

STATE DEPARTMENT CONFIRMS MOVES TO SELL EGYPT \$200 MILLION IN TRANSPORT, RECONNAISSANCE PLANES

By David Ettinger

WASHINGTON, July 27 (JTA)--The State Department confirmed today that "discussions are going forward" between key members of Congress and the Administration on a projected sale of military reconnaissance and transport planes to Egypt.

Department spokesman Hodding-Carter said "this matter is currently being discussed with members of Congress." But Carter declined to go into detail citing the "confidential" nature of the discussions. It was reported today that the Carter Administration, in an apparent gesture of support for Egyptian President Anwar Sadat, has privately informed key members of Congress that it would like to sell Egypt more than \$200 million in military reconnaissance and transport planes.

According to news accounts, which cited State Department and Congressional sources, the Administration has informed Congress it would like to sell Egypt 14 C-130 Hercules military transports for ferrying troops and supplies, costing about \$180 million; 12 pilotless reconnaissance drone aircraft costing about \$30 million for use over the Sinai; and six sophisticated reconnaissance cameras for aircraft already in operation in Egypt at a cost of \$7 million.

In addition, Egyptian military officers would be trained at staff level schools in the United States at a cost of \$100,000.

Basis For Move Explained

Commenting on the proposed sale, Hodding Carter noted that "President Sadat has ended his dependence on the Soviet Union and has expressed his desire to diversify Egyptian arms supplies. We see it clearly in our interest to assist him where possible."

Supporters of Israel here have said they will not oppose the Administration's request as long as it is limited to "non-lethal" equipment and does not include fighter planes and anti-tank missiles. They said they accepted the Administration's need to maintain close ties with Egypt especially while peace efforts are currently underway.

The sale was seen as a show of support to Egyptian President Sadat on the eve of Secretary of State Cyrus Vance's trip to the Middle East. Administration officials also explained that Egypt wanted the C-130s because its 30 Soviet transport planes are virtually useless because of age and lack of spare parts. Last year, the Ford Administration received approval from Congress to sell Egypt six C-130s after pledging not to seek additional sales to Egypt during the rest of 1976.

KNESSET MOVES ON IKRIT-BARAM ISSUE

JERUSALEM, July 27 (JTA)--The Knesset acted today to settle a long-simmering issue involving Israel's treatment of its Arab population. The government coalition, supported by a number of Labor Alignment MKs, voted to refer to committee the question of repatriating some 200 Arab Christians to the site of their former homes near the Lebanese border.

The Arabs, who belong to the Maronite and Greek Catholic communities, were removed from the villages of Ikrit and Baram by the Israeli army nearly 30 years ago for reasons of security. Although promised repatriation, successive Labor-led governments offered them compensation instead on grounds that the security situation still prevailed. The two villages were subsequently razed by the army.

Several years ago the villagers petitioned for return and demonstrated peacefully with the support of many Israeli Jews. But the government, then headed by Premier Golda Meir, was adamant. It argued that repatriation would set a precedent for other Arab villagers displaced from their homes during Israel's War for Independence in 1948.

Today's motion was sponsored by Akiva Nof of the Democratic Movement for Change. Objections were raised by Labor MKs who noted that Jewish settlers now cultivate some of the land that once belonged to Ikrit and Baram. But the villagers have said they would not reclaim the land now under cultivation.

BEGIN DEFENDS DECISION TO LEGALIZE 3 SETTLEMENTS ON WEST BANK; REGRETS REBUKE BY VANCE; SAYS WEST BANK IS NEITHER OCCUPIED NOR CONQUERED AREA

By David Landau

JERUSALEM, July 27 (JTA)--Premier Menachem Begin today strongly defended his government's decision to legalize three Jewish settlements on the West Bank. He expressed "deep regret" and "deep disappointment" at the rebuke by Secretary of State Cyrus Vance for the action. He rejected Vance's charge that Israel had acted in violation of international law and the Geneva Convention governing occupied territories.

Begin asserted that the Judea and Samaria regions were neither occupied nor conquered territory, that Jews had a perfect right to settle there and that the decision of the Ministerial Settlement Committee was no more than a routine action intended to legalize a de facto situation. "No injury of injustice will be caused to a single Arab family," Begin said.

