



LESSONS OF 1975--CHALLENGES IN 1976

By Murray Zuckoff

"Freedom is the recognition of necessity." -- Hegel

NEW YORK, Dec. 30 (JTA)--For Israel and the Jewish people 1975 could not have ended too soon. It was a year of diplomatic defeats for Israel and steam-roller victories for the Arab-Communist-Third World bloc. It was a year of economic crisis and political disension in Israel which threatened to split the Alignment and the coalition government. It was a year when many friends of the Jewish State--including the United States, France, Sweden, Mexico, Chile and Brazil--left Israel in the lurch and capitulated to Arab, Communist and Third World pressure.

It was also a year of world wide economic crisis in which many Jewish communities were caught in an economic crunch; by which the plight of Soviet Jewry increased both in terms of a precipitous decline in emigration and impending harassment and arrests of Jews seeking to emigrate; and in which detente veered off course and threatened to collapse altogether over the issue of Angola.

The only bright moments for Israel and the Jewish world was the second Interim Sinai accord between Israel and Egypt and the outpouring of international solidarity between Jewish communities and Israel over the issue of Zionism. Yet, even these positive developments were darkened by anxiety and fear regarding their long-range consequences. The ramifications of all these developments will be manifested in full scope in 1976 and confront Israel and world Jewry with some of the most crucial challenges and fateful decisions since the Jewish State came into existence.

Nothing Seemed To Go Right

In 1975 nothing seemed to go right for Israel. The deep-going economic crisis, reminiscent of the 1960s, provoked a series of major strikes. The government was under mounting pressure from doves within and outside the government to change its attitude toward the Palestinian issue. The illegal settlement move in Sebastia by the Gush Emunim and the compromise the government reached with the settlers created a furor in the Labor Party and caused Premier Yitzhak Rabin to threaten to resign.

The victory of a Communist Mayor in the Nazareth election brought a series of charges that the government had neglected the problems of Israeli Arabs and counter-charges that the Communists were preparing a base in that city for terrorist activities. Throughout all this, terrorist bombs ripped through downtown Jerusalem in July, October and November--killing a total of 21 people and injuring 46, and terrorist activities in Tel Aviv and along the border were responsible for the death of some 24 Israelis and terrorists.

Ironies And Pervercities.

The year 1975 was also filled with a series

of ironies and perversities for Israel and the Jewish world. The adoption by the General Assembly in November of a resolution equating Zionism with racism was a perversity because it was the culmination of a series of similar resolutions adopted in Mexico City at the International Women's Year Conference, in Lima, Peru at a meeting of ministers of non-aligned states, in Kampala, Uganda at a meeting of the Organization of African Unity, which were convened to deal with the socially progressive issues involving the elimination of apartheid, colonialism and imperialism.

It was ironic that the groundswell of voices in Israel calling for talks with any Palestinian group that renounced terrorism and recognized Israel's sovereignty was attributed in large measure to American pressure for accommodation with the Palestine Liberation Organization rather than an ongoing demand over the years by progressive and radical Israeli and Jewish political leaders and intellectuals. It was perverse that immediately after Israel signed the Interim accord with Egypt in September the Jewish State was cast as the heavy in the Middle East by Secretary of State Henry A. Kissinger and by major sections of the American news media.

Most ironic of all was that the universal solidarity of the Jewish people in the diaspora and Israelis was the result not of any internal intellectual or ideological development and Zionist consciousness-raising, but a reaction to the Assembly resolution.

New Twist In Old Adage

The year 1975 also witnessed a new twist in the old adage that when America sneezes Europe catches pneumonia. This year, when America and Europe formulated ways to resolve the Middle East crisis Israel suffered from migraine headaches and vertigo. It was also a year in which history closed in on Israel and disclosed that no event anywhere in the world could occur without impinging on Israel's interests and future. A case in point was the situation in Angola.

A decade ago, before the U.S. Congress was traumatized by American involvement in the Vietnam war and before the illegal global activities of the CIA came to light, a civil war in Angola and the involvement here by the U.S. and the Soviet Union supporting warring factions seeking state power might have been the subject for an objective and dispassionate study on superpower politics. Not so, however, in 1975. The rift between the U.S. and the USSR had widespread significance for the entire Jewish world.

