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GOLDMANN RE-ELECTED WJC PRESIDENT DESPITE BITTER HERUT OPPOSITION

By Tuvia Mendelson

JERUSALEM, Feb. 9 (JTA)--Dr. Nahum Goldmann was re-elected president of the World Jewish Congress by an overwhelming show of hands at the WJC's Sixth Plenary Assembly here tonight. Although no count was taken, it was evident that the only hands raised against Dr. Goldmann were those of the Herut delegation which bitterly opposed his re-election. There were a number of abstentions, mainly among the delegates of the World Union of General Zionists and Mizrahi supporters.

The election was preceded by a prolonged and stormy debate during which Herut leader Yosef Klarman denounced Dr. Goldmann for his controversial views on Israeli political matters and Soviet Jewry. Pinhas Sapir, chairman of the World Zionist Organization and Jewish Agency Executives, vigorously praised the 80-year-old WJC head as a true Zionist.

The denial of a Herut motion for a secret ballot on grounds that some of the signatures on their petition were invalid, precipitated the only disorder at the session. The Herut delegation rose en masse and numbers of them moved threateningly toward the podium. The chairman called on ushers to block them, at which point Klarman ordered the Herut delegates to return to their seats.

Mrs. Meir Opposed Goldmann's Re-Election

Dr. Goldmann's victory, though expected, was won in face of opposition from some veteran Labor Party leaders. Former Premier Golda Meir, whose policies often conflicted with Dr. Goldmann's views during her years in office, sent letters last week to Premier Yitzhak Rabin, Sapir and Itzhak Korn, chairman of the Israeli Executive of the WJC, urging them to block Dr. Goldmann's re-election. Mrs. Meir apparently had some support, but the Labor Party leadership concluded that it was too late to select an opposing candidate and that opposition to Dr. Goldmann would create a breach with Labor delegates from abroad who supported him.

Dr. Goldmann spoke briefly after the election. He thanked the delegates and also thanked Klarman for his "gentlemanly" opposition. Others elected to top WJC posts included Philip M. Klutznick of Chicago; Sapir; Leon Dulzin, WZO treasurer; Sol Kanev of Winnipeg; Lord Fisher of Camden, who was elected European Regional Chairman; Korn, re-elected Israel Chairman; Gregorio Faigon of Argentina, Latin American Chairman; and Edgar Bronfman of Canada, North American Chairman. Gerhart Riegner of Geneva, was re-elected Secretary General of the WJC.

Vice-presidents elected were Nessim Gaon of Geneva; Rabbi Arthur Hertzberg of Englewood, N.J.; Rabbi Joachim Prinz of South Orange, N.J.; Ezra Shapiro of Jerusalem; and Sam Norich of the U.S., who headed the youth delegation to the Plenary Assembly. Norich, 27, was the first youth representative elected

to a vice-presidency of the WJC. His election was also the first time that a fifth vice-presidency was added to the roster.

ALMOGI SAYS NO TO CABINET POST

JERUSALEM, Feb. 9 (JTA)--Premier Yitzhak Rabin is still searching for a suitable candidate to fill the Cabinet vacancy created by the resignation of Information Minister Aharon Yariv last week. Yosef Almogi, the Mayor of Haifa, who was offered a Cabinet post by Rabin, rejected it Friday on grounds that it would conflict with his mayoral duties.

Almogi, a leader of the Labor Party's Mapai faction, had been expected to accept Rabin's invitation to serve as a minister-without-portfolio which would have allowed him to devote most of his time to Haifa's municipal affairs. However, he told the Premier during a visit to Haifa that he felt he could not serve in the government and at the same time exercise his obligations to the citizens of Haifa. Rabin announced Almogi's decision to reporters Friday.

That decision was said to have been influenced by Justice Minister Haim Zolok's view that it was poor administrative practice for a Cabinet officer to hold a local elective office. Almogi had been Minister of Labor in the government of former Premier Golda Meir. He resigned last year to run for Mayor of Haifa.

Meanwhile, the Mapai leadership is reportedly pressuring Rabin to name former Foreign Minister Abba Eban to the vacant Cabinet seat. Rabin, whose cool relations with Eban precipitated the latter's resignation from the government, has so far refused. It appears certain, however, that Rabin will abolish the Information Ministry, created less than a year ago. He is said to agree with the view expressed in Yariv's letter of resignation that there was no need for an Information Ministry and that its functions could be better exercised by a department of government attached to the Prime Minister's Office.