The Premier's defense of his settlement policy took up a large part of his report to the Knesset today on his recently ended mission to Washington. His remarks were followed by a lively debate during which Labor Alignment leader Shimon Peres sharply criticized the government's lack of flexibility. He warned that by refusing to contemplate any compromise on the West Bank, the quest for a full peace settlement with the Arabs was probably doomed to failure. He suggested that the government seek further interim agreements with individual Arab states instead.

Peres also took issue with Begin's failure to brief the Knesset's Foreign Affairs and Security Committee before appearing before the plenum--a deviation from the regular practice preceding a report to the Knesset. He charged that after only 36 days in office, the new government was behaving in a "capricious" manner toward parliament and

its duly constituted committees. Begin and other Likud members angrily denied the charge.

But it was apparent that Begin still holds the Foreign Affairs and Security Committee responsible for "leaking" portions of his "peace plan" to the press before it was presented to President Carter.

Sees No U.S.-Israel Split

The Premier sought to justify and rationalize the grant of legal status to the three West Bank settlements which had been established in defiance of the previous Labor-led government. The settlements are Ofra, Maale Edumim and Elon Moreh, the latter near the military base at Kadum not far from the Arab city of Nablus. Begin also insisted that he had resolved with Carter that their differences over borders, the Palestinians and Jewish settlements "will not bring about a split between our countries."

(In Washington today, Carter told reporters that he backed the State Department's condemnation of Israel's action on the settlements. "The statement that the Secretary of State made speaks for me," Carter said. At the same time, United Nations Secretary General Kurt Waldheim today condemned Israel's move. He termed it unfortunate and cautioned that Middle East peace talks would be affected. See separate story.)

Begin claimed that Jewish settlements on the West Bank were not illegal because the Knesset had passed an enabling law in June, 1967 permitting the government, by administrative ordinance, to apply Israeli law to any part of the administered territories. So far, that power has been exercised only in East Jerusalem.

Begin claimed that Israel was not an "occupier" in the sense of international law because Jordan, which held the West Bank until 1967, had illegally annexed it in 1949 and had itself violated international law in 1967 by its aggression against Israel. Legal observers pointed out, however, that in the U.S. view, the 1967 enabling act itself contravened international law and the same position was taken by the UN Security Council at the time.

No Hint Of Future Settlements

When MK Shulamit Aloni of the Civil Rights Party interjected from the floor that Israel's Supreme Court has held that Israeli authorities must observe international law in the administered territories, Begin retorted, "I am not talking about law, I am talking about substance."

Begin gave no hint as to whether further Jewish settlements were being planned at this time. At a press conference yesterday, Minister of Agriculture Ariel Sharon who heads the Ministerial Settlement Committee, refused to "confirm or deny" that plans for new settlements would be "delayed" following Begin's visit to Washington. Begin's report to the Knesset on his American trip was largely a restatement of his remarks when he landed at Ben Gurion Airport Monday morning and his public statements in the U.S.

Says Law Of Return Will Be Amended

The Premier was enthusiastic in his praise of Rabbi Alexander Schindler, chairman of the Conference of Presidents of Major American Jewish Organizations. He said that Schindler, a Reform rabbi, had acted to unite American Jews behind the new Israeli government.

Begin also reported that he had rejected appeals from the leaders of Reform and Conservative Judaism in the U.S. not to amend the Law of Return to bar recognition of conversions by non-Orthodox rabbis. Begin said he was personally and politically committed to the amendment. He said that the two groups

would send a delegation to Israel soon to meet with all parties and seek an agreed solution to their grievances.

Peres, in his remarks, accused Begin of deliberately concentrating on the procedures of peace negotiations during his talks in Washington in order to avoid discussion of the substantive issues of peacemaking. He charged that the Premier had preferred short-term political gains at the cost of worsening relations with the U.S. later.

When Likud MKs shouted, "What Labor government positions did the U.S. ever support," Peres replied that while there had been differences with the previous government, they were narrower. He said that by striving for "political coordination" with Washington, the previous government sometimes succeeded in swaying U.S. policy in a more favorable direction. He said it was a pity that the Premier had not shown the same flexibility on matters of substance that he had on matters of procedure.