Former Israeli Premier Golda Meir alluded to this when she called attention last week in an NBC "Today" program to the fact that Congressional refusal to support U.S. military aid for the anti-Communist factions in Angola raised a serious question about American security guarantees for Israel.

further cementing relations with Egypt, while Sadat himself managed to secure for his country the certainty of large-scale economic aid, nuclear reactors for desalinating sea water and the possibility of obtaining military aid in the future.

Another event was the ongoing Arab boycott of American and European firms doing business with Israel or owned by Jews. This provided the Arab League boycott office with leverage to pit Jewish and non-Jewish business firms against each other and destroyed, with not much success, to isolate Jewish firms from the rest of the economic structures.

But the crowning event, the one before which all others paled into relative insignificance, was the adoption of the anti-Zionist resolution. It set the stage for legalizing and rationalizing anti-Zionist and anti-Jewish activities in many of the countries that voted for the resolution. But, more than that, it marked an unprecedented move in which the national liberation movement of an entire people was condemned as a form of racism by an internationally constituted legal body, the same body that recognized Israel's right to exist as a nation in 1947. The resolution was also unprecedented in that an ideology representing the highest collective political consciousness of a people was condemned as a form of racism.

Knee-Jerk Reactions

The resolution, although proessed by earlier ones during the year, stunned Israelis and Jews around the world. Reacting in knee-jerk fashion to this calumny, Zionist and Jewish organizations for the most part resorted to gimmicky and sentimentous ads in newspapers, shop-worn cliches and the manufacture of thousands of buttons.

They failed to seize the opportunity to present the historical contributions of Zionism as a movement of national liberation to other, more recently evolving liberation movements. They also failed to present Zionism as a body of theory dealing with the condition of Jews in the diaspora, the general nature and structure of diaspora reality and its role in developing Israeli society. Instead, the spate of ads was more calculated to win support for this or that Zionist organization than to deal with fundamentals.

The failure on the part of Zionist and Jewish leaders to rise to the occasion was not accidental. For years they had operated on the assumption that Zionism had been vindicated and absolved by history; their thinking on this issue had become stultified and cynical. In Israel, for example, the term Zionist was invariably placed in quotation marks and used as a put-down.

The reaction to those countries that voted for the resolution, especially those who had been considered friends of Israel and some of the Third-World countries, was one of unrestrained--and generally unthinking--fury. They were attacked as being anti-Zionist and anti-Israel without redemption. Yet the Zionist and Jewish leaders again overlooked reality.

Many of the Third World and Latin American countries voted for the resolution more in protest against the U.S. than against Zionism and Israel. By the same token, many of the countries that voted against the resolution did so not because they were in principle agreement with Zionism but to protest against the Arabs who had brought them to their knees during the oil embargo.

Because the Jewish and Zionist leaders were not prepared to deal with the issue of Zionism

on a fundamental level they sought out heroes for acclamation and villains for condemnation. The arch-hero became Moynihan and the arch-villain, became Mexico. Despite the steadfast support by Moynihan for Zionism, many Israelis noted privately that his method of defending it gratified American Jews but made it difficult for Israel to take a more balanced approach with some of the fence-sitting delegations in the UN.

The year ended with an embarrassing and disastrous series of snafus on the part of the Israeli government to notify the Knesset and Jewish leaders abroad that it had reached an understanding with Mexico on the resolution in the General Assembly approving the Declaration of Mexico City.

Prospects For 1976

What are the prospects for 1976? Again, the state of the economy in the West will determine the political and diplomatic activities. According to forecasts by the Organization for Economic Cooperation and Development (OECD), prospects for the industrialized nations are that they will move back to economic growth in the first period of 1976 but will falter later in the year.

The current balance of payments deficits for the 24 OECD-member states will nearly triple to \$17.5 billion in 1976 from this year's \$6 billion and overall unemployment is expected to rise slightly above the present 15 million level by the end of 1976. The Economics Group of the Chase Manhattan Bank described the EEC countries as "recession-gripped" and suffering from an "economic slump."

As for the economic situation in the U.S., the Federal Board in mid-December reported that the output of factories, mines and utilities rose only 0.2 percent in November, providing further evidence that the economic recovery has slowed dramatically.