KISSINGER'S CURRENT MIDEAST TRIP WILL DECIDE FATE OF SECOND STAGE SETTLEMENT BETWEEN EGYPT, ISRAEL

By David Landau

JERUSALEM, Feb. 9 (JTA)--Israeli officials, preparing to welcome Secretary of State Henry A. Kissinger who is due here tomorrow, are convinced that this week's Mideast trip will be decisive for the fate of the second-stage settlement between Israel and Egypt. Israel has not been told formally or directly that Kissinger will cease his efforts if he fails to achieve a breakthrough this time. But the Secretary's assertion to this effect at a briefing to U.S. newsmen last Thursday in Washington was clearly intended to percolate through to Israeli officials--as indeed it did.

While Kissinger himself has unofficially aired the possibility of another trip next month, officials here are certain that this would only be undertaken if substantial progress is made on this week's visit. This morning the Cabinet launched into a discussion of the options facing Israel. The ministers began by hearing Ambassador Simcha Dinitz's report of the latest thinking in the American Admin-

the blast had been caused by terrorist activity.

Another explosion yesterday in the northern Sinai town of El Arish killed a six-year-old Arab boy and injured three other children, military sources reported. The cause of the explosion in an Arab house could not be immediately determined.

12 Arrested In Netanya Incident

Meanwhile, five men have been arrested in connection with a grenade blast last Wednesday in a Netanya discotheque which killed five people and injured 21. The five men, including an army deserter who allegedly stole a quantity of weapons and grenades, were arrested Friday and remanded for 10 days, together with seven other suspects in the attack. Police had attributed the discotheque blast to an underworld gang war.

At a memorial meeting Thursday night for the blast victims, Netanya Mayor Avraham Bar-Menashe said hoodlums were being treated too leniently despite the fact that they were "as dangerous to our society as an external enemy." Police Minister Shlomo Hillel pledged that a nationwide campaign against hooliganism would be stepped up.

HOLTZMAN: AMERICAN PEOPLE CANNOT BE BULLIED INTO REJECTING ISRAEL

By David Friedman

NEW YORK, Feb. 9 (JTA)--Rep. Elizabeth Holtzman (D,NY) said today she did not believe "the American people can be bullied into rejecting" Israel because it is the only country in the Middle East and one of the few in the world that shares American values of democracy and social justice. However, she expressed concern that the Administration was sending arms to Arab countries and was following a foreign policy of "realpolitik" rather than of moral justice.

Ms. Holtzman spoke at the annual Mid-Winter Conference of the National Committee for Labor Israel at the New York Hilton Hotel. Delegates to the conference presented \$1.5 million toward the 1975 goal of \$5 million for the Israel Histadrut Campaign in support of a broad program of health, educational and social welfare services rendered by the Israel labor federation to workers and new immigrants.

Saying that Israel and the Histadrut were able to achieve solutions to social problems through a spirit of cooperation among its people, Ms. Holtzman called for this same kind of spirit of cooperation in the United States to solve its vast problems. She noted that both Israel and the Histadrut were the realization of a dream and declared that not all the oil in the Arab countries could make their deserts bloom without a similar dream.

The Congresswoman said the Arab rulers were afraid of social justice because it would mean sharing oil wealth with their people, and afraid of human values because it would mean they could no longer use the Palestinians as "kamikaze" fodder against Israel.

ARABS BLACKLIST JEWISH-OWNED OR CONTROLLED BANKS IN EUROPE

LONDON, Feb. 9 (JTA)--Banking sources in London and Paris have reported that several major European banks connected with leading Jewish families have been barred from a number of routine international financial transactions in recent months because of Arab pressure. The sources in London reported the existence of a blacklist of banking houses the Arab governments want excluded from any financing with

Arab participants. Those on the list reportedly included N.M. Rothschild and Sons, S.G. Warburg and Co. and Lazard Freres.

London bankers were quoted as saying that the source of the list was Kuwait and Arab banks dominated by Kuwaiti interests. They said that at least a dozen other banking houses are on the boycott list. The Arabs apply the pressure by refusing to participate in the financings if Jewish-connected banking houses on the blacklist are included in the fund-raising syndicates.

The sources said that doing business with Israel has put about 1000 industrial concerns and financial institutions on the blacklist maintained by the Arab boycott office in Damascus. Its influence has increased recently because many Western and Japanese concerns are avoiding dealings with Israel to be able to bid for business opportunities stemming from vast oil wealth of Arabs.