CARTER STILL OPTIMISTIC ABOUT PROSPECTS FOR MIDEAST SETTLEMENT

WASHINGTON, July 27 (JTA)--Two Senators who met with President Carter today said he was optimistic about prospects for a Middle East settlement and did not consider the Israeli government's move yesterday to legalize three Jewish settlements on the West Bank as a major obstacle to such an agreement. Sens. Howard Metzenbaum (D. Ohio) and George McGovern (D. SD) spoke to reporters after Carter met with a group of Senators in a session devoted largely to domestic issues.

Asked about the West Bank settlements, Metzenbaum told reporters: "I don't think the President felt it was an affront or a slap in the face. I cannot say he accepted it, but he did see it as a reality and did not consider it a negative step."

When Metzenbaum was questioned about the differences between what he said and the State Department's sharp reaction yesterday over the legalization of the settlements, the Ohioan replied, "He (Carter) did not make it into a major issue." He added, "I think the President feels optimistic that negotiations will be meaningful and will lead to a solution in the Middle East."

However, the President later told reporters that he backed the State Department's condemnation of Israel on the settlements. "The statement that the Secretary of State made speaks for me," Carter said.

McGovern said "The President seemed more optimistic" about the progress toward Mideast peace than he did. He feels the Geneva peace conference will go forward and that differences can be resolved between Arabs and Israelis."

At the United Nations, Secretary General Kurt Waldheim criticized Israel's move to legalize the three Jewish settlements and recalled that in an official statement on the subject last November, Security Council President Jorge Illueca of Panama said Israel's move to establish settlements in the occupied territories was illegal.

STATE DEPARTMENT CAUGHT BY SURPRISE

By David Ettinger

WASHINGTON, July 27 (JTA)--The U.S. was caught by surprise by the Israeli action yesterday legalizing three settlements on the West Bank, it was learned here today.

Despite speculation that Premier Menachem Begin raised the issue with the President during his recent discussions, the State Department said yesterday "The United States government had no

advance notice of these steps by the Israeli government." However, the broader question of Israeli settlements in the occupied territories was brought up during the Carter-Begin talks, it was learned.

Asked what the State Department meant by the term "legalized," a Department spokesman said "our understanding is that these settlements are now authorized, ex-post facto, by the Israeli government." He reiterated that in the U.S. view the Israeli action was in violation of the Fourth Geneva Convention on the Protection of Civilian Persons in Time of War. Article 49 of that Convention states "the occupying power shall not deport or transfer parts of its own civilian population into the territory it occupies."

Dinitz Explains Israel's Move

In a related development, Israeli Ambassador Simcha Dinitz met yesterday with Secretary of State Cyrus Vance in a session "primarily devoted to summing up the views before his (Vance's) departure" for the Middle East next Sunday.

According to Dinitz, "the question of settlements was also raised. In this there was really no big discussion because what the United States had to say on the matter was said earlier by the spokesman of the State Department and our position on it was also clear. So this is one of the issues in which each of us had its own policy and its own position on the matter." Dinitz said "there was no agreement" on the question of the settlements during Begin's talks with Carter.

Asked why the State Department had not been notified in advance of the announcement regarding the settlements, he said he had received "no complaint, neither on the part of the State Department nor the Secretary on the lack of communication between us on this matter." Dinitz categorized the state of Israeli-American relations as "good. I think we have a high degree of understanding, a great degree of confidence."

Dinitz's remarks came after the Secretary of State told newsmen that "we are deeply disappointed at (the Israeli action)... and are of the opinion that the placing of these settlements is contrary to international law and presents an obstacle to progress towards peace."

Vance leaves Sunday for a 12-day trip to the Middle East although no itinerary has been released. It was learned, however, that he would visit Egypt, Syria, Saudi Arabia, Jordan, and possibly Lebanon as well as Israel. State Department spokesman Hodding Carter today denied speculation that Vance intended to engage in "shuttle diplomacy" between Israel and the Arab capitals. Vance will hold a news conference Friday in which it is expected he will discuss details of the trip.

II INJURED IN BOMB EXPLOSION

TEL AVIV, July 27 (JTA)--Eleven persons were injured today when a bomb exploded in the busy Carmel marketplace just off Allenby Road in the heart of Tel Aviv. Police have detained several suspects including a youth said to have tossed the bomb into a coffee roasting shop while fleeing pursuers. An investigation is underway.

