



33RD TERRORIST VICTIM DIES

TEL AVIV, March 30 (JTA)--Mathilda Ashkenazi, 67, who was one of the 82 people wounded during the terrorist carnage March 11, died today. She was the 33rd fatality. Mrs. Ashkenazi was in a hospital for the past 19 days where doctors tried unsuccessfully to save her life. Funeral services will be held tomorrow at the Haifa Cemetery. Absorption Minister David Levy will represent the government at the funeral.

WEIZMAN IN EGYPT CONFERS WITH SADAT; IMPASSE ON PEACE TALKS CONTINUES

By David Landau and Yitzhak Shargil

JERUSALEM, March 30 (JTA)--Defense Minister Ezer Weizman conferred with President Anwar Sadat of Egypt for two hours today near Cairo under a tight veil of secrecy but apparently did not succeed in breaking the impasse that has stalled Israeli-Egyptian peace talks since January.

A spokesman for Sadat, quoted by Cairo radio, said "The stalemate in the situation continues until Israel changes its position and progress is achieved. The military and political committees will not resume their work unless Israel changes its position."

Political circles here conceded that the outlook seemed bleak, at least on the basis of the initial reports of the Sadat-Weizman meeting. They noted, however, that no major breakthrough had been expected, that Weizman went to Cairo chiefly to see if the Egyptians would agree to resume direct talks with Israel and that he was not armed by the Cabinet with any fresh proposals.

Invited By Gamassy

Although the Defense Minister's trip was a subject of speculation in the media all week, the Cabinet knew as early as last Sunday that Weizman had received a cordial letter from his Egyptian counterpart, War Minister Mohammed Gamassy, expressing a desire to explore the possibilities of renewing the peace talks and their personal contacts. Yesterday Weizman had a cable from Gamassy saying, "You are expected tomorrow, 30th March, at Cairo International Airport."

The Defense Minister's departure early this morning, was secret and no journalists were invited to accompany him. He left from an undisclosed airport—not a civilian airport, the official announcement said—aboard a twin-engine Westwind executive jet. He was met at Cairo Airport by Gamassy and both were taken by helicopter to a location near Cairo for the meeting with Sadat.

According to the official announcement here Weizman was accompanied by State Attorney Aharon Barak, his adjutant, Lt. Col. Ilan Tehila and his spokesman, David Kulitz. According to Cairo radio, Egyptian Vice President Hosni Mubarak also participated in the Sadat-Weizman meeting. Apart from the official radio announcement, news from the Egyptian capital was sparse because a water main break in Cairo knocked out underground cables and cut off communications.

Positive Value Of Visit

According to Cairo radio, Weizman promised Sadat that "the Israeli troops will not remain a single minute in Lebanon after the UN peacekeeping troops complete their deployment." Israel's incursion into Lebanon, however, is a side issue. The main stumbling blocks in the resumption of talks is Egypt's insistence on an Israeli commitment, in the framework of a joint declaration of principles, to remove its settlements from Sinai and agree to self-determination for the Palestinians.

Sources here said that even if Weizman and Sadat failed to agree on means to resume direct talks, the Defense Minister at least renewed his personal contacts with the top Egyptian officials. Weizman is due to return to Israel tomorrow. Before he does so, there is a likelihood that he will have another meeting tonight and possibly tomorrow morning with Egyptian officials.

CARTER DENIES HIS ADMINISTRATION IS SEEKING BEGIN'S OUSTER FROM OFFICE

RIO DE JANEIRO, March 30 (JTA)--President Carter today denied allegations that he or anyone in his Administration was seeking Israeli Premier Menachem Begin's ouster from government. "I can say unequivocally that no one in any position of responsibility in the U.S. Administration ever insinuated that Mr. Begin is not qualified as Prime Minister or that he should be replaced," Carter said when asked about the charge at his press conference in Brasilia.

Carter said that "I think Prime Minister Begin and his government are able to negotiate in an adequate and flexible way to reach an agreement with Egypt and later with Jordan and others." He added that "we have not given up on the possibility of a negotiated settlement."

The President pointed out that Israeli Defense Minister Ezer Weizman had gone to Egypt to resume negotiations. He said the key issues to be addressed included the application of United Nations Security Council Resolution 242 to the West Bank and the right of the West Bank Palestinians to participate in determining their own future. Differences over a number of issues during Begin's meetings with Carter in Washington last week led to reports that the Carter Administration was suggesting that Israel get a more flexible Premier.