One high level source in London listed seven transactions, including one arranged last Friday in which one or more of the major Jewish-connected banking houses were barred from participating. Arab threats not to join in routine financings now could be interpreted as threats not to invest their fast growing surpluses in much bigger deals in the future and bankers wishing to gain favor with the Arabs might respond to such pressures, the banking sources said.

The first case reported by the London sources was an issue of 100 million Marks to finance a French highway. Another deal involved raising \$25 million for Air France through a French banking syndicate. The most recent syndication was an issue of \$60 million for the European Investment Bank, a Common Market agency. Also listed was an earlier transaction involving 150 million Marks for the same bank.

The Arabs were understood to have tried to apply pressure for similar exclusions in West Germany but the Germans refused to be coerced, the sources reported. In Paris, a Bank of France official said the government was counseling the nationalized French institutions to resist the Arab pressure and to assure excluded banks they would be included in future syndicates.

LEVI SWORN IN AS ATTORNEY GENERAL

WASHINGTON, Feb. 9 (JTA)--Edward H. Levi, the son and grandson of rabbis in Chicago, was sworn in Friday as Attorney General of the United States, the first Jew ever chosen to head the Department of Justice. Levi, who resigned as president of the University of Chicago to accept President Ford's nomination, took the oath of office with his left hand resting on an Old Testament Bible held by his wife. Supreme Court Justice Lewis Powell Jr. administered the oath.

In the presence of an overflow audience in the Department's Great Hall, Ford lauded Levi's legal ability and integrity, noting that the Senate last Wednesday had confirmed him swiftly by voice vote without debate. No dissent was raised against him in the Senate Judiciary Committee either.

The new Attorney General's maternal grandfather was the late Rabbi Emil G. Hirsch of Chicago's Sinai Congregation and nationally known as a leader in the Reform Jewish movement. His father was the late Rabbi Gerson Levi of Temple Isaiah, Chicago. The bible used in the oath taking, Levi told JTA, was not a family possession because he had expected to be sworn in this week and he did not bring a bible with him to Washington. He came here for the Senate confirmation hearings and voting.

istration.

Dinitz told reporters on his arrival here Friday that the U.S. is not pressuring Israel to enter into a new stage of peace negotiations with Egypt and was anxious to keep Israel strong enough to deter aggression. Dinitz echoed Kissinger's assertion that his latest Mideast tour, which will include visits to Egypt, Syria, Jordan and Saudi Arabia as well as to Israel, was purely exploratory and involved no plans for a new diplomatic peace offensive at this stage.

Briefing the Cabinet, which met for six hours today to discuss the options facing Israel, Dinitz described the economic difficulties in the U.S., which, he said, is leading to greater conservatism and discernment in matters of foreign aid. He pointed out that the sharp rise in Israel's aid request for the coming year in comparison to past years is adding to the difficulties involved in procuring Israel's needs. Dinitz also stated that there is no erosion in popular U.S. support for Israel, but urged heightened international efforts to maintain that situation.

Lineup Of 'Doves' And 'Hawks'

There are widely reported differences of assessment here, principally between Premier Yitzhak Rabin and Defense Minister Shimon Peres, with the "doves" and "hawks" lining up behind each of them respectively. The Defense Minister is said to be much less sanguine, and much more cynical, as to the prospect of a second stage accord in which Israel would obtain really meaningful political returns from Egypt. Peres is said to be extremely loathe to withdraw from the Mittle and Gidi passes, except in exchange for the most far-reaching Egyptian political concessions in the form of binding undertakings of non-belligerency, which are seen as most unlikely.

The Premier, for his part, has stated repeatedly in recent days and still firmly believes that Kissinger's stage-by-stage efforts offer the only realistic prospect of progress; and moreover that only by cooperating with the Secretary's efforts will Israel continue to foster the harmony and basic rapport which have characterized its political relationship with the U.S. Administration since the Yom Kippur War. Rabin believes that both Israel's and America's interests are best served by deferring a return to Geneva until after a partial settlement with Egypt is reached.

According to informed sources the Premier is asking the Cabinet for a broad mandate for the ministerial negotiating team to discuss a number of possible scenarios with Kissinger. In his ABC-TV "AM America" interview to be screened tomorrow in the U.S., Rabin proposed ceding both the passes and the Abu Rodeis oil fields in return for a formal declaration of non-belligerency from Egypt. Kissinger, sources here say, will want to elicit from Israel a clear and authoritative position on what it would demand--in terms of Egyptian political concessions--in return for one or other of these strategic assets, and what Israel expects to obtain from Egypt in return for a withdrawal which would embrace neither of them.

