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RABIN: ISRAEL LOCKED IN 'BITTER ARGUMENT' WITH U.S. OVER PLAN TO SELL MILITARY HARDWARE TO EGYPT

By David Landau

JERUSALEM, March 10 (JTA)--Premier Yitzhak Rabin conceded in the Knesset today that Israel is locked in a "bitter argument" with the U.S. over the Ford Administration's intention to sell arms to Egypt. He said the argument was "bitter" precisely because the issue was of crucial importance to Israel and because America is Israel's "best friend in the world."

Rabin, who spoke in reply to four agenda motions on the issue of U.S. arms sales to Egypt, said his government would seek to explain to the Ford Administration that the sale of arms to Egypt could lead to disaster in the Middle East. Israel will "do everything we can" to "prevent the final arms sales decision being taken," Rabin pledged. He denied a charge by Likud MK Haim Landau that he had deliberately withheld information on the projected U.S. weapons supply to Egypt from the Knesset and the Cabinet.

The Premier said that he had reported immediately on his return from the U.S. last month that Secretary of State Henry A. Kissinger had informed him of Washington's plan to sell Egypt six Hercules C-130 military transport planes. He said he made his report to the Cabinet and to the Knesset's foreign affairs and security committee.

Israel's first knowledge of the C-130 deal with Egypt came on Feb. 3 when Kissinger informed Rabin of the plans in Los Angeles. On March 1, Undersecretary of State Joseph J. Sisco summoned Israeli Ambassador Simcha Dinitz and told him the U.S. was also considering the sale of other military equipment to Egypt. Dinitz was instructed immediately to ask for an urgent meeting with Kissinger to express Israel's vigorous objection in principle to a U.S. arms relationship with Egypt. The Israeli envoy lodged Israel's protest last week, Rabin said.

Concerned Over Arms Supply Precedent

The Premier said Israel explained to the U.S. that it was less concerned over the particular items to be sold to Egypt than over the creation of an "arms supply precedent." Rabin said Israel had three causes for anxiety:

Any additional weaponry supplied to the Arabs increased the threat to Israel's security; American equipment is superior to Soviet equipment in many instances and Egypt would therefore benefit from the best that each superpower has to offer, while Israel would lose the advantage it has had until now of being able to confront Soviet weapons in Arab hands with superior American equipment; arms sales to Egypt would change the situation in which the U.S. hitherto has balanced Soviet arms supplies to the Arabs by supplying arms to Israel.

If the U.S. begins to supply Egypt, it would become "an accelerating factor" in the arms race rather than a balancing factor, Rabin said.

Landau accused the government of "waking up at the 11th hour" and asked, "Are we to swallow Kissinger's sedative pills?" His motion and the three others on the same issue were referred to the Knesset Foreign Affairs and Security Committee.

PLO DISCLOSES PLAN TO ELIMINATE ISRAEL BY DEMOGRAPHIC CHANGES

UNITED NATIONS, March 10 (JTA)--The Palestine Liberation Organization disclosed yesterday its plan to eliminate the State of Israel by overwhelming it demographically. According to Zehdi Labib Terzi, the PLO observer at the UN, all that is required is the return of Palestinian refugees to the homes and property they left in 1948 and 1949, a right which Terzi claims is inherent in UN resolutions.

"That return would alter the demographic balance in Israel to such an extent that it would destroy its (Israel's) Zionist exclusionist character," Terzi said. Once back in their homes, the Palestinians would "exercise their inalienable right to self-determination, national independence and sovereignty," he said.

Terzi unveiled the PLO's strategy in an appearance before the Committee on the Exercise of the Inalienable Rights of the Palestinian People which was established by the General Assembly last fall over the objections of the U.S. and Israel. Israel said it does not recognize the committee and will not be bound by any recommendations it may produce. Of the 20 member nations, only two have diplomatic relations with Israel.

The PLO spokesman said the plan would require two stages--first the return of refugees who left the Gaza Strip and West Bank in the 1967 war to be followed by the return of all Palestinians to what is now Israel. He indicated this could be accompanied by other "political or territorial arrangements" but did not elaborate.

