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\$18 B WORTH OF ARMS ORDERED BY ARABS SINCE YOM KIPPUR WAR

Coordinated Effort In Building War Machine By Yitzhak Shargil

TEL AVIV, Feb. 27 (JTA)--The Arab countries have ordered \$18 billion worth of arms since the Yom Kippur War--much of it already delivered--and their re-armament is continuing at a pace that suggests a deliberate decision at the Arab summit conference in Rabat last October to emphasize the military option in the Middle East conflict, Israeli sources said today.

The sources saw evidence of a coordinated effort by the Arab states in building their war machines. There is no indiscriminate buying but each country carefully selects the weapons it wants, knows where to find them and the weapons purchased by one Arab state are frequently transferred by pre-arrangement to another, the Israeli sources reported. While the Soviet Union continues to be the main supplier of Arab arms, certain Arab states have received sophisticated electronic devices, aircraft and anti-tank weapons from Western sources as well, the sources said.

Since the Yom Kippur War, the Arab states have received \$4 billion worth of weapons from the Soviet Union and other East European Communist bloc countries. Egypt, in particular, has been a major recipient of Soviet arms despite its much advertised complaints that the Soviets were reneging on their weapons commitments.

Israeli experts say that while there may have been some delays in delivering certain items, the Egyptians have already received 1000 tanks from the USSR, half of them the latest T-62 type, hundreds of armored personnel carriers, 100 artillery pieces, 15 SAM anti-aircraft missile batteries of various types, surface-to-surface missiles of the "Frog" and "Scud" types, bridge-building equipment and several naval craft.

Specific Deliveries Cited

The delays have been mostly in delivering aircraft. But Cairo has begun to receive the highly sophisticated MiG-23. In addition, Saudi Arabia, which is financing Egyptian arms purchases, has transferred Mirage-3 jets and helicopters it bought from France to the Egyptian Air Force. Egypt is also buying Mirages directly from France.

Syria, which lost 200 combat planes in the Yom Kippur War, has gotten 300 new planes from the USSR so far, the Israeli sources said. It also received 1100 tanks and hundreds of armored vehicles from the Soviet arsenal. Syria's "Frog" missiles have been augmented by a supply of "Scuds" and East Germany has supplied Syria with hundreds of tank transporters.

Iraq has also received tank transporters from East Germany and "Scud" missiles from the Soviet Union. The latter has also supplied Baghdad with 100 planes, 100 helicopters, 300 tanks and 300 artillery pieces, the Israeli sources reported. Libya, which was denouncing the Soviet Union not too long ago, has concluded a \$2 billion arms deal with Moscow, the sources reported. Part of the arms to be delivered under this

deal is intended for transfer to other Arab states.

DINITZ SEES NO EROSION OF SUPPORT FOR ISRAEL IN CONGRESS

NEW YORK, Feb. 27 (JTA)--Israeli Ambassador Simcha Dinitz asserted yesterday there was no erosion of support for Israel in Congress but there was an unwillingness to spend money which will inevitably affect Israel. Dinitz made his remarks to a meeting here of the Conference of Presidents of Major American Jewish Organizations.

"I see no disenchantment or criticism of Israel nor any diminution of support for a strong and viable Israel," Dinitz said. He added that there was a more critical approach in the Congress toward anything dealing with money, there was a mood to tie the hands of the Executive and there was a weariness over international obligations.

But Dinitz said he expected Israel's economic and military aid package, which is due to come up in Congress during the next 50 days, will be approved. He said Congress still strongly supports Israel because the American people support Israel.

However, Dinitz said that next year aid for Israel would need strong Presidential and Administration support in Congress. He said Congress would no longer increase the Administration's request for Israel as was true in the past. He said because of the economic conditions in the United States, Congress will be less willing to appropriate foreign aid and noted that Israel's "closest, best friends" in Congress agree with the assessment.

Kissinger Not Withholding Aid

Dinitz denied that Secretary of State Henry A. Kissinger was withholding sending arms or any other aid to Israel pending an Israeli-Egyptian second stage agreement. But he said if such an agreement was reached, the atmosphere it would create would result in a more favorable response to Israel's request.

