administration regards Moscow's repudiation of the trade pact as having put Sen. Henry M. Jackson (D. Wash.) and Rep. Charles A. Vanik (D. Ohio) on the defensive, since the Soviet action is widely regarded as a blow to detente and a threat to the framework of Soviet-American relations, including the SALT agreement.

Thus, the Administration may be about to carry its offensive to the public in a new bid for hegemony in the conduct of foreign policy. Kissinger's speech tomorrow is viewed by observers here as the opening gun of such a campaign.

SIMON MAY BE WRITING SCENARIO FOR KISSINGER'S VIEW ON FORCE

WASHINGTON, Jan. 23 (JTA)--Treasury Secretary William Simon may have supplied the specific circumstances that Secretary of State Henry A. Kissinger omitted when he said in a Business Week interview earlier this month that the U.S. would not rule out the use of force to secure Middle East oil sources. In a secret Jan. 14 memorandum to Congress, made public today, Simon said that any sudden curtailment of American oil supplies by more than one million barrels a day would "clearly threaten to impair our national security" and "decisive action is essential."

Kissinger had said in his interview that military force would not be ruled out in extreme circumstances such as a cut-off of oil that threatened the "strangulation" of American industry. He said at the same time that the U.S. would not consider force as a means of bringing down the price of oil. President Ford, after several days of hedging, publicly supported Kissinger's statement but insisted that the Secretary had made it in reply to "a very hypothetical question."

During his press conference on Tuesday, Ford again defended Kissinger's view and said, "If a country is being strangled, that country has the right to protect itself against death." When asked whether another Arab oil embargo would be "strangulation," the President affirmed, "not of the kind in 1973."

Simon's memorandum, however, was far less hypothetical and much more pointed. "A recurrence of the 2.4 million barrels per day reduction which occurred during the (1973) OPEC embargo would have a prompt, substantial impact on our economic well-being and, considering the close relation between this nation's economic welfare and our national security, would clearly threaten to impair our national security," Simon said.

"In the event of a world-wide political or military crisis, it is not improbable that a more complete interruption of the flow of imported petroleum would occur. In that event, the total U.S. production of about 11 million barrels a day might well be insufficient to supply adequately a war-time economy, even after mandatory conservation measures are imposed," the memo continued. "As a result, the national security would not merely be threatened, but could be immediately, directly and adversely affected."

High Oil Price Similar To Curtailment

The Treasury Secretary went on to warn that the high price of oil would have virtually the same effects as a curtailment of supply. "The price at which oil imports are now purchased causes a massive payment outflow to other countries. The inevitable result of such an outflow is to reduce the flexibility and viability of our foreign policy objectives. For this reason; therefore, a payments outflow poses a more intangible but just as real, threat to the security of the United States as the threat of petroleum supply interruption. On both grounds decisive action is essential."

Simon said that his investigation found that crude oil and its principal derivatives and related products derived from natural gas and coal tar "are being imported into the United States in such quantities as to threaten to impair national security. I find further that the foregoing are being imported into the United States under such circumstances as to threaten to impair the national security."

SYRIAN JEWRY SITUATION WORSENING

TEL AVIV, Jan. 23 (JTA)--The situation of Syrian Jews is worsening, Israeli leaders told more than 2500 persons attending a Syrian Jewry Week rally at the Mann Auditorium here Tuesday night. Premier Yitzhak Rabin said that because the Syrians could not stand up to the Israeli army on the battlefield, they are taking revenge on Jews in the Damascus ghetto and in other parts of Syria.

"We have assembled here to demonstrate the common fate and common responsibility of Jews and we shall fight in every possible way until the Damascus authorities end their persecution of Syrian Jews. . . We shall free all Syrian Jews and bring to Israel all Syrian Jews who wish to be with us here," Rabin declared.

Education Minister Aharon Yadlin claimed that Syrian intelligence agents were indiscriminately arresting Jews and torturing them with whips and burns on sensitive organs. Jewish school children are compelled to study from government textbooks which say that "Jews are criminals and must be annihilated," Yadlin said. He said that Jewish teachers were being dismissed from Jewish schools and replaced by Arab teachers. The headmaster of the Jewish school in Damascus is an Arab, Yadlin said.