Thomas E. Mullaney, writing in the Dec. 14 issue of the New York Times, noted that forecasts depict a moderately expanding economy in 1976, with real growth rising on the order of 6 to 6 percent and inflation declining to the range of 6 or 7 percent. "If these prognostications prove to be accurate, there would be little cause for concern--except for the fact that the same computer runs are predicting an abnormally high unemployment rate of 7 percent or greater," he stated.

In addition, there are still a number of uncertainties and unknowns that will come into play next year: the extent of the financial crisis of the cities; the impact of labor negotiations; the Presidential election; the lagging world economy, and the mood of Congress regarding spending on foreign projects. Undoubtedly, all these developments will affect a wide number of issues involving Israel and the Jewish communities, not the least of which will be the extent of economic aid Israel can expect from the U.S. or American Jewry.

Straws In The Wind

In fact, Israeli Premier Yitzhak Rabin has already cautioned Israelis that economic aid will be rendered more difficult. Several days ago he stated that U.S. aid will not continue forever at a rate of 20 percent of Israel's budget. "It is not a question of tightening our belts," he said. "They will be tightened for us." Some Israeli economists have noted that the austerity

Earlier in the week, Kissinger told reporters at a press conference in Washington that Congress' negative attitude toward U.S.-aid in that West African country would be counter-productive and imperil American credibility in the international arena. He recalled that Congressional action in the form of the Jackson/Vanik Amendment to the trade bill caused the Soviet Union to repudiate its 1972 trade agreement with the U.S. and resulted in a setback of Soviet Jewish emigration. Precisely the opposite effects, he noted, of what the J/V legislation intended to accomplish.

The Angolan Connection

The conflict between the U.S. and USSR in Angola brought into sharp focus not only the economic rivalry between the two superpowers but also the economic rivalries and contradictions within the European Economic Community (EEC). It also revealed that the role of economics, ignored or minimized by many Israeli leaders and those of diaspora Jewry when dealing with vital political and diplomatic issues, was at bottom the motivating force at work in crystallized and compressed form at the United Nations and UNESCO.

The U.S. has extensive corporate interests in Angola and seeks to prevent the emergence of a government antagonistic to pro-Western regimes in Zaire and other African states. The areas which include South-West Africa and South Africa are rich in gold, iron, copper, uranium, diamonds, oil and petroleum and serve as relatively untapped markets for American trade and investments. In addition, a new radical regime in Angola would also pose a threat to South Africa and Rhodesia with which the U.S. has been friendly.

The Soviet Union, for its part, in addition to whatever material benefits it would reap with the emergence of a radical pro-Soviet regime in Angola, and whatever diplomatic advantages it can gain among Third World countries after having been effectively dislodged and frozen out of the Mideast by Kissinger's step-by-step diplomacy and Egypt's shift toward the U.S., seeks strategic footing on the South African continent and possible naval bases at key Angolan ports.

Interests Of The EEC Nations

The situation in Angola and the rift between the U.S. and USSR brought to surface the economic interests of the EEC nations in developing trade and investments in Africa as a way of solving their own economic crises. Britain and France view the Angolan situation with nervousness and uncertainty, while West Germany agrees with the U.S. Administration's view that the war in Angola is crucial to East-West relations.

On the whole, however, the EEC nations are loathe to become involved in the Angolan struggle. They do not want to lose their credibility with African and Asian states as maintaining a neutral stance regarding the struggle on those two continents or an independent position in relation to the U.S. on matters they feel not bound up with European or NATO security.

The Europeans, once having been the colonizers of those countries, understand better than the U.S. the seething resentment and hatred these countries harbor toward their former colonizers and allies. But the Europeans also understand the dire need of the Afro-Asian nations to develop their own technologies, which is impossible without the trade and know-how

the West is able to provide.

This attitude, in part, explains why a number of European nations, especially Britain, were so critical of the attack unleashed against the OAU by Daniel Moynihan, the U.S. Ambassador to the UN, and by his counter-gun attacks against African and Asian policies in the UN. The EEC nations are also relatively unconcerned with the issue of East-West detente since most of them have trade relations with the USSR.

Economics In The UN

These economic developments also explain the real significance of the votes in the UN and UNESCO during 1975 regarding the anti-Zionist and anti-Israel resolutions and the real meaning of the "tyranny of the automatic majority." Israeli and diaspora Jewish leaders focused on voting patterns as if the UN represented a forum, albeit limited, for parliamentary activities. They overlooked the vital economic interests at play.