The President was in Brazil on the second leg of a four-nation visit. He has been to Venezuela and is scheduled to go to Nigeria and Liberia.

THE SAUDI ARABIAN CONNECTION

By Joseph Polakoff

WASHINGTON, March 30 (JTA)--A massive surge of American support for Saudi Arabia, backed by the desert kingdom's huge surpluses of petrodollars and involving powerful U.S. political and economic interests, emerged in the open today.

In Washington, Saudi Arabia was exposed as having retained the U.S. public relations company of a close friend and political associate of the American Ambassador to Saudi Arabia, John C. West, to lobby in Congress for the 60 F-15 warplanes and also help improve the relationship of Saudi Arabia with Americans.

Frederick G. Dutton, the Washington lawyer who was an associate of President John F. Kennedy

and Sen. Robert F. Kennedy, confirmed to the Jewish Telegraphic Agency that he is on an annual retainer of \$200,000 from Saudi Arabia, plus four or five trips to the Middle East each year. The fee, he pointed out, includes his office expenses. "It's a lot of money though," he laughed.

Dutton, who observed that he campaigned for Arthur J. Goldberg when Goldberg was running for Governor of New York, has been working for the Saudis since 1977 in a variety of jobs. Among his tasks will be to help get Congress not to object to the warplanes President Carter has put in a package for the Saudis along with planes for Egypt and Israel.

Reminded that he is considered a good friend of Israel, Dutton replied emphatically, "I still am." He added that he would like to see Israel with secure and recognized borders and that there should be "some adjustment" to Israel's borders. He emphasized, however, that the Israelis "must face realities" which, he suggested, were the 120 million Arabs against three million Israelis and Arab resources in oil and finance.

Individuals And Firms Involved

The public relations firm that has received a contract from Saudi Arabia includes Crawford Cook, who was Ambassador West's campaign manager in 1970 when West was elected Governor of South Carolina. Cook's firm has received a contract for \$65,000, the Washington Post said, to promote the sale of the F-15 planes to Saudi Arabia during the next two months and an additional \$100,000 as the "initial payment" for a plan for promoting Saudi-American relations. It is understood that the firm stands to have millions of dollars in funds to promote the Saudi effort.

Besides Dutton, Cook and his associates, the Saudi campaign for the aircraft and image building will be assisted by Stephenson Conner, a former vice-president of Merrill Lynch Pierce Fenner and Smith, the giant brokerage firm, who is a financial and economic consultant to the Saudi government. Another consultant to the Saudis is former Sen. J. William Fulbright, who also is in the pay of the Persian Gulf Emirates.

Clark Clifford, who was counselor to President Truman and upheld Truman's ideas for a viable Israel in the difficult period when Israel's fate was in question, is serving the Algerian government, JTA was told. Cook and an associate, it was reported by the Washington Post, worked for Sen. Ernest F. Hollings (D.S.C.) before establishing their present firm called Cook Ruef Spann and Weiser. According to the Post, their clients included Democratic Senators Walter D. Huddleston and Wendell Ford, both of Kentucky and Robert Morgan, North Carolina.

Other Developments Cited

Meanwhile, in New York, former Vice President Nelson Rockefeller was reported "deeply involved" in negotiating with Saudi Arabia for a development corporation that would use Saudi money in food and energy projects primarily in the United States but also in underdeveloped lands. George Woods, former World Bank president, and Arthur Taylor, former CBS president, would be principals in the new corporation to be based in New York City, according to the New York Daily News, which quoted Rockefeller on the subject.

In a related development, the Coca-Cola Company was reported by the New York Times yesterday to be accelerating a campaign to enter the Arab market with major new projects in Saudi

Arabia and Egypt. Both are contingent, it was said, on its removal from the Arab blacklist of American companies doing business with Israel or which have Jewish Americans in important management positions.

Coca Cola has been barred for more than 10 years by the Arab Boycott Office for doing business with Israel. In Egypt, Coca Cola is reported as planning a plant in Alexandria to produce soft drink concentrates for the entire Middle East. The Saudi project would involve construction of a canning factory.

Still another development that entered the public domain that reflected the tidal wave of Saudi influence at a critical time in U.S.-Israel relationships and the Middle East peace process is a report of a study by specialists of six nations.