Dinitz told the Presidents Conference that he was irked by those latter-day saints who take it upon themselves to remind Israel that peace is imperative for the Jewish State. He said Israel needs no reminder that it needs peace and noted that all the wars Israel has fought were forced upon her by the Arab states either through invasion or blockade. Dinitz did not identify the saints.

At the outset of the meeting, Rabbi Israel Miller, chairman of the Presidents Conference, expressed the gratitude of the Jewish people for President Ford's statement yesterday in Hollywood, Florida, deploring religious and ethnic discrimination as a result of Arab pressure.

DEFENSE DEPARTMENT ORDERS PROBE INTO ARAB BIAS AGAINST JEWS

WASHINGTON, Feb. 27 (JTA)--White House Press Secretary Ron Nessen announced today that the Defense Department has ordered an inquiry into alleged discrimination against Jews abroad. He said, under questioning by newsmen on reports that the U.S. Army Engineers Corps did not employ Jews on assignments in Saudi Arabia, that "the Defense Secretary has already asked all military

services to look into the practices across the board to see if discriminatory practices are being followed."

Nessen reiterated President Ford's statement at a Hollywood, Fla. press conference yesterday that the Justice, Commerce and State Departments also had instructions to investigate allegations of discrimination against American Jews involving Arab countries to see if laws were being violated. Asked if the President would immediately order an end to the alleged practices, Nessen replied, "It's not something where you can pick up a phone and bark an order." He reaffirmed the President's statement yesterday denouncing all forms of discrimination, saying that view applied in general to the Administration's policy.

Meanwhile, Treasury Secretary William Simon cancelled a joint press conference he was to have held today with the Saudi Arabian Finance Minister, Muhammad Ibn Ali Aba Al-Khail, to report on the results of a two-day meeting of the U.S.-Saudi Arabian Joint Commission on Economic Cooperation. A spokesman for the Secretary said the press briefing was cancelled because Simon had an appointment in New York. But according to informed sources, the current furore over the Arab boycott of Jewish-owned banks and firms doing business with Israel was the reason for the cancellation.

ANTI-BOYCOTT LEGISLATION URGED

NEW YORK, Feb. 27 (JTA)--The chairman of the board of the American Bank and Trust Co. and the president of B'nai B'rith have asked Congress and the President to introduce legislation to counteract the use of the Arab boycott against American individuals and businesses.

In a letter addressed to the entire New York State Congressional delegation, the bank chairman, Abraham Feinberg, condemned the blacklist of the New York bank as "blackmail obnoxious to our American ideas" and said "it certainly represents a flagrant violation of our laws against restraint of trade." He called upon the Senators and Representatives from New York who, he said, represent the financial center of the United States and the free world, to introduce legislation to counteract the "outrageous act of the Arab boycott office."

Feinberg stressed that the more than 50,000 depositors and stockholders of the American Bank and Trust Co. pay taxes to the federal government that indirectly supports U.S. economic assistance to Egypt, Syria, and other Arab countries represented in the Arab boycott office which has promulgated the boycott list. "We have a solemn obligation to protect our interest. They will want to know what their elected representatives are doing about the Arab blacklist and boycott," Feinberg said.

"I would hope that all legislators will request the Secretary of State to lodge a formal protest with all Arab governments against these actions and advise them of legislation soon to be introduced on this subject."

In a letter to President Ford, B'nai B'rith president David Blumberg declared that it "be made crystal clear that American principles and policy are not for sale." He added: "Not since Hitler subsidized Nazi organizations and propaganda in the United States has there been so insidious an attempt to subvert American public policy and divide the American people."

Blumberg said that the U.S. needs "another civil rights law" to ensure that the anti-discrimi-

nation gains of the past generation "are not vitiated by foreign states." B'nai B'rith sent similar appeals for the development of legislation to Sen. William Proxmire (D.Wisc.), chairman of the Senate Banking Committee, and Rep. Peter Rodino Jr. (D.N.J.), chairman of the House Judiciary Committee.