ISRAEL WILL NOT BE INTIMIDATED BY SYRIAN BRINKMANSHIP WHEN UNDOF COMES UP FOR RENEWAL, RABIN TELLS KNESSET

Denies Secret Pledges Bt Israel
By David Landau

JERUSALEM, March 10 (JTA)--Premier Yitzhak Rabin told the Knesset today that Israel would not be intimidated by Syrian "brinkmanship" when the mandate of the United Nations Disengagement Observer Force (UNDOF) comes up for renewal May 31. Israel will "oppose any attempt at political blackmail in return for a renewal of the mandate," Rabin declared in reply to Likud motions.

The Premier also denied flatly Egyptian President Anwar Sadat's statement in Kuwait last week that Secretary of State Henry A. Kissinger had conveyed to him secret pledges by Israel not to attack Syria and to enter negotiations with Syria for an interim accord on the Golan Heights.

According to Sadat, these alleged undertakings by Israel were included in the Sinai interim accord between Israel and Egypt signed last September. Sadat claimed further that the U.S. had pledged to press for the participation of the Palestine Liberation Organization in future Middle East peace talks. Rabin insisted today that Israel gave no promises, secret or otherwise that would "limit its freedom of decision or action on the Syrian front." He said anyone who claimed otherwise was lying. He also said Israel knew nothing of any alleged pledge by Kissinger regarding the PLO.

Rabin referred the Knesset to Kissinger's testimony to the House International Relations Committee last week in which the Secretary declared

that all pledges by the U.S. or involving the U.S. that were included in the Sinai interim agreement have been disclosed to Congress and that the U.S. position on the PLO remains unchanged. That position, Kissinger said, was that the U.S. opposed PLO participation in peace talks unless the PLO accepted Security Council Resolutions 242 and 338 and recognized Israel's right to exist.

"I do not think it would be wise for me to do more than cite the Secretary's words," Rabin said. With respect to Syria, he said Israel was committed only to "peace talks without preconditions" and to examine the prospects for end-of-war or non-belligerence talks.

He warned that if Syria attempted to exploit "world sensitivity" over the UNDOF renewal and try to wrest political advantages from it as it did last November, Israel would assess the situation "quietly and confidently" with the knowledge that it had the military muscle to stand up to Syrian extremism.

Aimed At Washington And Damascus

Rabin's tough talk was seen by observers to be aimed as much at Washington as at Damascus. Rabin is known to believe that the U.S. was certain last November that Israel was not prepared to risk war on the Golan Heights and therefore could be persuaded to agree to Syrian conditions for renewal of the UNDOF mandate. For that reason, Rabin is said to believe, Washington rejected Israel's urging that it veto the Security Council's resolution acceding to Syria's demand for a Middle East debate to which the PLO was invited.

The debate began Jan. 12 with the PLO participating, a significant diplomatic success for Damascus which Israel does not want repeated. For that reason, sources here said, Rabin is determined to convince the U.S. in advance of the upcoming UNDOF deadline that it is prepared to face down any Syrian threat and even run the risk of renewed hostilities on the Golan Heights rather than accede to another Syrian success at Israel's expense.

Words Of Warning For Jordan

Rabin had words of warning today for Jordan not to be "led astray" by the Syrians. He also appealed to "those forces in Lebanon who desire even a minimal level of Lebanese independence to consider carefully where Syria stands." Rabin charged that since Israel's interim agreement with Egypt, Syria has followed an "extremist policy" trying to establish an eastern front with Jordan and broader Arab support for its hard line. He said Syria's intervention into the Lebanese civil war was part of Damascus' overall policy.

Rabin concluded his remarks by warning the opposition factions not to sow artificial panic in Israel "for internal political considerations." The Likud motion was stricken from the Knesset agenda by a vote of 43-16.

BROOMFIELD SAYS FORD HAS INDICATED HE WILL NOT BACK OFF ON SELLING ARMS TO EGYPT DESPITE OPPOSITION

By Joseph Polakoff

WASHINGTON, March 10 (JTA)--A high Republican Congressional leader told the Jewish Telegraphic Agency today that President Ford has indicated to him he "would not back off" from opening a U.S. military supply relationship with Egypt despite the strong opposition to it by Israeli and pro-Israeli supporters in the United States.

Rep. William Broomfield (R. Mich.) said he saw the President last night at the White House and expressed to him that "substantial reservation and opposition and concern" existed in the House International Relations Committee against the Administration's move to provide Egypt with six of the huge C-130 troop transport aircraft.

