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EL AL BRINGS FOOD TO IRAN; RETURNS TO ISRAEL WITH 100 PASSENGERS

By Yitzhak Margil

TEL AVIV, Jan. 1 (JTA) - An El Al plane left for Teheran today with a load of food, mainly bread and dairy products that are in short supply in the strife-torn Iranian capital. Special security measures were taken by the Teheran Airport authorities to enable the plane to land, it was learned here. They were required apparently after airport workers declared they would not service Israeli or American planes.

It was learned later that Teheran airport was paralyzed by a strike, forcing the El Al pilot to land without assistance from the control tower. The plane took off safely on the return flight to Israel with 100 passengers aboard, including many who had Israeli passports but no tickets. El Al and Pan American Airways are the only international air carriers still maintaining scheduled flights to Iran. Hundreds of foreigners anxious to leave were reported stranded at Teheran airport today.

It was reported from Paris, meanwhile, that the exiled Moslem leader, Ayatollah Khoumeini, has called on his followers to allow Israelis to leave Iran "so that we shall see no more of them forever." (See related story.)

El Al cargo service to Iran has been suspended for the past week because there are no crews to unload the aircraft. Israeli exports by sea have also been halted. One Israeli ship has been anchored off an Iranian port for the past two weeks, unable to discharge its 200 containers. Another ship, about to sail from Israel to Iran with 200 containers, was ordered to remain in port.

Meanwhile, Solit Boneh, the Histadrut construction company, has made plans to evacuate its engineers and workers from Iran if the situation deteriorates any further. But for the time being, they remain on the job. The Israeli firm is building two hotels and an industrial plant in Iran, projects amounting to \$120 million. The equipment it would have to abandon if evacuation became necessary is reportedly insured against all risks.

FOLLOWERS OF KHOUMEINI WARN NEW IRAN REGIME WILL CUT OIL TO ISRAEL

PARIS, Jan. 1 (JTA) - Iran will cut off all oil to Israel "after the advent of an Islamic republic" in Iran, according to Iranian refugees who have joined Ayatollah Khoumeini, the exiled Iranian religious leader who has become the symbol of resistance to the Shah, at his home in Neuchâtel-Chateau 25 miles southwest from Paris. These Iranians do not claim to act as Khoumeini's spokesmen but are known to be supporters and close followers of his cause. They say openly that "after we win, not a drop of oil will go to Israel," and add that Iran will "join in the struggle to free the Moslem holy places in Jerusalem from Israeli rule."

Iran has not yet issued a formal statement on this issue, confirming that oil shipments to Israel will cease once a new Islamic regime takes control. Iran reportedly now supplies 70 percent of Israel's export needs. The

exiled leader has refused to discuss this question further and has also rejected requests for interviews from Israeli journalists and representatives of Jewish newspapers. Members of his entourage, however, are quite outspoken. Some assert that "all Israelis will be chased out of Iran" once the Shah is deposed and accuse Israel of serving "as the tool of American imperialism" in Iran.

Khoumeini's Anti-Jewish Views

(Over the weekend, The New-York Times reported that Khoumeini is quoted as expressing anti-Jewish sentiments in a little known book based on lectures delivered in Persian in Iraq in 1970. The book, "Islamic Government," published in Arabic and reportedly very rare in the United States and Iraq, quotes him as expressing "extreme hostility" against Jews, whom he accuses of "plotting against Islam" and "preparing the way to rule over the entire planet."

(According to The Times, he is also quoted as saying in his book: "From its very inception, Islam has been afflicted by the Jews. From the beginning, they have launched their hostile activity by distorting the good name of Islam... Christians and members of the Bahai sect are also attacked in the book."

("In Teheran, Christian, Zionist and Bahai missionary centers issue their publications in order to mislead people and to alienate them from the teachings and principles of religion," the book says. "Is it not our duty to demolish these centers?" Approximately 80,000 Jews, 230,000 Christians and between 200,000 to 300,000 Bahai members live in Iran.

(Associates of Khoumeini interviewed by The Times questioned the authenticity of the book. However, the Times noted that the 150-page book by the 78-year-old exiled leader was deemed authentic by a leading Western Arabist who asked not to be identified.)

ISRAEL READY TO HOLD FURTHER TALKS ON KEY DISPUTED TREATY ISSUES

By David Landau

TEL AVIV, Jan. 1 (JTA) - Israel has expressed its readiness to hold further negotiations with Egypt and with the United States on several key still-disputed issues in the stalled, nearly-concluded peace treaty negotiations.