The study, sponsored by the Rockefeller Foundation, says an oil supply drop in the 1980s may split the industrialized nations and raise new military threats in the Middle East unless the oil producing and oil consuming nations coordinate their efforts. This has been one of the major arguments being advanced by the Carter Administration for U.S. association with Saudi ideas on peace terms for Israel and which Israel has been rejecting as destructive for its nationhood.

STATE DEPT. SAYS U.S. OFFICIAL GAVE SAUDIS NAMES OF AMERICAN FIRMS By Helen Silver.

WASHINGTON, March 30 (JTA)--The State Department acknowledged today that an American official furnished the Saudi Arabian government with the names of American firms that they might engage to handle a public relations campaign in this country for the U.S. sale of F-15 warplanes to Saudi Arabia. Replying to questions on the matter, Department spokesman John Trattner said, "We have no reason to believe there was any impropriety of any U.S. official."

The State Department spokesman added, "I would say it is up to the Saudi government, as any other government, to make up its own mind as to which U.S. firms to hire to do its public relations work in this country and who it retains."

Trattner confirmed that, in response to their request, the Saudis were furnished with the names of several competent firms that they might hire for public relations work but that there was no explicit recommendation made of any of the firms. "I don't know if it is customary. I don't rule out that it has been done before by other governments. It could be someone in the Consulate" (in Saudi Arabia), Trattner said. "I don't know the specific circumstances beyond what I have said," he added.

3000 MINSK JEWS MARK NAZI SLAUGHTER

NEW YORK, March 30 (JTA)--Three thousand Minsk Jews commemorated the slaughter of 3000 friends and relatives by the Nazis on Purim, 1942 with a wreath-laying and prayer service earlier this month (March 5) at the modest monument permitted by Soviet authorities, the Student Struggle for Soviet Jewry has learned from information relayed by Minsk refuseniks to Dallas friends. "The meeting was very solemn," the Jews reported, "but it was possible because of the attention of our American Jewish friends. Before, Jews were afraid to gather. This time, the police only stood by, and there was only one police car. Nobody spoke that day. We stood silently, and that silence was better than words."

SPECIAL TO THE JTA PA. GOVERNOR PLEDGES AID TO HELP SECURE SHCHARANSKY'S RELEASE

HARRISBURG, Pa., March 30 (JTA)—Gov. Milton Shapp of Pennsylvania proclaimed today "Anatoly Shcharansky Day" in the state and pledged that he and every elected official will stand with the Jewish communities and their non-Jewish supporters to secure the release of the Jewish dissident who has been held in a Moscow prison for over a year and faces trial shortly on charges of alleged treason.

The proclamation was presented by Shapp to Theodore Mann, president of the National Jewish Community Relations Advisory Council (NJCRAC) and Joseph Smukler, vice-president of the National Conference on Soviet Jewry (NCSJ) at ceremonies in the state capital. The ceremonies were attended by more than 100 persons, Jewish and Christian from 10 Pennsylvania cities.

They were highlighted by a telephone call to Shcharansky's wife, Avital, and his brother-in-law, Mikhail Stiglitz, in Jerusalem. Shapp assured them that the people of Pennsylvania will not rest until Shcharansky's freedom is secured. The Governor spoke at length of Shcharansky's struggle to emigrate and his incarceration, incommunicado, in Moscow's notorious Lefortovo prison.

Mann spoke of Shcharansky as a "symbol of the Soviet Jewry movement." Smukler recalled his last meeting with the dissident, in Moscow, more than a year ago and pledged personally and on behalf of the NCSJ not to give up the struggle for his freedom. It was announced before the ceremonies began that a statewide committee for Anatoly Shcharansky will be formed under the chairmanship of Shapp and Pennsylvania's two Senators, Richard Schweiker and John Heinz, both Republican.

The ceremonies were coordinated by Burton Morris, counsel to the Governor, and Eileen Sussman, Soviet Jewry director of the Philadelphia Jewish Community Relations Council, according to Abraham J. Bayer, director of international affairs of the NJCRAC.

EYE WITNESS REPORT NEW CENTER FOR LEBANON CHRISTIAN ARMY By Yitzhak Shargil

MARJ AYOUN, South Lebanon, March 30 (JTA)—This Maronite Christian village was a target of Palestinian terrorist shelling for two years. It suffered terribly. Now, Maj. Sa'ad Haddad, commander of the Christian Militia has proclaimed it the new center for the regular Lebanese army in south Lebanon.