KAHANE ORDERED TO BEGIN SERVING ONE-YEAR JAIL TERM MARCH 18

NEW YORK, Feb. 27 (JTA)--Rabbi Meir Kahane, founder of the Jewish Defense League, was ordered yesterday to begin serving a one-year jail term on March 18 on conviction in federal court here on charges of violating a 1971 probation. A spokesman for the JDL confirmed this will be Rabbi Kahane's first jail term, although he was held for 30 days detention in Israel. Rabbi Kahane was scheduled to surrender yesterday but federal Judge Jack Weinstein granted a three-week extension to allow Rabbi Kahane to finish a four-state lecture tour of college campuses.

Barry Slotnick, Rabbi Kahane's attorney, said last Friday he would appeal the sentence, but yesterday he said he was not planning an appeal. He also said a state probation violation hearing on March 13 might result in an additional jail term for the JDL founder. In pronouncing sentence, Judge Weinstein said Rabbi Kahane would probably serve his term in a minimum security prison with special measures to safeguard him from any attacks by other inmates. The JDL spokesman said he did not know why plans for an appeal had been dropped.

STATE DEP'T. HAS NO REACTION TO ASSAD'S APPARENT RETREAT ON PEACE

By Joseph Polakoff

WASHINGTON, Feb. 27 (JTA)--The State Department has chosen not to react to the apparent retreat by Damascus from Syrian President Hafez Assad's statement that he would sign a formal peace treaty with Israel if certain conditions were fulfilled. That statement, contained in a Newsweek magazine interview with Assad, was hailed by Secretary of State Henry A. Kissinger at his press conference here Tuesday as "a major step forward" by Syria and an indication of its changed attitude toward a Middle East peace settlement.

But a statement put out in Arabic yesterday by the director of President Assad's press office in Damascus said that the report of the Newsweek interview "does not truly reflect its contents, particularly concerning the question of a peace treaty." Asked to comment on Damascus' back-tracking, State Department spokesman Robert Anderson said he had not seen the Damascus statement. He repeated, however, that any willingness to sign a peace treaty is a major step.

The brief statement by Assad's press aide did not specify what may have been misquoted from the Newsweek interview which has not been published in Arabic. Sources here believe that the Assad interview was intended for American consumption and today's disclaimer was prompted by Kissinger's upbeat reaction to it.

Meanwhile, preparations are underway for Kissinger's return trip to the Middle East next month. State Department sources said the Secretary will probably begin his Mideast junket in Aswan, Egypt on March 7. He leaves Washington on March 8 for Cardiff, Wales, on a ceremonial visit.

TEL AVIV (JTA)--An explosion and fire totally destroyed a bus in Holon Wednesday afternoon after all passengers were safely evacuated.

JTA PRESIDENT DEMANDS APOLOGY FROM KENDALL FOR SHOVLING POLAKOFF Asks Anderson To Investigate Incident

NEW YORK, Feb. 27 (JTA)--William Landau, president of the Jewish Telegraphic Agency, has protested formally to Donald Kendall, co-chairman of the U.S.-USSR Trade and Economic Council, for pushing a JTA correspondent in Washington last week in interference with his rightful newsgathering duties. Landau asked Kendall to apologize to the reporter, JTA Washington Bureau chief Joseph Polakoff, and to the JTA. A copy of the letter was sent by Landau to Robert Anderson, Special Assistant to the Secretary of State for Press Relations, requesting an investigation of the incident.

Landau said, in his letter to Kendall, that he was "deeply disturbed" by Polakoff's report "that you pushed him, placed your hands on his shoulders and interposed yourself between him and Mr. Vladimir Alkhimov during a press conference at the Madison Hotel in Washington on Friday, February 21."

Alkhimov, the Soviet co-chairman of the joint Council, responded briefly to questions by Polakoff at the conclusion of the press conference and then moved to the end of the dais to speak to other reporters. When the JTA correspondent started to join that group he was confronted and blocked by Kendall.

Landau noted in his letter that Polakoff's report of the incident was conveyed, in part, in a New York Times report of the press conference published Feb. 22 which he quoted. The Times reported that Alkhimov sought to meet criticism of Soviet policies toward Jews by asserting that his country was a multi-national state of 130 nationalities, all of whom were treated well.