In a Cabinet Communiqué plainly designed to prompt Washington into renewed efforts to resume the talks, Israel announced yesterday its willingness to negotiate further on Article IV of the draft peace treaty (the "review clause") and also on the "side letter" setting out modalities for creation of the Palestine autonomy. There was also an expression of readiness to discuss with the U.S. the interpretation of the vexed -- and crucially important -- Article VI (issue of priority) of the draft treaty.

But in every case, the Cabinet reiterated Israel's position, originally enunciated by the Cabinet on Dec. 15 -- after Secretary of State Cyrus Vance's unsuccessful shuttle mission to the area. Premier Menachem Begin, reading out the decision yesterday, stressed that the 15th Cabinet, in making the previous decision (of Dec. 15) "in all its parts," That decision listed all of the Egyptian demands which were effectively endorsed by Vance, and

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specifically rejected them. The Cabinet decision yesterday was immediately conveyed to Washington and Israeli officials said they now expected the U.S. to step up its efforts to get the talks restarted. The decision was supported by 14 ministers. Israel Radio said that Defense Minister Ezer Weizman and Minister-Without-Portfolio Chaim Landa did not take part in the vote and Agriculture Minister Ariel Sharon abstained.

Elements In The Cabinet's Decision

"Yesterday's decision expressed "Israel's readiness to continue negotiations regarding an agreed formulation of the accompanying letter...." and immediately added Israel's firm view that the "side letter" should contain no "target date" for the holding of the autonomy elections, as Egypt (and the U.S.) are seeking."

Similarly, yesterday's Cabinet decision expressed specifically—and this is new, not having been mentioned in the Dec. 15 decision—readiness to hold further negotiations on Article IV and again immediately set out the Israeli position rejecting any "definitive, obligatory date framework." (Egypt is seeking a specific five-year deadline for a mandatory "review" of the security provisions in Sinai.)

On the interpretations to Article VI, the Cabinet statement endorsed a letter from Foreign Minister Moshe Dayan to Vance three days earlier in which Dayan had "totally rejected" the U.S. interpretation of Article VI, Paragraph 5. This paragraph is the "priority of obligations" clause. The U.S. State Department legal aide who helped draw up the treaty, in a written opinion, effectively upheld Egypt's view that the paragraph would not bar Egypt from aiding a sister Arab state that was attacked by Israel.

The second paragraph of Article VI—expressing a legal severance between the peace treaty and the Camp David "framework" agreement on the Palestinian issue—is also in dispute. The Cabinet, in its decision yesterday, appeared to indicate that it would be ready for more talks with the U.S. on both disputed paragraphs.

In this connection too, though, the Cabinet reiterated firmly Israel's own "unlimited" interpretation of Article VI, thus setting out in clear terms, in advance of the hoped-for further negotiations, Israel's strong position on this key issue of dispute.

A Softening Of Israel's Position

In all, yesterday's Cabinet decision represented something of a softening in tone if not in content, of the Israeli position relative to the brusque and angry statement issued following Vance's mission. There is now a deliberate effort to persuade both Washington and Cairo of Israel's view that there is sufficient subject matter for further negotiations despite Jerusalem's refusal to date to shift from its substantive rejection of Egypt's demands.

Officials here said they were confident the Americans and Egyptians would "take the hint" and accept Israel's plainly preferred desire for further negotiations. Observers noted that the Cabinet decision followed closely along the lines of Dayan's recommendations, made after his meeting in Brussels last weekend with Egyptian Premier Mustapha Khalil and Vance.

CABINET APPROVES BUDGET

JERUSALEM, Jan. 1 (JTA)—Following

weeks of negotiations between the Treasury and the various government ministries, the Cabinet approved the Treasury's draft budget for the year 1979-80 at the sum of IL 304 billion.

Finance Minister Simcha Ehrlich's budget was approved by a large majority of 13 ministers, with only Energy and Infrastructure Minister Yitzhak Modai voting against it. Modai originally wanted to present his own budget, which was IL five billion smaller—but he dropped his proposal in the face of the large support the Treasury's budget had won. Absorption Minister David Levy, Agriculture Minister Ariel Sharon and Labor and Social Betterment Minister Yaakov Kotz abstained.

Last week Premier Menachem Begin postponed the budget discussion, fearing that the Treasury's proposal would not win the necessary majority. Since then, Ehrlich met with a number of ministers, and reached an understanding with most of them. Differences now exist only with the Defense and Interior Ministers. Bargaining is still expected, though, between each ministry and the Treasury over their exact share of the budget.