Haddad told a large group of Moslem notables from surrounding villages currently under Israeli control: "I declare hereby the establishment of the south Lebanese army." He said that all men aged 18-25 will be conscripted and that volunteers would be welcome, Moslem and Christian alike. He said they would be part and parcel of the regular Lebanese army and receive the same pay once contact is established with the central government in Beirut.

Haddad declared that his army has tanks, artillery, troop carriers and other vehicles. In actuality, it functions under the auspices of Israel's army which provides the weapons and other equipment. He promised that a civil guard will be established to protect the villages against terrorist infiltration. Should his plans materialize, he hopes to recruit up to 7000 men and would become a potent military factor in south Lebanon, numerically superior to the terrorists.

But while the Moslems, members of the Shi'a sect, nodded in assent as Haddad spoke, they were visibly uneasy at being under the protection of Christians. The blood feud is not wholly over. But circumstances have changed. The Israeli army controls the area and as long as it does, Maronites and Moslems will serve together against the common terrorist enemy.

NEW JTA LONDON CHAIRMAN

LONDON, March 30 (JTA)—Cyril Stein, long active in Anglo-Jewish communal activity, has been elected chairman of the management committee of the Jewish Telegraphic Agency's Daily News Bulletin published in London. He succeeds Michael Sacher who remains a member of the London committee and board of directors of the worldwide JTA. Stein, 50, plays a prominent role in the Joint Israel Appeal, of which he is a vice-chairman, and in the Jewish National Fund.

RESOLUTION CRITICIZES ADMINISTRATION

CHICAGO, March 30 (JTA)—The Jewish Federation and Jewish United Fund of Metropolitan Chicago board of directors adopted a resolution reaffirming support for Israel "in its just quest for peace and security and its announced far-reaching peace proposals as the basis for continued negotiations in the Middle East." It also reaffirmed the unity of the American Jewish community in its support for Israel "and remind all those who would attempt to divide the American Jewish community that such efforts will be fruitless."

The resolution stated that direct negotiations between Israel and its Arab neighbors "can best be achieved if our Administration ceases its efforts to pressure Israel to take positions Israel regards as inconsistent with its own security and returns to the traditional American policy of encouraging direct negotiations between the parties." It also called on the Administration to "live up to all present and previous American commitments made to Israel," to "refrain from any arms sales to Arab countries at this crucial juncture in the peace process," and to close the offices of terrorist organizations in this country "and use all its influence to get other countries to do likewise."

JERUSALEM (JTA)—West German Ambassador Klaus Schuetz and notables from Hamburg Thursday presented to the Yad Vashem Holocaust Institute a list of 6000 Hamburg Jews murdered by the Nazis. The list was compiled after meticulous research and will form part of the Yad Vashem Holocaust annals. Demonstrators outside protested at the delays and filibusters in current Nazi war crimes trials in West Germany.

MEXICO CITY (JTA)—Talking about peace with Israel is no longer "treif" in Egypt and other Arab countries, according to Rabbi Abraham Hershenberg, president of the Latin American Board of Rabbis. Hershenberg, who recently returned from a visit to Iran, Egypt, Syria, Jordan and Israel, said he had private meetings with Egyptian President Anwar Sadat and the Shah of Iran, both of whom expressed the hope that a Mideast peace will be achieved.

TEL AVIV (JTA)—Israel is producing oil from two oil wells off the shore of A Tour, in the Gulf of Suez in an operation that began this week. Yitzhak Moda'i, Minister of Energy, said a dozen more wells were planned in the next 18 months to reduce oil imports.

SPECIAL ANALYSIS DIFFICULTIES IN THE DMC

By Uzi Benzman and David Landau

JERUSALEM, March 30 (JTA)--Although the Democratic Movement for Change (DMC) recently averted a split within its ranks, it is still prey to internal struggles and has not laid to rest the specter of an eventual crisis. The political unrest that has resulted from the failure of Premier Menachem Begin's visit to Washington has increased speculation in Israel's political community over the future course of the DMC. Voices have already been heard from inside the party, and from Labor, calling on the DMC leadership to reconsider its participation in the Begin-led coalition.

The DMC remains a unique phenomenon in the Israeli political arena, even though some of the processes, typical of the older political parties have begun to affect Yigael Yadin's band of idealists.