The incident was the third in recent weeks in which shoppers were injured. Earlier bombings occurred in the Petach Tikva marketplace and in a Nahariya supermarket, indicating that the perpetrators intended to cause maximum casualties. Today's victims included a number of housewives doing their pre-Sabbath shopping.

According to eye-witnesses, the 13-year-old son of a vendor noticed a youth of about 18 trying to

shove a parcel under a cart. He alerted his father and neighboring vendors who pursued the youth. The latter threw the parcel into the coffee shop where it exploded.

WEIZMAN URGES LIBERAL STANCE TOWARD WEST BANK POPULACE, NOTABLES

TEL AVIV, July 27 (JTA)--Defense Minister Ezer Weizman has instructed the military government of the West Bank to allow maximum autonomy to local Arab authorities and to treat them with patience and understanding. He laid down his policy at the annual meeting of the military governors and their aides. He was accompanied by Chief of Staff Gen. Mordechai Gur.

Both officials said the Israeli military should adopt a liberal stance toward the Arab population in the Judea and Samaria regions and that the Arab mayors there should be allowed to raise funds for their localities. Weizman stressed that it was important for the Israeli authorities to refrain as much as possible from interfering in the daily lives of the West Bank Arabs.

Weizman also said that the government will decide when and where Jewish settlements will be established in those territories, adding that there would be no more confusion on that question. Gur observed that the task of the military government was vital to the security of Israel.

YADIN ACCUSED OF BEING POWER HUNGRY

TEL AVIV, July 27 (JTA)--The Democratic Movement for Change (DMC) is in turmoil again. This time it is over the issue of internal democracy. Several groups within the DMC feel that the pervasive role played by Prof. Yigael Yadin is less than democratic. He is the chairman of the movement, chairman of the Knesset faction, head of the secretariat and head of a team negotiating with Likud. One DMC leader said Yadin should decide which title he wants and let others play roles as well.

Yadin's critics and opponents are generally those who are opposed to joining the Likud-led government coalition. The DMC is divided on this issue, with a slight majority in favor of joining the coalition. Nevertheless, the fear of a confrontation between the factions within the DMC has resulted in a postponement of the DMC Council meeting which had been scheduled for today. Those who advocated the postponement claimed that Yadin should be given the opportunity to end his talks with Premier Menachem Begin either by telling him that the DMC will or will not join. The Council has to approve either decision in advance.

LATE NEWS BULLETIN

JERUSALEM (JTA)--A small explosive charge went off Wednesday night in the center of the city slightly injuring two passersby. The bomb had apparently been placed under a car outside a cinema.

NEW YORK (JTA)--Heavyweight boxing champion Muhammad Ali may wind up his boxing career in a final match next Feb. 25 with Mike Rossman, the "Jewish Bomber," according to reports. Ali is reportedly intrigued by a suggestion that the fight be held in Miami Beach, where 14 years ago to the day Ali, then known as Cassius Clay, won the title from Sonny Liston.

JERUSALEM (JTA)--Israel exported \$84 million worth of arms last year, almost double the value of 1975, said Michael Shor, director of Israel's defense industry.

SPECIAL INTERVIEW**ROSEN CAME TO VISIT, DECIDED TO SETTLE**

By Gil Sedan

JERUSALEM, July 27 (JTA)--Ten years ago, Boston-born Harry Rosen, a veteran community worker in the U.S., came to Israel to investigate the possibilities of settling here permanently. Today, Rosen, 65, is acting director general of the Jewish Agency, a post left vacant by the death of Aviad Yaffe. A permanent director general will be named by the World Zionist Congress when it convenes next February.

In an exclusive interview with the Jewish Telegraphic Agency, Rosen said that when he came to Israel he was not a dedicated Zionist and had no religious motivations. "I just found Israel the place I wanted to live in," he said. "I did not have to come to Israel. I was pretty successful personally in the U.S. I came to Israel because it was a society in the making and I was not disappointed."

He has been with the Jewish Agency from the start serving as advisor to the chairman of the Executive. In that capacity he was involved with coordinating the activities of its various departments. After 10 years on the job he is convinced that most of the criticism levelled against the Agency in Israel and abroad is unjustified and that the Jewish Agency is vitally needed and works remarkably well. "Some day I may be able to convince journalists that this (the Jewish Agency) is one of the most exciting and innovative places in Israel," he said.