Kissinger's stay in Jerusalem--from Monday evening to Wednesday morning, will be unusually long, and observers here see in this schedule a reflection of Kissinger's determination to obtain a clear picture of Israel's positions with which to travel on to Cairo. He will return to Israel, via Syria and Jordan, on Thursday.

Thus, if in the course of his talks with Rabin, Peres, Foreign Minister Yigal Allon, Chief of

Staff Gen. Mordcheai Gur and their top aides, the need arises for a full Cabinet consultation, this would be possible during Kissinger's stay here--and its results could be discussed further with the Secretary.

Subtle Pressure On Israel

Some observers here see the extended duration of Kissinger's visit in Jerusalem as a means of exerting subtle pressure on Israel to produce at last its definitive positions on the possible scenarios for a settlement. Informed sources said that while Rabin had revived, in the ABC interview and other appearances, the "formal non-belligerency" demand, this did not mean that Israel was inflexible toward far-reaching possibilities. The "piece of territory for a piece of peace" formula was still the valid guideline of Israel's approach, the sources said. Israeli policy-makers would look at four aspects of a possible settlement to determine Israel's response in terms of cession of land.

These are: physical arrangements on the ground, and especially demilitarization and limited forces zones; "political provisions" such as a relaxation of economic and political warfare; access for Israeli shipping through the Suez Canal; direct travel by foreign tourists between the two countries; and many other actions which, Israel believes, would in time serve to normalize relations and prepare the way for a lasting peace settlement.

In addition, Israel would seek indirect benefits, mainly the reopening of the Suez Canal and civilian stabilization of the Canal Zone which would follow upon a new Israel-Egypt settlement. Time, the duration of the second-stage agreement, would be seen here as a vital indicator of Egypt's ultimate intentions. These aspects taken together would be set off against the risks of the various possible withdrawals that Israel could make.

Division Over Value Of Passes

Strategists here seem to be divided as to the value of the Mittle and Gidi passes. Some experts believe that provided the demilitarization provisions were iron-clad and firmly precluded a return of the Egyptian army to the passes, an Israel withdrawal from them would not be a crippling move from the defense standpoint. Others believe that once the passes are vacated, the entire strategic worth of the Sinai peninsula would be gravely weakened.

This latter view is supported by those, like former Foreign Minister Abba Eban, who advocate a return to Geneva now. They counsel against returning the passes in return for what they believe would be a transient and ultimately insignificant pause. Better to go to Geneva while still in possession of these major assets and use them there as effective bargaining counters, Eban and others have advised.

EXPLOSION STARTED BY FIRE CAUSES ESTIMATED IL 3 M DAMAGES IN ASHDOD

TEL AVIV, Feb. 9 (JTA)--A fire that was started by an explosion in a clothing store early yesterday in Ashdod's shopping center destroyed five stores and caused an estimated IL 3 million in damages, according to the police. The shops were closed and there were no casualties. Police attributed the explosion to either faulty electrical wiring in the clothing store which ignited chemicals on the premises, or to an underworld "protection" gang. They discounted a report from Beirut by the Palestinian news agency Wafa that

PRIVATE U.S. FIRM TO TRAIN SAUDI ARABIA'S NATIONAL GUARD UNDER U.S. DEFENSE DEPT. CONTRACT

WASHINGTON, Feb. 9 (JTA)--A special group composed of several hundred American veterans of the Vietnam war and World War II has been assembled by a Los Angeles construction company to train Saudi Arabia's 26,000-man national guard, it was disclosed Sunday. The contractor, the Vinnell Corp., will carry out the training program in Saudi Arabia beginning next July under a \$77 million U.S. Defense Department contract awarded to it last month. It was described as the first such contract ever let to a private American firm to train members of a foreign army. The purpose of the training was said to be to prepare the Saudians troops to guard their country's oil fields.

Vinnell is to train three newly mechanized infantry battalions of 1000-men each and a light artillery battery of about the same size using 109 mm. howitzers. The U.S. government will provide the military equipment under a \$335 million contract signed with Saudi Arabia last year which includes Vinnell's fees. The Saudians will pay the U.S., which will pay Vinnell.