Broomfield said he told Ford that he was expressing the feeling of a "number of members" of the committee on behalf of himself and the panel's chairman Rep. Thomas Morgan (D. Pa.). Broomfield is the committee's highest ranking Republican member. Asked by the JTA for the President's reaction, Broomfield said: "The President thought it (the supply of the planes to Egypt) was a reasonable request and did not give any indication he would back off."

Fisher Met With Ford

Broomfield said he brought up the matter during his appointment with Ford on another subject. His visit followed the meeting between the President and Max Fisher, the Detroit industrialist who was described at the White House as a "close friend" of the Chief Executive. Fisher said today that he had "no comment" when he was asked by the JTA for a statement on his 45-minute meeting with the President.

When Presidential press secretary Ron Nessen was asked yesterday in advance of the Fisher meeting whether Fisher was to discuss the arms program, Nessen replied his "assumption" was that Fisher was to see the President about fundraising for Ford's election campaign.

However, sources indicated that Fisher also expressed the concern in the American Jewish community about the Administration's opening of a broad arms program that is understood to include fighter aircraft, anti-tank weapons, missiles and helicopters.

For the present and until after the elections in November, according to reports, the Administration will not go beyond the sale of the C-130s. This schedule was reported to have been laid down by Ford to Secretary of State Henry A. Kissinger last week after the Administration's disclosure of arms for Egypt raised a storm in Israel and a fury among pro-Israelis in the U.S. (See related Ford story P.3)

ACT TO PRESERVE HISTORY OF JEWISH COMMUNITIES IN NORTHEASTERN HOLLAND

AMSTERDAM, March 10 (JTA)--The Province of Groningen in northeastern Holland has undertaken to preserve the history of the Jewish communities that resided there before World War II whose archives were destroyed during the Nazi occupation. The provincial authorities announced that they would register all gravestones in the Jewish cemeteries in Groningen and record the inscriptions on each in book form.

The gravestones are virtually the only surviving record of the several thousand Jews who lived in Groningen city and various provincial towns and villages before the war. The majority of them were deported by the Nazis. The survivors moved to other parts of Holland or settled in Israel and other countries. There are presently only two Jewish congregations in the province and most of the cemeteries are no longer in use.

FOREIGN CURRENCY INVESTMENTS

JERUSALEM, March 10 (JTA)--A government-appointed committee has recommended that in-

vestments in Israel in foreign currency should be "linked" to the dollar to protect them against ongoing devaluation of the Israeli Pound. Without such protection (as is the situation at present), such investments are apt to drop steeply over a relatively brief time span.

For example, the committee explained, a \$100,000 investment in January, 1974 would have gotten IL 420,000. By the end of 1974, that IL 420,000 was worth only \$60,000. The government's experts believe this situation accounts in part at least for the current fall-off in foreign investments.

The committee, under auditor Shalom Ronel, who was a member of the five-member Ben-Shahar committee on tax reform, proposed that the real value of the investment dollar be maintained--even after it is translated into Israeli Pounds. It urged that firms be allowed to allocate sums out of the profits--as tax-free expenses--to make good the loss incurred to their foreign investments value through devaluation.

Thus, to take the previous example, if the firm made IL 500,000 profits during 1974, it would be allowed to take IL 280,000--the difference between the old rate and new rate of the dollar investment--before taxes, and put it back into the company's capital funds. Also the committee recommended that money put aside to pay out future dividends should be tax free (in order to keep up the value of dividends.)

FORD: U.S. SUPPORT OF ISRAEL IS NOT A PARTISAN ISSUE

WASHINGTON, March 10 (JTA)--President Ford told a delegation of B'nai B'rith Women at the White House yesterday that the support of Israel by the United States is a non-partisan issue and expressed confidence that its audience have "a great sense of pride" in America.

"The United States has long had a history of supporting the government of Israel," Ford said according to a transcript of his remarks made available at the White House today. "I think all of us recognize that this is an issue that is not partisan. Great Democratic presidents, great Republican presidents have stood firm and fast in recommending programs, recommending policies recommending appropriations for the security and survival of Israel and this Administration is doing exactly the same thing."

Ford added: "We recognize, of course, that Israel is a democratic country in an area that is controversial, complex, volatile and the three million-plus citizens of Israel, because of their staunch and steadfast defense of freedom, need the help and assistance of 215 million Americans whether they are Democrats or Republicans."