The tyranny of the automatic majority did not consist in the fact that the Arab-Communist-Third World bloc could muster a majority of votes at will but that in the last analysis they didn't care about, nor did they need, the voting support of the Western nations. The West could play out its charade of voting against or abstaining on issues crucial to Israel because the interests of both the West and the bloc came together on the economic level. What counted, give or take a procedural approach or an incidental and secondary difference on short-range goals, was that the West and the bloc needed each other on the level of trade and capital investments.

France, for example, voted against the anti-Zionist resolution in the UN Third Committee on Oct. 17, but two weeks later authorized the PLO to open a bureau in Paris. Similarly, France voted against the anti-Zionist resolution in the General Assembly on Nov. 10, but a month later concluded an economic and arms deal with Egypt much to the satisfaction of both countries. In addition, Egypt's plan to invest \$8 billion in an armaments industry will also aid the British industry since Egypt plans to buy helicopters and naval equipment from Britain.

Another example was Mexico's seemingly paradoxical vote for the anti-Zionist resolution. Israeli and Jewish leaders attributed this to Mexican President Luis Echeverria's ambition to become the next UN Secretary General. In fact, however, Mexico's vote was due less to Echeverria's ambition than to that country's bid to be acknowledged as the representative of the Third World in Latin America. That was the essential reason for the strenuous campaign embarked on by Mexico to hold the International Women's Year Conference in Mexico City.

The Five Major Events

The year 1975 was marked by five major events that showed, above all, that Israel's fate was not self-determined but more than ever dependent on the U.S. In March, the failure of Kissinger's Mideast shuttle led President Ford to call for a reassessment of Mideast policy, which in practice, resulted in halting economic and military aid.

In September, the Israel-Egyptian accord effectively isolated Egypt from the rest of the Arab world and brought Egypt closer to the U.S. In October, President Anwar Sadat's trip to the U.S. was a triumph for American policies in

budget adopted earlier this month is a hedge against predictable hard times resulting, in part, from the economic slump in the U.S. and at the same time an effort to make Israel less dependent on aid either from the U.S. government or American Jews.

In broad outline, the economic, political and diplomatic developments that began to unfold in 1975 will become more pervasive and relentless in 1976. The new year will begin with a major concern as to whether the Security Council debate on the Mideast will conclude with an amendment of Resolution 242 to take into consideration the resolution adopted last month in the General Assembly calling for the right of self-determination and national independence for the Palestinians and their right to "return to the homes and property from which they were uprooted."

The Problem Of Leadership

A decisive factor for Israel and world Jewish communities will be the role and nature of Jewish leadership. In 1975 many Jewish leaders, especially in this country, were under fire from grass-roots Jewish communities for lacking creative and innovative responses required by the world situation. A great deal of dissatisfaction was expressed that little was done, or done haphazardly, to mobilize communities on vital issues. Jewish leaders were also berated for relegating much of their activities to issuing

press releases and engaging in private consultations with Administration officials.

Jewish and Zionist organizations were also criticized for being unable to function at full capacity except under crisis situations, failing to develop a corps of future leaders, duplication and overlapping of services, insufficient efforts to involve the membership in decision-making processes, and a general parochialism toward broader social issues.

The major ongoing need in 1976 will be to defend Israel against American pressure for more territorial concessions while demanding of the Arabs that, at most, they normalize their relations with Israel. There will also be the need to take Zionism out of the stalls of idolatry and present it as a vibrant, viable force for peace and progress in the Middle East, and to transform this year's button Zionists into next year's ideological and activist Zionists. There will be the need for heightened awareness regarding aliya and less bureaucratic impediments in this country and in Israel that turn off actual and potential olim.

In 1976, therefore, the Jewish and Zionist leaderships will require a major overhaul in their approaches to myriad issues and a basic retooling for the tasks that lie ahead. The alternative may be a series of setbacks for Israel and the Jewish people.

VOTE BUYING AT THE UN

TORONTO, Dec. 30 (JTA)--Votes on crucial resolutions at the UN General Assembly are being bought and sold like rags in a Baghdad bazaar, according to a report in the Toronto Star by veteran foreign correspondent, Mark Gayn. He said the votes are being bought by oil-rich Arab states from impoverished delegates from Third World countries who have difficulty maintaining themselves and their Missions in expensive New York City.