The Times' account then stated: "One of the newsmen attending, from the Jewish Telegraphic Agency, denied that Jews had the same rights, citing the lack of Yiddish-language textbooks and schools. The American officials on the platform tried to out him off."

Infringement On Freedom Of The Press

Landau's letter continued: "Your actions, in trying to prevent Mr. Polakoff from questioning Mr. Alkhimov and attempting to exert physical pressure in the process, can only be viewed as an infringement on the freedom of the press and the pursuit of public information on the part of a reporter who was assigned to cover the conference. Your actions furthermore, constitute a violation of democratic rights." Kendall is chairman of the PepsiCo Corp.

In the covering note to Anderson, Landau stated that Kendall's actions do not, "it seems to me, help in obtaining vital information on a subject that is of profound importance to the Jewish people in this country and abroad."

ALLON CONFERS WITH GERMAN LEADERS

BONN, Feb. 27 (JTA)--Israeli Foreign Minister Yigal Allon spent most of the day in conference with West German leaders. The talks centered on economic cooperation between Israel and West Germany and although few details were disclosed, Foreign Minister Hans-Dietrich Genscher said on a radio interview that Israel could count on DM 140 million from West Germany this year for capital development. That sum has been granted regularly over the past few years for housing, telecommunications and other civilian projects.

Allon, on the second day of his three-day of-

ficial visit to West Germany, met with Finance Minister Hans Apel and the Minister for Economic Cooperation Egon Bahr. He had private talks with Chancellor Helmut Schmidt, President Walter Scheel and Franz Josef Strauss, leader of the Christian Socialist Union, the Bavarian wing of the Christian Democratic Party.

No talks were held on the issue of reparations but both the Israeli Minister and his hosts appeared satisfied with the progress of their discussions so far. Genscher said today that West Germany's "balanced" policy in the Middle East was understood and accepted by Israel. He said that policy permitted his country to better serve the cause of a just and lasting peace in the Middle East than a partisan policy.

Genscher said Bonn's commitment to balance was in the interests of all parties concerned and would have been followed even if there were no energy crisis. It is not "opportunistic," the German Foreign Minister stressed. He expressed the view that current peace efforts have a chance to succeed and that he believed Israel was ready to negotiate and make some moves toward a solution. The Middle East was the main subject of Allon's two hours of talks with Schmidt. They also discussed other international issues including trade and oil.

U.S. INVOLVED IN LEBANESE BANK BLACKLISTING JEWISH FIRMS

By Joseph Polakoff

WASHINGTON, Feb. 27 (JTA)--The U.S. government's official involvement in a financial organization in Lebanon that has been blacklisting Jewish banking houses surfaced today as an investigation by federal agencies widened and deepened on the Arab boycott and discrimination against Jews and companies linked to Israeli business enterprises. State Department sources acknowledged that the Credit Commodity Corporation, a subsidiary of the Department of Agriculture, has shares totaling \$11 million in the Intra Investment Co. in Beirut, one of a half-dozen large Arab concerns blacklisting Western banks that deal with Israel.

According to these sources, the CCC acquired \$22 million in shares in a private bank that had failed and was taken over by the Intra Investment Co. Since then it has reduced its holding by half and they now amount to about 5 1/2 percent of the bank's capital. Last week in Paris, the bank's chairman revealed it as blacklisting Jewish firms and those linked to Israel.

The State Department emphasized to the Jewish Telegraphic Agency that "the United States did not concur in the chairman's decision, had no say in it, and does not endorse it." It said that the U.S. is arranging to dispose of its shares to the Lebanese government. Intra Investment was described as being mainly owned by Lebanon, Kuwait and Qatar and has been involved in funneling Arab petrodollars into the money market. Kuwait is one of the countries most hostile to Jewish concerns.

JERUSALEM (JTA)--Prime Minister Pierre Elliot Trudeau of Canada has pledged his country's support "in every respect" of Israel's right to "exist in peace as an independent state within secure and recognized boundaries, free from threats and acts of force." Trudeau's statement was contained in a message of greeting he sent to the Canadian Zionist Federation currently holding its national convention in Jerusalem.