Emphasizes Pride In America

Noting that "over the years America has welcomed people from all over the world" and "the net result is we have a special character, a special strength in this country," Ford said, "we are so fortunate in this great country and it is our obligation and our responsibility, regardless of any political persuasion that we may have to stand tall and strong for America at home and America abroad."

The President concluded, "I know that in the breasts and the minds of each and every one of you, as it is in all of your fellow Americans, a great sense of pride in this country and I literally at night when I go to sleep, say to myself, and I think you probably do too, that I am proud to be an

American and I am proud of America."

Ford made his remarks in an unscheduled appearance in the White House East Room where the B'nai B'rith Women were participating in a Bicentennial presentation.

ISRAEL SUPPORTER INVITED TO EGYPT

PARIS, March 10 (JTA)--One of the biggest supporters here of Israel's cause, singer Enrico Macias, said last night that the Egyptian Embassy had invited him to come to Egypt for a series of concerts. Macias, who has often been at the top of the French box office, told the French television that his impresario had been informed by the Egyptian Embassy that he would be welcomed in Egypt because peace with Israel was about to come.

The Embassy would not comment on the information. Macias' impresario said the singer would refuse the invitation. Macias, born in Algeria, came to France with thousands of North African Jewish emigrants after Algerian independence in 1962. The singer, well-known among Israel's Oriental and Asian population, flew to Tel Aviv to entertain Israeli troops during the Yom Kippur War.

NO TRACES OF RACISM IN ISRAEL

JERUSALEM, March 10 (JTA)--A group of 12 district attorneys from the United States said that they had found no traces of racism in Israel during their nine-day tour of the country at the invitation of Justice Minister Haim Zadok. They said the results of their visit only confirmed their condemnation of the United Nations General Assembly's resolution that equated Zionism with racism. They also assailed the UN for "glamorizing" terrorism--an apparent reference to its recognition of the PLO--which, they said, undermines law and order all over the world.

The visit to Israel was sponsored by the National District Attorney's Association in cooperation with the American Zionist Federation and was undertaken on Zadok's invitation. The group was headed by Robert Leonard, of Flint, Mich., the Association's president. During their stay in Israel, the group studied the country's legal and penal systems including such aspects as courtroom procedure, appeals, incarceration and capital punishment. They met with government and law enforcement officials, Knesset members and Arab leaders from the administered territories.

WASHINGTON (JTA)--Representatives Edward Koch (D,NY) and Peter Peyser (R,NY) have challenged Soviet officials to allow the International Red Cross to conduct an impartial inspection of Soviet prisons to determine how political prisoners in the Soviet Union are treated. Citing a recently issued report by "Amnesty International," the Congressmen asserted that the Soviet Union was in violation of the human rights provisions of the Helsinki Accord, and had a duty to allow an impartial inspection.

JERUSALEM (JTA)--Flags flew at half mast Tuesday as the annual memorial services were held on Mt. Herzl for Israeli soldiers missing in action and presumed dead. Defense Minister Shimon Peres delivered the eulogy. "In pride, not merely in sorrow, we salute these tombless headstones," he said.

NEW YORK (JTA)--Deborah Samulovich, noted Soviet Jewish engineer, has received permission to emigrate to Israel, the New York Engineers Council for Soviet Jewry reported. She applied for an exit visa in 1974.

BEHIND THE HEADLINES NO BED OF ROSES FOR RABIN

By Tuvia Mendelson and David Landau

JERUSALEM, March 10 (JTA)--Many political observers and a large section of the news media are expressing serious doubts over whether former Premier Golda Meir's inclusion in the Labor Party's new leadership forum can rescue the floundering party from the ideological storms and financial ills that threaten to rend it asunder.

Some sources are suggesting that Mrs. Meir's return to an active role in Labor Party politics for the first time since she retired from the Premiership in 1974 poses a distinct threat to Premier Yitzhak Rabin's shaky power base. These sources contend that Rabin, though nominal head of the party, has never succeeded in getting a grip on its leadership.

The former Premier, who is now 77, agreed during a private meeting with Rabin and other ministers and Labor Party leaders at her Tel Aviv home last week to participate in the leadership forum. That body, which includes representatives of the three old factions that comprise Labor--Mapai, Achdut Avoda and Rafi--will hopefully serve as a binding force, resolve intra-party disputes, set policy and restore confidence in Israel's governing party.