The rally at Mann Auditorium began on a poignant note. A young girl, Irit Cohen, lit a single candle in memory of her father, Eli Cohen, an Israeli intelligence agent who was hanged in Damascus 10 years ago after years of successful intelligence operations in the Syrian capital.

COALITION OF 19 POVERTY GROUPS FILE SUIT AGAINST NYC TO RECOVER FEDERAL FUNDS FOR ORGANIZATIONS
By Ben Gallob

NEW YORK, Jan. 23 (JTA)--A coalition of 19 city-wide grass roots organizations for the poor, including the New York Metropolitan Coordinating Council on Jewish Poverty, filed suit today against the City of New York

to recover federal funds which the coalition charged were illegally withheld from its members.

The suit was filed in New York State Supreme Court, charging that the City acted arbitrarily and capriciously in failing to allocate federal funds due the respective agencies, failing to issue new contracts and ordering that all programs be terminated as of Dec. 31, 1974. The City failed to respond to the petition today and the court set a hearing on the petition for Feb. 3.

The coalition contended that the City received in December, 1973, a check for \$6.2 million from the federal Office of Economic Opportunity to organize new programs for the poor in New York City. The suit demanded that the City of New York appropriate these funds for the purposes which the coalition said were intended by the OEO grant. The suit contended that the OEO had already allocated the funds to the City's Community Development Agency since December, 1973.

Suit Rejects Beame's Contention

The suit, in effect, rejected the contention by Mayor Abraham Beame last year that the OEO funds were intended to cover an outstanding deficit incurred by the city and were not for the funding of new anti-poverty projects. The Mayor made that explanation in response to an inquiry from Sen. Jacob K. Javits (R. N.Y) who was initially involved in securing the funds for the city and asked information on their ultimate disposition.

Copies of the letters exchanged between Javits and Beame last May were released to the Jewish Telegraphic Agency last Oct. 24 by the Senator's office in response to an inquiry by the JTA as to what happened to the funds. The Mayor said, in a letter dated May 21, that the \$6.2 million OEO grant was awarded on the basis of a successful claim by the city for monies expended in previous fiscal years.

Beame wrote that "these expenditures" had been "disallowed by the OEO" resulting in a "substantial deficit for the fiscal year 1971." The Mayor wrote that the city's Council Against Poverty and the Community Development Agency "misinterpreted the grant as new project money and issued letters of intent to fund a variety of community organizations on that basis."

He added that the city, "despite the most serious deficit situation," agreed to honor most of the commitments "and distribute funds for the period covering Jan. 1, 1974 through the close of the fiscal year, June 30, 1974." Accordingly, the Mayor said in his letter to Sen. Javits, the OEO grant "was not meant for the funding of new projects and was intended to cover an outstanding deficit" as was "clearly stated in the grant award"

OEO Documents As Evidence

The suit contended that the city continued to fail to authorize release of the OEO funds "despite the Federal government's support substantiating the coalition's position." In support of that contention, documents filed by the suit cited written statements by Louis Smigel, OEO regional counsel, to James R. Dumpson, Administrator of the city's Human Resources Administration, dated May 29, 1974, and from Milton Pulakos, assistant regional director of operations for OEO, to Javits, dated Nov. 4, 1974.

Smigel's letter said that the \$6.2 million grant was awarded "exclusively for the purpose of programming general community development activities and to establish projects designed to give technical assistance to these programs." The letter added that "accordingly, these funds may

not be characterized as refunds due to the HRA." Pulakos' letter reiterated that the \$6.2 million grant was to finance several community development projects in New York City and that no other use would be permitted.

SISCO SEES SOME MIDEAST PROGRESS

WASHINGTON, Jan. 23 (JTA)--Discussions between Secretary of State Henry A. Kissinger and Israeli Foreign Minister Yigal Allon last week resulted in "some progress in defining a conceptual framework for the next phase of the negotiating process" in the Middle East, according to Undersecretary of State Joseph J. Sisco. Sisco said that "a number of key problems remain to be solved" in the settlement process during the talks which Sisco described as "useful." He did not elaborate on either the framework or the problem.