The going price, according to Gayn, runs from \$6,000 to \$8,000 for votes on important issues. He said that recently one ambassador sold his delegation's vote for \$600 while another's price was \$4,000. The purpose of vote-buying is to increase a majority, he noted. Trading votes for cash has grown with the increase in the UN's membership.

Gayn stated that the home government usually shuts its eyes to the practice as long as it doesn't run contrary to its own national interest. He said that one diplomat conceded the practice was common and an accepted fact of life at the UN. Gayn noted that neither the United States nor the Soviet Union is involved in buying votes.

WILSON, RABIN TO EXCHANGE VISITS

LONDON, Dec. 30 (JTA)--The Prime Ministers of Israel and Britain will be exchanging official visits during the first half of 1976, it was learned here. British Premier Harold Wilson will apparently make his long-awaited official visit to Israel during the spring as part of a Middle East visit which will include Egypt, Saudi Arabia and Iran. Wilson was reportedly to have gone earlier to Jerusalem, but Premier Yitzhak Rabin's Washington visit obliged, changing the schedule. The Israeli

Premier is expected to return the official visit shortly thereafter.

Meanwhile it is understood that the leader of the Conservative opposition, Margaret Thatcher, is due to visit Israel some time in March. This will be the first time she has been to the Holy Land since she became leader of her party. She was in Israel a few years ago when she held a junior Cabinet post in the last Tory government.

Her predecessor as Conservative Party leader, former Premier Edward Heath, has been discussing with the Israeli Embassy here about his plans to visit Jerusalem, it was learned here. He is presently spending a holiday in Jordan as the guest of King Hussein.

YOUNG OLIM ON RIGHT TRACK

JERUSALEM, Dec. 30 (JTA)--The old song, "I am working on the railroad," may become the refrain of Jewish youth from the diaspora next year. They are being invited by Transport Minister Gad Yacobi to volunteer to help build the long projected Negov railroad that will link Eilat with central Israel. Zvi Zafrit, director of Israel's admittedly sparse railway system, said he was making plans to implement Yacobi's idea and hoped the first overseas youth would be at work in the summer of 1976. He called the project a pioneering challenge that would give Jewish youngsters overseas a direct part in Israel's development.

LONDON, (JTA)--Golda Meir and Chaim Herzog are on the best-sellers' list for 1975. Mrs. Meir's "My Life" and Herzog's "War of Atonement" appear among the best sellers alongside the Richard Crossman diaries and Twigg's autobiography.

MEXICO'S FOREIGN POLICY TREND TOWARD THIRD WORLD NATIONS SEEN AS REASON FOR RABASA'S RESIGNATION

MEXICO CITY, Dec. 30 (JTA) -- The unexpected resignation of Foreign Minister Emilio O. Rabasa may have been triggered by the storm of criticism in the Mexican press that he went too far in trying to mollify Israel for Mexico's vote in favor of the General Assembly's anti-Zionist resolution adopted Nov. 10.

But some observers here attribute his sudden departure to a basic trend in Mexico's foreign policy toward the Third World and away from the United States which, sources say, was responsible in the first place for Mexico lining up with the Arab-Communist-Third World bloc to identify Zionism as a form of racism.

Rabasa, a close friend of U.S. Secretary of State Henry A. Kissinger, announced his resignation last night without giving a reason but said his decision was "irrevocable." Government sources said he had not been dismissed. His successor, appointed immediately after Rabasa's announcement, is Ambassador Alfonso Garcia Robles, until yesterday, Mexico's Permanent Representative to the UN and the diplomat who cast Mexico's controversial vote in the General Assembly.

Effect on Tourism

That vote sparked a general boycott of Mexico by thousands of American Jews and Jewish organizations who usually take winter vacations in Mexico or hold conventions there. The boycott has taken a heavy toll of Mexico's all-important tourist industry with severe repercussions on this country's economy.

Tourism officials here report that tourism, Mexico's second largest foreign currency earner, is off 35 percent this holiday season, largely as a result of the American Jewish boycott. More than 120,000 cancellations were received for the Christmas week in Mexico City and Acapulco. The loss of Jewish convention business alone is estimated at \$750,000. In addition, non-Jewish groups have canceled conventions here in deference to the sensibilities of Jewish participants.