Mrs. Meir is still immensely popular with many Israelis, and, having been in retirement for two years, represents a "new face." But some Laborites have expressed astonishment that the leadership forum was established with the conspicuous absence of former Foreign Minister Abba Eban and former Defense Minister Moshe Dayan.

See Victory For Hard Line

Others say, however, that with Meir "back in action" the party can hope for new life. "The party needs a leader, there is no doubt about that, and it will not be hard for Golda to fit into this role," one source observed. The question posed by many is whether this will be at the expense of Rabin and whether it presages the party's shift away from the "doveish" tendencies of the Rabin government toward the "hard line" in foreign policy that Mrs. Meir personified during her tenure in office--some say intractably.

The newspaper Haaretz quoted un-named "top Labor Party leaders" as saying that Meir's comeback "is a hard blow to the Prime Minister." Daniel Bloch, political correspondent of the Histadrut newspaper Davar, wondered whether there was no possibility for the Labor Party to revive itself without summoning one of its oldest hands out of retirement. "It is something like calling back an old nanny to educate the children who never got used to the young teacher," Bloch wrote.

The feeling inside and out of the Labor Party seems to be that the creation of the leadership forum is a temporary measure from which Rabin hopes to gain time to confront the crucial issues that threaten the party and his government. Critics maintain it is a palliative which, even with Mrs. Meir's presence, will have less political clout than the former Premier's famous "kitchen cabinet."

Many observers view the latest development as symptomatic of the leadership vacuum which must be filled--not by Mrs. Meir, if only because of her advanced age--but by someone other than Rabin.

Zadok's Role Assessed

In that connection, many political pundits are beginning to look with interest at Justice Minister Haim Zadok who appears to be rapidly making himself an indispensable figure in the Rabin Cabinet. Zadok, a 63-year-old lawyer, was included in the new leadership forum. His name is being mentioned increasingly as a possible successor to Rabin, primarily because the man regarded as Rabin's chief rival, Defense Minister Shimon Peres, is too controversial within the party for the top leadership position.

Zadok is not unaware of the talk. With consummate skill; however, he has been careful to maintain a low profile at this stage and to do nothing which could be construed as a challenge to Rabin. In policy matters, such as the bitter debate over the government's assent to explore non-belligerency as a Middle East diplomatic goal, Zadok has lined up squarely with the Premier and has proven to be an eloquent spokesman for his policies. But political observers say the astute Zadok is biding his time and will advance his candidacy for party and national leadership when the time seems most propitious.

DAVIDOVICH SUFFERS HEART ATTACK

NEW YORK, March 10 (JTA)--The National Conference on Soviet Jewry has learned that Col. Yefim Davidovich has recently suffered an additional heart attack. His first in 1969 resulted in the Soviet Jewish activist's retirement. For the last five years, Davidovich has suffered continual harassment and persecution by Soviet authorities because of his desire to emigrate to Israel, and his protests against Soviet anti-Semitism. During World War II, Davidovich was wounded five times and decorated on 15 occasions.

On the 30th anniversary of the defeat of the Nazis on May 9, 1975, Davidovich in full military uniform and war decorations addressed an audience of almost 1000 Jews assembled in the area of the old Minak ghetto, the NCSJ reported. In defiance of local authorities the participants held a memorial service for the Jewish martyrs of World War II. Two days later, Davidovich was notified by the authorities that he had been deprived of his rank and army pension.

STRINGENT SAFEGUARDS FOR U.S. NUCLEAR PLANTS IN ISRAEL, EGYPT

WASHINGTON, March 10 (JTA)--Secretary of State Henry A. Kissinger told the Senate yesterday that nuclear plants being considered for Israel and Egypt by the United States will be provided "under safeguards more stringent than anywhere else."

He made that statement before the Senate Government Operations Committee where he testified on the proliferation of nuclear power and weaponry. Sen. Charles Percy (R., Ill.) asked him about the state of negotiations with Egypt which were initiated last November when President Anwar Sadat was in Washington. Percy mentioned that some thought the delivery of plants to the Middle East might be "reckless policy."

Kissinger replied that U.S. arrangements with Egypt "and Israel for that matter" under the "tentative agreements" provide safeguards that include a ban on storing plutonium in either country and a prohibition on reprocessing in those countries. Referring to the Egyptian reactor, Kissinger said "the actual agreement is still under negotiation" and he could not project when it will be concluded.