"In sum," Sisco said, "quiet diplomacy is proceeding and we remain cautiously hopeful that further practical progress is possible." Sisco, who is Kissinger's chief adviser on political affairs, made his remarks today in San Diego, Calif., at a regional foreign policy conference sponsored by that city's World Affairs Council and the State Department.

Sisco also told the meeting that most of the problems concerning "chronic conflicts" such as that in the Middle East "are being dealt with in a clearly inadequate framework." He said, "National solutions continue to be pursued when, manifestly, their very futility is the crisis we face." Referring to the Arab-Israeli conflict, Sisco called that "the greatest immediate threat to world peace."

ARABS BUYING REAL ESTATE

LONDON, Jan. 23 (JTA)--Wealthy Arabs are invading Britain's real estate market, buying luxury housing in London and elsewhere at prices that apparently few others can afford, according to reports from realty agents here. The latest deal is the two million Pounds Sterling purchase by an unidentified Arab government of Consort Lodge, a block of flats described as the most luxurious in all of Europe, overlooking Regents Park in central London.

The Lodge comprises 14 flats and two penthouses that range in rent from 115-250,000 Sterling. Agents who handled the transaction could not say whether the government involved intends to house its diplomats there or to become landlord to wealthy Britons. The Arabs are said to be constantly on the look-out for good investments for their huge oil revenue surpluses.

Recently, 15 flats costing between 30-50,000 Sterling each at Serby Court, Holland Park, West London, have been sold to an individual Middle East buyer. Two large 100,000 Pound houses in Kensington have been sold to Arabs and two months ago, another Arab buyer completed a deal for a Hampstead house for almost a quarter million Pounds Sterling.

Prince Nawaf, a member of the Saudi Arabian royal family just bought a 37-year lease on a house in Knightsbridge for 300,000 Pounds Sterling. Real estate agents say the Arabs are attracted by very competitive prices now being asked for top quality property. They are said to be well advised and tend to name a price which they stick to. They also expect the deals to go through with minimum delay, the agents said.

SISTERS BECOME BROTHERS

TEL AVIV, Jan. 23 (JTA)--Two teen-age sisters residing in Nablius have become brothers as a result of sex operations. It was reported that 18-year-old Hadara became Hadar three months ago. This week, her (his) 16-year-old sister, Amina, became Amin.

BEHIND THE HEADLINES AGRANAT COMMITTEE'S FINAL REPORT MAY PRODUCE NEW POLITICAL STRUGGLE

By Gil Sedan

JERUSALEM, Jan. 23 (JTA)--The Agranat Committee's final report on the Yom Kippur War, which is expected to be submitted to the Cabinet next week, could precipitate a new political struggle in Israel—not because of its findings but because it may revive the political career of former Defense Minister Moshe Dayan. That possibility was the subject of intensive speculation in political circles and the press during the past few days as the blue ribbon panel headed by Supreme Court Chief Justice Shimon Agranat put the final touches to its report.

The Committee's preliminary report, published last April 3, exonerated Dayan of blame for Israel's lack of preparedness when Egypt and Syria attacked on Oct. 6, 1973. But it found considerable fault with Israel's top military leadership, forced the resignation of Chief of Staff Gen. David Elazar and created a climate of public dissatisfaction with the nation's military establishment that forced Dayan himself eventually to resign from the Cabinet of former Premier Golda Meir.

The Agranat Committee's final report, covering the first three days of the Yom Kippur War when Israeli forces suffered severe setbacks in Sinai, is widely expected to give Dayan a clean bill of health, thus catapulting him back into the political arena.

Fear Of New Hawkish Bloc

This is causing concern among Knesset moderates of the Labor Alignment that Dayan, who still enjoys considerable support in Labor's Rafi wing, will form a new bloc to challenge the foreign policies of Premier Yitzhak Rabin. The reassertion of Dayan's hawkish views on territorial matters at a time when the Rabin government is seeking second stage negotiations with Egypt that must involve certain territorial concessions, could create a serious situation for Israel, these moderates fear.