It was at least partially to save the tourist trade that President Luis Echeverria dispatched Rabasa to Jerusalem earlier this month to "clear up certain misunderstandings" with the Israeli government. Echeverria subsequently met in Mexico City with 15 Jewish leaders from the U.S. and Canada to whom he reportedly pledged that Mexico would no longer support anti-Zionist measures at the UN.

But several days later, Mexico voted in favor of a declaration by the International Women's Year Convention held in Mexico City last summer which equated Zionism with colonialism and apartheid as movements that should be eliminated. The boycott was continued. Rabasa, meanwhile, was attacked in the Mexican press for compromising the nation's honor by apologizing in Jerusalem for acts of his government. Newspapers here denounced his remarks to reporters in the Israeli capital that the misunderstandings had been "forgotten, pardoned and buried." He was taken to task especially for his use of the word "pardoned."

Hitting Back at the U.S.

Observers here say the entire affair must be viewed in the perspective of Mexico's desire to become the leader of Third World forces in Latin America and Echeverria's personal ambition to succeed in the presidency of the General Assembly at its 31st session next year.

Mexico, along with many Third World countries, is not considered to be basically anti-Israel or anti-Zionist but increasingly anti-American. By supporting the Arabs in their drive to isolate Israel diplomatically, these countries are striking at the United States without running the risk of a direct affront to the U.S., whose economic assistance they sorely need.

YARIV: LEVEL OF U.S. MILITARY AID TO ISRAEL IN 1976 EXPECTED TO BE GOOD, BUT IS PESSIMISTIC ABOUT 1976 LEVEL. By Yitzhak Shargil

TEL AVIV, Dec. 30 (JTA) -- Former Communications Minister Aharon Yariv who returned last night from a six-week visit to the United States, said that Israel stood a good chance of receiving all or most of the military aid it has requested from the U.S. this year but warned that it could not expect the same level of assistance to be forthcoming next year.

Yariv, a former chief of military intelligence who held the rank of general before he retired from the army last year, went to Washington last month on behalf of Premier Yitzhak Rabin. His mission was to explain Israel's defense needs to U.S. Congressmen in both houses and especially members of key Congressional committees.

Yariv said he spent more time in Washington than he had originally intended because he had to see almost every Senator and many members of the House in order to explain fully Israel's security needs. "I tried to convince the Senators and Representatives that the balance of power in the Middle East is such that the arms aid to Israel must be approved in its fullest form," Yariv said.

He added that he could not say the aid would be approved because of his efforts, but that they did no harm. He said there was a good chance that Israel's requests would be approved without any serious cuts. But he cautioned that Israel would not be able to make so large an arms request next year.

ZADOK SAYS THERE IS NO BASIC DIFFERENCE BETWEEN U.S. AND ISRAEL ON THE PALESTINIAN QUESTION

TEL AVIV, Dec. 30 (JTA) -- Justice Minister Haim Zadok who returned from an extended visit to the U.S., reported last night that there were no basic differences between Washington and Jerusalem on the Palestinian question. Although Zadok was primarily on a fund-raising mission, he met with several high ranking U.S. officials, including Undersecretary of State for Political Affairs Joseph J. Sisco.

He told reporters that Israelis exaggerated the possibility of a shift in American policy toward the Palestine Liberation Organization.

He said his meeting with Siaco made it clear that the U.S. underestimates Israel's determination not to have any dealings with the PLO and its reasons for refusing to take part in the Jan. 12 Security Council debate on the Middle East, to which the PLO has been invited.

Zadok, who was absent from the last few Cabinet meetings, told reporters that he regarded leaks of classified material from Cabinet sessions and from various ministries as a crime that demanded vigorous investigation. He said the leaks prevented a fair discussion of major issues by the Cabinet.

Zadok also criticized Cabinet members who publicly expressed their disagreement with certain government policies. He said a minister had the right to take issue privately with his colleagues but no right to sit in the Cabinet and at the same time criticize or try to frustrate government policy in statements to the media. Such a minister should resign, Zadok said.

