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U.S. DENIES POLICY CHANGE TOWARD PLO

Says Young's Views On PLO Are His Own

By Joseph Patackoff

WASHINGTON, Jan. 17 (JTA) -- The State Department said today that the views expressed on the Palestine Liberation Organization by the U.S. Ambassador to the United Nations, Andrew Young, are Young's personal observations and represent no policy change by the U.S. toward the PLO. The Department's chief spokesman, Hadding Carter, stressed that Young "understands and supports our policy regarding the PLO."

He was responding to questions about Young's statements in an interview with Interdependent, the organ of the United Nations Association of the United States, that American diplomacy is hampered by the lack of "effective relationship with the Palestinian people." While acknowledging the "tremendous influence of the PLO in Arab countries," Young stopped short of advocating recognition of the terrorist organization.

The envoy said the basic reasons for the absence of a link between the U.S. and the PLO is that Israel is opposed to it. "I don't necessarily quarrel with that, because I think that Israel is going to have to make the decisions about how it's going to relate to the Palestinian people," he said. Despite Israel's opposition, Young added, the U.S. "should have some way of relating to the Palestinian people." He noted that Washington is "working on" this, but hasn't "reached a conclusion."

Terms PLO Representatives Moderate

Young characterized the PLO's UN representatives as "very skilled politicians and very intelligent, decent human beings." He said they have acted as a "moderating influence" in the area and that he would favor doing business with the PLO on the world body because it would better those elements in the PLO who favor a "political process to liberation" rather than terrorism and the destruction of Israel.

The basic reason for what Young termed the frustration of Camp David accords is that the Palestinians do not feel that the accords assure them the self-determination they want. A link between the U.S. and the PLO would solve that, Young noted, adding, "that's what we are working on."

Hadding Carter was asked if Young's statements mean that the U.S. is undertaking "a serious review of policies" toward the PLO. He replied "no," and added, "We have not changed our policy regarding the PLO. Our only contacts with the PLO in New York City and nowhere else -- are incidental and related to our responsibilities as host country to the UN." Carter said, "We have sought to engage Palestinians in the process described in the Camp David agreements. Those agreements envisage the Palestinians in the process."

ISRAEL-SOUTH AFRICA COAL AGREEMENT

JOHANNESBURG, Jan. 17 (JTA) -- The agreement just reached for Israel's purchase of

one million tons of coal a year from South Africa was the result of nearly four years of top secret negotiations between the Transvaal Coal Owners Association and the Israeli government. It was disclosed here, Israel's Ambassador to South Africa, Itzhak Unno, said the deal would "add new dimensions to South African-Israeli trade relations." It is also seen as a major breakthrough in opening a new coal export market for this country.

The agreement was confirmed this week by Israel's Minister for Infrastructure and Energy, Itzhak Modai. The formal contract will be signed shortly in Pretoria. The coal is intended for the new electric power plant now under construction at Hadera. The first shipments are not expected to reach Israel for 18 months and a decision is yet to be made as to where the coal cargo should be discharged for the most convenient haulage to Hadera.

Jews in Iran Becoming Increasingly Concerned About Their Future

By Yitzhak Shargil

TEL AVIV, Jan. 17 (JTA) -- An Israeli who just returned from Iran claimed that Jewish matters there pleaded with him to "take our children to Israel" because they "expect 'terrible things' to happen after the Shah left." According to Itzhak Meir, director of the Yemin Orde Youth School, some 300 Jewish children have already been brought to Israel from Iran, leaving their parents behind, and several hundred other Iranian Jews are waiting to be transferred to Israel.

Meir said he was sent to Iran by the Jewish Agency on a mission to rescue Jewish children. He reported that Jews there are becoming increasingly alarmed about their future. He said that by chance he was at Teheran airport yesterday when the plane carrying the Shah into exile took off without any ceremony. He said a jubilant Iranian soldier fired his rifle into the air, narrowly missing a Jewish Agency worker from Israel.

Meanwhile, El Al announced it will continue its service to Teheran as long as the new regime headed by Prime Minister Shahpur Bakhtiar permits it. But the Bakhtiar government is expected to deny landing rights soon to Israeli aircraft as a prelude to severing all relations with Israel. Two El Al flights to the Iranian capital were cancelled today because of bad weather in Teheran.

BEHIND THE HEADLINES: ISRAEL AND THE UPHEAVAL IN IRAN

By Edwin Eytan

PARIS, Jan. 17 (JTA) -- The Shah's departure and the rise to power in Iran of new political forces will have far reaching consequences for Israel, according to West European experts. Practically the entire world, including the superpowers, will feel the political and economic impact of the change, but nowhere will the shock be as powerful and probably as lasting as in Israel.