Mordechai Ben Porat, one of the strongest Dayan supporters in the Labor Alignment, has denied that any campaign is planned on behalf of the former Defense Minister. Yossi Sarid, a Labor "dove" and opponent of Dayan, agreed that no such drive appeared to be in the making. But whether or not a formal pro-Dayan bloc is formed, his total exoneration by the Agranat Committee is expected to create a new situation in the Labor Alignment.

Although Dayan has lectured on Israeli policy matters at Bar Ilan University recently, he has remained aloof from politics and has had relatively little to say in the Knesset where he retains his seat. He is expected to become more vocal if given absolution in the final Agranat report. He could emerge as a leader of internal opposition inside his own party or even carry his opposition beyond party boundaries.

Several options apparently remain open to him. The Labor "doves," therefore, are reportedly mobilizing against a possible Dayan-led Rafi bid for ascendancy in the party. For that reason, it appears, they have agreed to drop their opposition to the Maale Adumim industrial development project on the West Bank which is backed by the Rabin Cabinet.

RABIN: ISRAEL REJECTS SETTLEMENT DEADLINES DEMANDED BY ARABS

JERUSALEM, Jan. 23 (JTA)--Premier Yitzhak Rabin responded sharply today to Egyptian

President Anwar Sadat's interview in Le Monde Tuesday in which he gave Israel three months to offer concessions on all Arab fronts or face a new war. Israel totally rejects "deadlines" dictated by the Arabs for reaching a settlement, Rabin declared in an address to members of the Keren Hayesod-United Israel Appeal mission currently visiting Israel. Declarations like "year of decision" or "within three months" made by Arab leaders do not bind Israel in any way, he said.

Rabin's remarks were the first official Israeli reaction to the Sadat interview which included a demand that Israel negotiate with the Palestine Liberation Organization and linked further Egyptian negotiations with Israel to Israeli negotiations with Syria and Jordan.

Rabin said in reply to these statements that Israel's position was simple: "Israel is ready to negotiate peace with every and all Arab states without pre-conditions. Israel is ready to reach interim arrangements with Egypt as steps toward reaching a final settlement." But, Rabin added, "Israel cannot regard itself bound by deadlines set by Arabs, whether 'a year of decision' or 'within three months,'"

SHEIKH WANTS TO BUY THE ALAMO AS A PRESENT FOR HIS SON

SAN ANTONIO, Texas, Jan. 23 (JTA)--The Alamo may be a shrine and a monument to Texans, but to a sheikh from Saudi Arabia it might just be a nice present for his son. According to the San Antonio News, Sheikh Masoud Al-Sharif Al Hamdan wrote to a lawyer in Texas explaining that his son learned how to fly in San Antonio and while there used to visit the Alamo and became enchanted with it. "Please contact the proper people," the sheikh wrote, "and see if we can buy it. I want to present it as a gift to my son."

The lawyer said he would write the sheikh to explain the problem involved. "I'll suggest to him to think of something else, maybe a Texas ranch, to present to his son," the lawyer said. Some wag suggested that it might be nice if the ranch had a little oil well on its property. The sheikh's son was in Texas under a program for foreign officers training at American military bases. Four Air Force bases and Fort Sam Houston are located in the area.

U.S. SPORTS GROUP PROTESTS INDIA'S MOVE TO BAN ISRAELI TOURNEY CHAMPS

NEW YORK, Jan. 23 (JTA)--The United States Committee Sports For Israel, Inc. has protested to the Indian Government over its refusal to grant visas to the Israeli team scheduled to participate in the international table tennis championship tournament to be held in Calcutta Feb. 6-16. In a letter to the Ambassador of India in Washington, Nat Holman, president of the Committee, pointed out that the constitution of the International Table Tennis Federation stipulates that all Federation members, regardless of nationality, be allowed to participate in the tournaments.

"It seems to us that once the government of India agrees to host the forthcoming championships, it should abide by the rules and regulations set forth in the constitution of the ITTF," Holman wrote. "We believe," his letter said, "that international sportsmanship has suffered another serious blow as a result of this intrusion of political considerations. We trust you will agree with us that politics must be kept separate from sports if we are to preserve the spirit of fair play without which international sports competition would become a hollow mockery," Holman wrote.