RABIN TO FIGHT PROTECTION RACKETS

JERUSALEM, Dec. 30 (JTA) -- Premier Yitzhak Rabin has decided to become personally involved in efforts to eliminate the protection racket that is preying on merchants in Israel's large cities. Rabin revealed his intention at yesterday's Cabinet session after Welfare Minister Ze'evulun Hammer said the phenomenon is growing and needs increasing police resources to curb it.

Police Minister Shlomo Hillel, who last week said the police could not control the racket because the victims were afraid to talk, told the Cabinet that the police are trying to eliminate the racket. The protection racket has been receiving more public attention with the increasing violent incidents that have occurred. The existence of an extensive network of extortionists in Haifa came to light recently after an incidence of violence during which a hand grenade was tossed into a local vegetable market.

BORDER INCIDENTS INCREASE

TEL AVIV, Dec. 30 (JTA) -- Israeli forces conducted a dragnet operation inside Lebanon yesterday following an upsurge of terrorist activity along the border. A checkpoint was established by Israeli troops on the Adasiyeh-Marjayoun road to screen possible terrorists and collaborators. Three Lebanese suspects were taken to Israel for questioning.

The incidents that sparked the latest anti-terrorist measures included a bazooka attack yesterday on the Israeli border village of Margalit. One shell penetrated two walls in the bedroom of the Mansour Margani family, and exploded in an outer bathroom causing damage but no casualties. The shell passed two feet over the beds where four children were asleep at the time.

In another incident, an Israeli patrol came under bazooka and small-arms fire from a car speeding along a parallel road on the Lebanese side of the border. The hit and run attack which caused no casualties, occurred just south of Migav Am. Bazooka shells were aimed at that settlement as well but caused no casualties or damage. The fire was returned. At about the same time, bazooka shells and small arms were fired at the police station at Zar'it near the

Lebanese border, again without causing casualties or damage.

ISRAEL THANKED FOR VOTE AT UN

NEW YORK, Dec. 30 (JTA) -- Chaim Herzog, Israel's Ambassador to the UN, told the Jewish Telegraphic Agency in a telephone interview yesterday from San Juan, Puerto Rico, that the Governor of the Virgin Islands, Cyril King, has publicly thanked Israel for voting along with the United States against a UN General Assembly resolution condemning the "imperialistic" U.S. military presence in the Virgin Islands.

The resolution, adopted earlier this month by a vote of 108-3, called upon "colonial powers to withdraw immediately and unconditionally from their military bases and installations from colonial territories and to refrain from establishing new ones." The third country voting against the resolution was Nicaragua.

Herzog, who stopped in San Juan on his way back from the Virgin Islands to the U.S., said he addressed some 300 members of the Jewish community of St. Thomas last Sunday night at a gathering for the United Jewish Appeal. Among those attending was King. According to Herzog, the gathering was the largest in the history of the Jewish community.

JULIUS BORENSTEIN DEAD AT 88

NEW YORK, Dec. 30 (JTA) -- Funeral services will be held tomorrow for Julius Borenstein, a Bronx builder and chairman of the YIVO Institute for Jewish Research. He died yesterday at the age of 88. Born in Rachov in Russian Poland, Mr. Borenstein fled Czarist military service and came to the United States in 1909. He was determined to encourage the survival of Jewish culture in the U.S. and helped bring the YIVO Institute to New York from Vilna in 1940.

He was also chairman of the Committee for the Jewish Encyclopedia and of the magazine *Zukunft*, a former vice-president and treasurer of the Workmen's Circle and vice-president of the Congress for Jewish Culture and the Jewish Labor Committee. Mr. Borenstein was in the real estate business since 1924 and was a past president of the Bronx Real Estate Board.

MANDY IS DANDY

TEL AVIV, Dec. 30 (JTA) -- A key figure in the 1963 scandal in Britain that led to the resignation of War Minister John Profumo and rocked the upper echelons of government has begun a new stage career in Israel. Mandy Rice-Davies, 30, is receiving plaudits for her performance in "Who's Afraid of Marriage," a Hebrew adaptation of the Broadway stage hit, "The Marriage-Go-Round." Miss Rice-Davies, who came to Israel 10 years ago, married an Israeli and became a successful restaurant owner, plays the part of a woman who wants to have the perfect child and goes about finding the perfect father.

JERUSALEM (JTA) -- Despite the perennial housing shortage, 25% of the nation's households have more than ample living space.