Egyptian Press Attacks Travel Club

By Edwin Elyam

PARIS, Jan. 1 (JTA)—The Egyptian press has launched a bitter attack against the French-owned "Club Méditerranée," accusing it of fiscal fraud and of serving "as an intelligence outpost of Israel's service." The club, a major international travel organization which operates a hotel and several tourist camps in Egypt, is owned by Baron Edmond de Rothschild and Gilbert Trigano, a French Jewish businessman.

The French paper, "Le Monde," reports from Cairo that the club has been under attack for the last few days. The major Egyptian daily, Al-Ahram, is accusing it of operating "a colonial enclave right in the center of Cairo" and has called on the government to "outlaw it before signing a peace treaty with Israel."

In one of the Egyptian paper's articles which contains slight anti-Jewish innuendos, the club is accused of "being owned by rich French Jews" who, says the paper, are operating in Egypt "under a false nomé." Le Monde reports that the late President Nasser, who wanted the club to open travel facilities in Egypt, advised Trigano to create a company under a different name so as not to be barred from Egypt because of the Arab boycott restrictions.

According to the French paper, the attacks are motivated by the Egyptian government's desire to cancel the club's leases and hand them over to "other Western interests."

SWAZI PREMIER IN ISRAEL

JERUSALEM, Jan. 1 (JTA)—Premier Maphevu Dhlamini of Swaziland met here over the weekend with Premier Menachem Begin. Dhlamini, who is here on a state visit, arrived last Thursday. He spent the weekend in the north, visiting Kibbutz Ayelet Hashahar, touring the Golani Heights, and fulfilling a lifetime ambition by immersing himself in the waters of the Jordan River. Dhlamini is accompanied by his Finance and Justice Ministers and his country's Attorney General.

Saturday night the guests were entertained at a banquet given in their honor in Haifa by Zim, the national shipping company. Zim reportedly is negotiating to set a framework for cooperation with Swaziland. The landlocked country receives much of its goods through ports in Mozambique.

GUSH SETTLERS DEMAND BEGIN ORDER ARMY REMOVE ROAD BLOCK NEAR NABLUS

By David Landau and Gil Sedan

JERUSALEM, Jan. 1 (JTA) -- A group of Gush Emunim settlers, supported by like hawkish Knesset members, demanded tonight that Premier Menachem Begin order the army to remove a road-block that has prevented them since yesterday from establishing an unauthorized settlement near Nablus in the Samaria district of the West Bank.

The would-be settlers, some 25 families with women and children, left their temporary encampment inside the perimeter of the Kadum army base for what they claimed was a permanent site promised them by the authorities. Israeli troops set up a road block barring their access to the site and the Gush spent the night by the roadside. So far the army has taken no action to remove them.

Three Likud MKs, Geula Cohen, Dov Shilonky, and Moshe Shamir, and Haim Druckman of the National Religious Party, rushed to the scene and fired off a telegram to Begin to order the road block removed. Cohen spent the night with the Gush and was joined this morning by another militant, Yigael Hurwitz of Likud's Loam faction. Interior Minister Yosef Burg of the NRP also visited the squatters today but they were unable to persuade him to issue a political statement on their behalf.

The Gush group, which was the first to establish itself illegally on the West Bank in 1975, apparently sought a confrontation to obtain publicity. They announced in advance their intention to occupy the unauthorized site. A Gush spokesman, Benny Katzover, told reporters last night, "This time we are in earnest. We're not turning back." He said "perhaps overnight Premier Begin will come to realize that he cannot stop Jews from settling anywhere in Eretz Israel."

Seeking To Force Showdown

The group dispatched a letter to Begin and to three Cabinet ministers -- Zevulun Hammer, Haim Landau and Ariel Sharon -- urging that their settlement plans be placed on the Cabinet's agenda immediately for approval. Their action appeared to be part of a coordinated plan by the Gush to force a showdown with the government on the settlement issue. Last Wednesday army units evacuated two groups of Gush squatters from other unauthorized sites in the Samaria district.

The resurgence of Gush activity coincided with the end of the three-month period of peace negotiations with Egypt that began following the Camp David summit meeting in September. Israel undertook at that time to freeze settlement activity in the occupied territories. But a dispute developed almost immediately between Begin who insisted that the freeze was for three months only, and President Carter who said it was to last for the duration of peace talks. Although the three months ended Dec. 17, the government has remained until now from establishing new settlements.