The Shah's departure spells the end of an Israeli dream: to break through the wall of hate which surrounds it by establishing close, even though informal, ties with three countries situated on the periphery of the Arab world -- Turkey, Ethiopia and Iran.

This ambitious plan to "hop over the besiegers" was set in motion by Israel's late Premier David Ben Gurion in the late 1950s. Within a couple of years

Israel seemed to have succeeded in its attempt. Israeli experts and advisors were stationed in all three states. Economic ties, often secret, were established and a certain degree of political cooperation became daily practice.

Turkey, after its internal political upheavals in the 1960s, slipped out of this partnership, but Israel continued to maintain close and confident ties with Emperor Haile Selassie of Ethiopia and Shah Reza Mohammed Pahlavi of Iran. The 1974 Ethiopian army putsch, which toppled Selassie and brought a pro-Communist regime to power, was a serious blow which suddenly deprived Israel of its main African base.

The Shah's departure and the rise to power of a Moslem-nationalistic regime will deprive Israel of its last regional partner. Economically, Israel will be seriously hurt. It will be deprived of Iranian oil which at one time provided over 75 percent of Israel's yearly consumption of some nine million tons. The current government in Iran, headed by moderate Shahpur Bakhtiari, has already announced that it will stop all oil shipments to Israel.

Iran's next government, probably hand-picked by the Shah's main opponent, Ayatollah Ruhollah Khomeini, will probably adopt even stricter measures to prevent Israel from obtaining even a drop of Iranian oil.

The Oil Situation

The closing of the Iranian oil taps comes at a most inconvenient time. In 1975, Israel returned to Egypt, according to the disengagement agreement, the Abu Rodeis oil fields which supplied a large part of Israel's needs. Now, Israel is about to return to Egypt, according to the Camp David agreement, the Suez Gulf area with its rich offshore oil wells.

Iran used Israel's Red Sea-Mediterranean pipeline, running from Eilat to Ashdod and Haifa for a large part of its own oil exports to Western Europe. Economic experts here say that over 20 million tons of Iranian oil used to pass every year through the Israeli overland line. Now the pipeline will probably be inoperative, depriving the Israeli treasury of an important income and dealing a serious blow to Eilat.

In 1967, Israel was ready to go to war when the Arabs closed the approaches to the southernmost Israeli port. Now, Eilat's economy and its functional purpose have been wiped out for the time being, over night.

Israel has already obtained promises of increased oil shipments from Mexico and Venezuela while the United States, according to the Camp David agreements, had pledged itself to supply Israel with oil in case of need. All these new oil supplies will be far more complicated to ship, over, more expensive and more dependent on international good will. Nor, will they save the Red Sea-Mediterranean pipeline.

The new Iranian regime will also stop Israeli exports which, last year, according to foreign trade reports, totalled some \$120 million. Israeli contracting companies, such as Solel Boneh, had at the time of the Iranian upheaval, contracts for some \$300 million for the construction of roads, schools, dams and large industrial plants.

Many Israeli companies were operating profitable branches in Iran. The presence in the country of some 80,000 Jews, many of them with important positions in various business fields, had helped Israeli firms to implant themselves in Teheran and a number of provincial centers.

Main Danger Is From The U.S.

The most serious blow will, however, be in the political field. The Shah's departure spells an end to Israel's hope to contract discreet but effective alliances with non-Arab Moslem states in the area and hop over the walls of Arab enmity.

The main danger which Israel faces will come from America itself. According to West European experts, the Iranian crisis is placing America on the horns of a dilemma. It will have to choose between supporting Israel, its only remaining serious and reliable ally in the area, to the hilt, or backing the moderate Arab regimes in Saudi Arabia and Egypt.

Any such political backing will entail increased American pressures on Israel to give in to Egyptian demands and sign the peace treaty on which Egyptian President Anwar Sadat has staked his prestige and the eventual survival of his regime.

Most West European governments believe that America will opt in favor of the Arabs; and that this new American approach will become visible as soon as the current mission by U.S. Ambassador Alfred Atherton is over and the Israeli-Egyptian talks are renewed on a ministerial level.

U.S. INVESTMENTS IN ISRAEL SOARED

By Yitzhak Rabi

NEW YORK, Jan. 17 (JTA) -- American investments in Israel in 1978 increased by 50 percent compared with the previous year and reached an estimated \$120 million, according to Dr. Zvi Dinstein, Israel's economic minister to the U.S. and Canada, and Uriel Lynn, director general of the Government of Israel Investment Authority for North America.

Declaring that 1978 was "a very good year" for North American investments in Israel, Lynn, addressing a press conference here this morning together with Dinstein, said that "in 1978, many more American companies realized that Israel is an ideal location for their research and development and high technology operations." He said that the last year's investments included investments by National Semiconductor, Motorola, Chromalloy and Baldwin and were part of 50 new projects.