He is especially enthusiastic over the work of the Youth Aliya and rural settlement department. "In these spheres the work of the Jewish Agency is known throughout the world." "For an organization with a \$400 million annual budget the Agency functions in an exemplary manner," he said.

Outlines Jewish Agency Achievements

Several weeks ago a new Program Planning and Evaluation unit was added to Rosen's office, headed by Dr. Mel Moguloff, a well-known American social planner. Its chief function is to implement the recommendations made by an ongoing management studies team from the Harvard University Business School. The implementation proceeds while the studies continue. "This is an on-the-job evaluation," Rosen explained.

Under the supervision of the Jewish Agency's planning committee appointed two years ago, the new unit monitors a list of priorities established according to needs and the ability to meet those needs. Basically, the unit poses the question: Given the funds at our disposal, are we getting the most for our money?

Rosen dismissed the charge that the Jewish Agency invests a great deal of its resources investigating itself but does little to follow through. "An organization of this size should have a much larger research and development unit," Rosen contended. He said that "not only are the lessons learned but the objective situation is far more satisfactory than it is usually described." The Harvard team has said that "for a non-profit organization, the Jewish Agency's budget control system is among the best in the world," Rosen reported.

He stressed "accountability." According to Rosen there is a very high degree of accountability in the organization and constant implementation of recommendations made by its own internal comptroller and other controlling bodies. He rejected categorically frequently made suggestions that the Jewish Agency be abolished.

"If the Jewish Agency did not exist you would have to create a new instrument to do fund-raising

in the U.S.," Rosen said. "The Arab lobby in the U.S. is watching us constantly, just waiting for us to slip and violate U.S. law. But there is also an ideological consideration. How do you bind the Jews of the diaspora? By government? After all, they are not Israeli citizens and the Jewish Agency is their tool to participate in the building of the national homeland."

HOLocaust Series on TV

NEW YORK, July 27 (JTA)--A four-part series on the Holocaust, "The World at War: The Final Solution," will be presented by WOR-TV Aug. 1-4 from 11-12 p.m. According to a WOR spokesman, "this is the most comprehensive attempt television has yet made to examine the theory and practice of genocide, as embodied in the Nazi doctrine and effected throughout the reign of the Third Reich."

Part One will examine the roots of the Nazi theories, the formation of the Gestapo and the rise of anti-Semitism. Part Two traces the period from 1939 to 1941 detailing how, what began as a conventional war against armed opponents became a systematic attempt to murder civilians in occupied countries. Part Three describes the death factories. Part Four illustrates why, even in the last years of the war when Germany was losing, the killing machine was allowed to continue to function without hindrance.

The WOR-TV spokesman said the importance of this series is underscored by the fact that in 1970 the Anti-Defamation League of B'nai B'rith undertook studies which examined 30 of the most widely used junior high and high school textbooks on social problems, world history and American history. Only in two of the textbooks was the Holocaust adequately treated. Most books completely omitted any reference to the Holocaust.

Meanwhile, the ADL announced that in view of "the current trend to erase the Holocaust to a mere footnote in modern history," it is establishing a Holocaust Information Center in its national headquarters in New York. The ADL will also conduct the national invitational conference on teaching about genocide and the Holocaust on Oct. 9-11.

APPEAL FOR PARENT

NEW YORK, July 27 (JTA)--The son and daughter of Dina Zlotver, a Soviet Jewish activist who died of cancer last week in her hometown of Sverdlovsk, have appealed to the Soviet Union to allow their father to join them in Israel, the Student Struggle for Soviet Jewry and the Union of Councils for Soviet Jewry reported today.

The daughter, Luba Bar Menachem, and the son, Vladimir Zlotver, said their mother "wanted to live in Israel with her children and grand-children. For the last three years both she and our father, Isaac, have been suffering from cancer. Yet the responsible authorities refused and refused and refused again and again to give them permission to leave. There was no reason to refuse this permission. They are in possession of no secrets. Both were ailing and now our father is alone, his beloved wife Dina, our mother, is dead." Noting that their father now has no one to care for him, his children urged Americans to "use whatever influence you can to persuade the Soviet authorities to let him (their father) go immediately. Do not let our father, Isaac Zlatner, die alone in Sverdlovsk."