Weitz Criticizes The Gush

Ranach Weitz, head of the World Zionist Organization's Settlement Department, sharply criticized the Gush today. He called them a band of activists who are trying to force the government to make political decisions, but know nothing themselves about settlements. Meanwhile Gush supporters deliberately parked vehicles across main roads in various parts of the West

Bank. "If Jews cannot move freely, neither will Arabs," they said. Soldiers and border police removed the vehicles without incident.

In a related incident, Gen. Avraham Orli, coordinator of activities in the occupied territories, met separately yesterday with Mayor Fahed Kawasme of Hebron and Rabbi Moshe Levinger, leader of the Orthodox community of Kiryat Arba that adjoins it. His purpose was to prevent incidents after clashes Saturday between troops and some 300 Kiryat Arba Jews who wanted to pray at the Patriarch's Tomb in Hebron, a shrine sacred to both Jews and Moslems.

The worshippers were evacuated by soldiers after local Arabs complained that Jews had infringed on their part of the tomb. The troops were then barely able to calm a crowd of angry Moslems waiting for their turn to pray.

ISAAC ALCALAY DEAD AT 97

NEW YORK, Jan. 1 (JTA) -- Funeral services were held yesterday for Rabbi Isaac Alcalay, the retired Chief Rabbi of the Central Sephardic Jewish Community of America, who died Friday at the Sephardic Home in Brooklyn. He was 97 years old. Born in Sofia, he studied at the Vienna Rabbinical Seminary and earned a Ph. D. at Vienna University. After he finished his studies in the early 1900s, he became Chief Rabbi of Serbia and was named a representative of the Serbian government.

After World War I, Alcalay started the Rabbinical Federation in Belgrade, becoming its first president, and founded the Rabbinical School in Belgrade. King Alexander named him Chief Rabbi of Yugoslavia in 1925. The Yugoslav Parliament named him a Senator, the first Jew to get such a position. In 1925, he planned and attended the first Sephardic Congress in Vienna and was elected vice-president of the World Sephardic Federation.

He fled Yugoslavia when the Nazis occupied the country in 1942 and settled in New York in 1943. About 75 percent of all Sephardic Jews in the U.S., some 130,000, live in the New York area; the rest in Los Angeles, Atlantic City, and Seattle. Alcalay hoped to unify the American Sephardic communities and was elected Chief Rabbi in 1943. He retired in 1968 when he moved to the Sephardic Home in Brooklyn.

HIGHER PRICES USHER IN NEW YEAR

JERUSALEM, Jan. 1. (JTA) -- The government ushered in the new year with the announcement of a 10 percent price hike on a variety of basic foodstuffs, effective as of midnight last night. The items affected include frozen chicken and dairy products. But the increase is not final. The Cabinet may be asked to approve an additional 10 percent rise on the price of frozen chicken and frozen meat when it meets again next Sunday.

The Central Bureau of Statistics announced today that the consumer price index rose by 51 percent during the calendar year 1978, compared to a 35 percent rise in 1977. While the figures are subject to revision within the next week or two, no substantial changes are expected. The statistics indicated that the general price index will have registered a 51-52 percent rise last year regardless of whether or not the housing price index is included.

NEW YORK (JTA) -- The Israeli government will issue a special postage stamp to commemorate 100 years of ORT's vocational and technical operations. The siege of the building conceded to Mrs. Ruth Eisenberg, president of Women's American ORT.

YEAR-END REVIEWISSUES FOR THE ADMINISTRATION

By Joseph Polakoff

WASHINGTON, Jan. 1 (JTA) -- Political quiet prevailing here during the holiday week can not last long. The Carter Administration is in deep contention domestically both on its national and international policies. When the Congress reconvenes Wednesday, with its inquiries, hearings and speeches, the issues are bound to get into sharp focus.

These include U.S. diplomatic abandonment of Taiwan and the implications of this on Washington's relationship with Israel; the attitude of the Carter Administration towards inducing Israel and Egypt to reach a peace settlement; traditional economic supporting assistance to Israel; the weapons policy for Egypt, Saudi Arabia and Israel; and the official outlook towards the terrorist Palestine Liberation Organization.

International and national policies are entangled as President Carter's Administration enters its third year. The domestic economy - inflation, unemployment, the falling standard of living - is at the heart of the nation's politics. Thus, while U.S. "normalization" with the People's Republic of China has its obvious strategic purposes, the major thrust is seen as bearing on an increase in the U.S. share of the billion-peopple Chinese market and the use of China's natural resources, including oil.