Not A Mercenary Expedition

The Saudi Arabian national guard is a special internal security force apart from that country's 36,000-man regular army. Vinnell recruited its force by placing two newspaper advertisements which reportedly drew an immediate response from veterans and army soldiers and officers retiring early because of U.S. military outbacks. The salaries of most of the recruits will range from \$1500-\$1800 monthly plus a \$2400 bonus at the end of the 18-month contract period. Housing in Saudi Arabia will be provided free.

Executives of the Vinnell Corp. and some recruits are stressing that the program cannot be considered a "mercenary expedition." According to Robert Montgomery, Vinnell's general manager for special projects, "We are not creating a mercenary force. This is a one-time thing to do a specific job."

The Vinnell contract was described as part of a vast program to utilize Saudi Arabia's billions of dollars of oil profits to strengthen its armed forces. Vinnell, which has had construction projects in 50 countries over the last 40 years as well as major contracts in the U.S., said it made a five-year effort to gain the confidence of the Persian Gulf countries which finally yielded the Saudian contract.

PERCY SEEKING TO QUIET 'UPROAR'

By Joseph Polakoff

WASHINGTON, Feb. 9 (JTA)--Sen. Charles H. Percy (R.Ill.) whose advice to Israel on dealing with Arab terrorists and governments angered American Jewish leaders, appears to have moved towards quieting the "uproar" he believes was unnecessarily caused by his remarks about the Palestine Liberation Organization and Israeli "intransigence."

While he continues to hold his view that Israel must communicate with Yasir Arafat's PLO, he indicated a softening in his tactical approach to the subject both in an interview Friday with the Jewish Telegraphic Agency and in a speech before the American Newspaper Women's Club here Thursday night.

Thus far, the Ford Administration has avoided identification with Percy's remarks. While some reports maintain that President Ford backed Percy's views in general, the White House

has declined to comment on them despite queries on two successive days by JTA. Earlier, the State Department had said Percy was speaking for himself.

It seemed to some here that while the Administration may well agree with Percy it considers it impolitic to discuss the Senator's comments while Secretary of State Henry A. Kissinger is about to meet with Arab and Israeli leaders in his latest peace initiative.

Percy Conferred With Dinitz

Percy met with Israeli Ambassador Simcha Dinitz at the Senator's office for two hours Thursday. Their meeting, at the envoy's request, was reported to have covered Percy's views and his impressions of the Arab leaders he had met on his recent 13-nation trip. Percy, a consistent supporter of Israel for years, has said that he would continue to support the Administration's request for financial aid to Israel but since the Administration's allocations have generally been far lower than the Congress authorized, his support for larger appropriations appears to have dropped.

In the interview, which took place at the Department of Justice where Percy had attended the swearing in of a Chicago constituent, Edward H. Levi, as U.S. Attorney General, Percy deplored the "uproar," noting that members of the Knesset and other Israelis have gone further than he regarding contact with the PLO and observed some prefer the Geneva conference to the U.S. step-by-step process.

In addressing the Women's Club, he noticeably avoided reference to Israeli "intransigence" and reiterated "relatively speaking" several times when referring to Arab leaders he had met while including support for Israel.

Should Have Said 'Rigidity'

"I never said recognize the PLO," Percy told the JTA. While agreeing he had described Israel as "intransigent," he thought he should have said "rigidity." His point, he added, was that "as circumstances change on the other side, the attitude must change on the Israeli side." The PLO must support United Nations Resolution 242 before Israel negotiates with the PLO, Percy said.

"There is no possibility of solving the Palestinian problem unless the Palestinians are on the record recognizing the sovereignty of Israel as a nation, the integrity of its borders, and the security of its people to live in peace."

Percy also emphasized in the JTA interview that he had told Arab leaders "all over the Arab world," that "I do not see Israel on your maps. It's shown as Palestine. I want Israel put on the map. It's not enough to tell me privately Israel exists and its sovereignty will be recognized. This must be done publicly and guaranteed and assured." Asked to name the leaders to whom he had said this, the Senator replied they should be identified as "ministers and rulers" of their countries.

TORONTO (JTA)--A Jewish employer was within his rights when he fired a worker who displayed a picture of Hitler at his workplace, an arbitrator ruled here. Henry Zett, owner of the Nu-Mode Dress Company, who had been interned in a Nazi concentration camp, fired the employee whose placing of Hitler's picture offended many of his co-workers and Zett. The arbitrator ruled that Zett did not have to show cause for the dismissal under a collective bargaining agreement with the International Ladies-Garment Workers Union. The employee, whose name was not made public, was awarded one week's pay in lieu of notice.