Uniqueness Of The DMC

The uniqueness of the DMC stems from its origins: a combination of various groups mainly fledgling politicians who came together with the avowed purpose of trading on the voters' obvious desire for radical change in the national leadership. Thus the DMC leadership which emerged from the elections consists of several neophyte politicians who have found difficulties in adopting themselves to the cynical code of party politics.

There are a few among them who are experienced politicians and administrators. But they find their leadership roles constantly challenged by the majority group of political novices.

The core of the DMC was the Shinui (Change) group, headed by Prof. Amnon Rubinstein. He initiated the movement in the aftermath of the Yom Kippur War as a reaction to the general disillusionment with the Labor Alignment government of the time. Shinui is comprised mostly of intellectuals and university teachers. Indeed, it never grew beyond its initial tiny proportions, though it intended--and actively planned--to run independently in the 1977 elections and set up, for that purpose, a basic organizational structure throughout the country.

Had Image Of Dynamic Movement

A few months before the elections, different types of people joined Shinui, thus giving it the image of a large and dynamic political movement with the prospect of becoming the pivotal balance in any coalition to be established after the elections.

Among these were Prof. Yigael Yadin, who took over the leadership; MKs Shmuel Tamir and Akiva Nof; Dr. Israel Katz, the former director general of the National Insurance Institute; and Meir Amit, the former director general of the Histadrut's industrial giant, Koor.

The Democratic Movement for Change, as it became known, established a uniquely disciplined pattern of mutual feedback between its constitutional bodies and its 15 delegates in the Knesset and four representatives in the government.

The supreme constitutional body is the Council which empowers the Secretariat to run the movement's affairs. The 135 members of the Council insist on their prerogative to guide the party's representatives in the Knesset and in the Cabinet. Consequently, the Council is very often convened to hear reports from the Cabinet ministers and members of the Knesset and to consider whether their positions fit the party's platform.

Main Problem Noted

This dependence of the DMC delegates on their Council limits their political freedom and often raises misunderstandings with their political allies. Recently, the government has been defeated several times in the Knesset plenum because of unorthodox voting by the DMC who explained that they were bound by their party's ideology.

However, the main problem in the DMC is not its difficulties with the other coalition parties, but the personal relations among its representatives in the Knesset. Not rooted in a shared political tradition, their "common denominator" is vague. All of them strove for the success of the new party and all of them were ambitious enough to believe that through the DMC they could promote their own political careers.

But basically, the DMC Knesset members are people with different mentalities, different temperaments and--most important--different views. The DMC Knesset faction includes "doves" and "hawks," Socialists and petit-bourgeois.

This assemblage of 15 human beings who lack a common past and who differ from each other in many key issues has prevented the DMC from becoming an homogeneous political body. Until now, Yadin has succeeded in preventing a major crisis, though he recently failed to convince MK Meir Zorea not to quit the faction. But his hopes of preserving the party's unity in the months ahead must be considered doubtful.

NON-PROFIT TOURS WIN VICTORY

NEW YORK, March 30 (JTA)--The Supreme Court has left standing the dismissal by lower courts of a suit challenging the low cost travel programs operated by Jewish and non-Jewish non-profit organizations. The court refused to review the decision, first by the U.S. District Court in Washington and then by a Court of Appeals there, rejecting the suit which sought to have the organizations lose their tax exempt status.

Will Maslow, general counsel of the American Jewish Congress, told the Jewish Telegraphic Agency that the suit was brought by the American Society of Travel Agents and 12 individual travel agents against the Treasury Department. He said the AJCongress was not involved in the case although the suit mentioned non-profit organizations "like the American Jewish Congress." Maslow said the AJCongress was probably singled out because it has the largest travel program of any non-profit group.

The case was never tried but was dismissed because of a "lack of legal standing," Maslow said. He explained that the courts do not usually approve of third party suits involving the Internal Revenue Service. Maslow stressed that the purpose of the AJCongress tour program is in line with its tax exempt status since it seeks to bring American Jews in contact with Jews in other countries. He said the AJCongress would continue its tour program even if it lost its tax exempt status. Many other Jewish organizations operate tour programs. (By David Friedman)

JERUSALEM (JTA)--The World Organization of Jews From Arab Countries is demanding compensation, under an eventual peace treaty, for millions of dollars worth of property left by Jewish refugees forced to flee from Arab States. MK Mordechai Porat, leader of the group, said the principle for compensating Jewish and Arab refugees is in Security Council Resolution 242 which calls "for achieving a just settlement of the refugee problem."