Attitude Towards The USSR

Similarly, increasing signs indicate the Administration's intent to bolster the U.S. share of the Soviet market by altering or dumping the Jackson-Vanik amendment and provide U.S. government credits to the Soviet Union for purchases of American goods and services. While Sen. Henry M. Jackson (D., Wash.) has Carter's pledge not to move against the amendment, other legislative ways are possible to effect the same goal of loans to Russia for commercial purposes.

On its part, the Soviet Union is dealing cards to Americans eager to hasten their business deals, although on U.S. government credits. The Soviet cards include the higher current Jewish emigration rate and what the Soviet Union considers easing restrictions on religious practices. A sign of appeasement of Soviet views is the comparative scarcity of Western interviews and reports on Soviet dissidents and "refuseniks" since the up roar following Anatoly Shcharansky's imprisonment.

The Chinese Connection

In defending the new China policy, Administration supporters are emphasizing the "reality" that Washington "sheltered" Taiwan for "24 great years" and is more of a "beneficiary" than an "ally." Therefore, they say, Taiwan cannot expect the U.S. "to go on forever sacrificing global urgencies to aging fantasies" and is "neither a friend nor an ally." That such reasoning may be applied to Israel in a crunch with the Arab world is an argument not being overlooked by opponents of the China policy looking for support from Israel's friends.

In general, the opponents favor normalized relations with China but not at the price the Carter Administration is paying and in a way that alarms small nations linked to the U.S. defense strategy. It is thought South Korea, seeing the Taiwan possibility come its way, is preparing to "buddy up" to Peking.

White President Carter has ordered a shutdown in anti-Israel propaganda from his foreign affairs aides following Israel's refusal to accept the U.S.-endorsed Egyptian terms for a treaty; media elements intimate with White House insiders are shouting about "special interest factions" who oppose "Carter's reforms abroad." The vehemence of some American officials is hinted in a recent remark that matter would be worse if "the true reactions of the leaders of the Carter Administration" about Israel's friends and Israel were to be publicly revealed.

How much of this is accurate and how much bluster is beyond measure but the tactic recalls the sage advice of Sen. Clifford Case (R., N.J.) in his final words to the Washington press prior to his retirement after 24 years in the Senate. He urged the Administration not to condemn Israel and seek to "break her spirit" because Israel alone stands as a reliable friend of America in a crucial corner of the world. The absence of Case from the Senate, where he was the ranking Republican on the Senate Foreign Relations Committee, is regarded as a major loss to America's democratic allies.

Foreign And Domestic Issues

On foreign aid for Israel, Carter said explicitly in a recent interview with ABC-TV's Barbara Walters that he will not reassess the policy of traditional support for Israel and that he does "not necessarily" agree with Senate Majority Leader Robert Byrd (D., W. Va.) that Congress may reduce Israel's aid if it builds new settlements in occupied areas. Nevertheless, a reduction in assistance on the ground of America's inflation problem is possible. The State Department has given a hint in this direction.

The Administration has taken a strong position against the United Nations publicizing the Palestine Liberation Organization and UNESCO's continued assaults on Israel. Its persistence, however, in equating Israeli retaliation-on-PLO bases to terrorist attacks on civilians in Israel has raised questions that have not been adequately answered. That there are elements in the foreign affairs bureaus who would perform a "Taiwan-China" maneuver to legitimize the PLO terrorists and try to bring them into the Mideast talks is understood by some observers of the Mideast scene.

The continued publicizing of PLO chief Yasir Arafat by some of the most important media indicates that the spirit of accommodation with his organization is alive and there are instances when its terror tactics are set aside. It is not seen by observers as altogether an oversight that a column-length interview (in the New York Times) and a half-hour interview on CBS-TV did not mention terrorism and that (in the Washington Post) a leading editorialist has suggested that Carter's "greatest" political and moral contribution to a Mideast settlement would be to bring the PLO into the negotiations.

Thus, the year 1979 enters with uncertainty on the course of events of highest importance to the Jewish community but, as an informed observer recalls, wisdom precludes predictions on the turn of political events, particularly about the Mideast.

JERUSALEM (JTA) -- The Jewish National Fund has launched its 1978/9 planting season at sites all over the country. The JNF's plans for this year call for the planting of more than 2.5 million new trees, on a total area of some 18,000 dunams. This planting work is carried out in addition to the JNF's year-round projects developing existing forests around the country and landscaping picnic and recreational facilities. Countrywide, there are some 960,000 dunams covered with trees, 560,000 planted by the JNF from scratch.