"This is a 50 percent increase over the \$80 million invested in 1977," Lynn said, noting that total foreign investment in Israel rose to an estimated \$165 million, an increase of 43 percent over \$115 million invested in 1977.

Both Dinstein and Lynn predicted that 1979 will even witness greater increase in investment in Israel by American companies. According to Dinstein, "hundreds of American firms are already involved in Israel economy," among them firms from the "big league of companies" in America.

Reasons For The Increase

According to Lynn, the reasons for the increase in American investment in Israel could be attributed to the liberalization of the Israeli economy in an effort to move toward a free market system, including total elimination of foreign currency control for foreign investors; the weakening of the impact of the Arab boycott against Israel in view of the anti-boycott laws passed by the American government; the prospect of peace in the Mideast; and Israel's duty free access to the European Economic Community (EEC).

Highlighting the new investments by U.S. companies in 1978 were projects in the high technology field, involving either new investments or expansions of existing facilities, Lynn said. He added that 1978 also signified a diversification of investments, a broadening beyond the high technology industries.

He observed that there is increasing interest in financial and real estate ventures. Canadian investors are about to buy the government's share in the largest

mortgage bank in Israel; a group of investors from the midwest has indicated a desire to buy the government-owned Maritime Bank; a U.S. insurance company is finalizing negotiations to buy an insurance company in Israel.

There is also substantial private investment in real estate and construction projects, Lynn said. A major U.S. company is exploring the possibility of setting up a village for senior citizens on the shores of the Mediterranean, similar to such complexes which it has built in U.S. Projects related to tourism are now being boosted, possibly with a view to the expected influx of tourists lured by reduced airfares and the prospect of peace. Hyatt Hotels will manage its first hotel in Israel in the Haifa beach area.

MONEY APPROVED FOR SETTLEMENTS

By David Landau

JERUSALEM, Jan. 17 (JTA) --- The Knesset Finance Committee today approved a government request for an appropriation of IL 710 million for settlement projects in the administered areas. Most of the sum -- some IL 500 million -- is earmarked for building permanent homes at the West Bank settlements of Haress and Kamei Shomron and for laying some six kilometers of road across the Samaria district.

Labor Party members of the committee voted against the funds for settlements in the heart of Samaria but supported those sums directed at settlement efforts in the Jordan Valley and the Golan Heights. But Likud Whip Pessach Grupper energetically rallied Likud members and stand-ins to ensure a majority for the government's request.

Deny Carter Letter On Settlement

In a related development, American sources here were quoted by Israel Radio as denying that President Carter has sent a letter to Premier Menachem Begin protesting recent settlement decisions. Reports from Washington today said that such a letter would be sent. Israeli government sources said this evening that no such letter had reached Jerusalem.

(In Washington, the State Department chief spokesman Hodding Carter, asked about the letters said his queries at the White House for information indicated "misapprehension" there over the reports from Israel about new settlements. Later, an official who asked to be identified as a "U.S. source" told reporters it was "not the case" that a "strong protest" had been sent to Israel. But he acknowledged that he was not certain of his facts. Emphasizing that "our position has not changed" in opposition to settlements, the source said, "We are obviously going to pursue this matter at the appropriate Israeli level.")

There were angry Israeli reactions to the reports of the anger in Washington. Officials pointed out that the decision which reportedly had raised Washington's ire concerned Nahal paramilitary settlements, not civilian villages.

According to Cabinet Secretary Arye Naor, the decision was taken by the Cabinet "several weeks ago." It provided, Naor said, for the establishment of three Nahal outposts: one near Jericho, one in the north of the Jordan Valley, and one in the south of the Gaza Strip.

Naor said the decision came after the three-month freeze following Camp David had ended. He pointed out that a Nahal site did not necessarily mean that a civilian settlement would eventually rise on the spot but this has happened in the past in many or most instances.

Meanwhile, U.S. special envoy Alfred Atherton held an unscheduled meeting this evening with Begin at the Premier's Jerusalem home. Also present was Foreign Minister Moshe Dayan.

After the meeting, Atherton said he had taken no formal message from President Carter to Begin. "But I did convey the President's personal good wishes to the Prime Minister," he said. The envoy also stated, in reply to a reporter's question, that his request for a meeting with Begin was "perfectly natural and unrelated to either development or lack of development in our meetings with the Israeli team."

Atherton said that the question of Israeli settlements in the occupied areas was not discussed. He said "I simply wanted to see Mr. Begin" and that he had used the opportunity "to review the general Mideast situation" with Begin and Dayan. The meeting came after a second, hour-long working session between Atherton and State Department legal aide Herbert Hansell and an Israeli team of specialists led by Begin's political aide, Dr. Eliahu Ben-Ehrissar. The two teams had first convened in the morning for what was described as an initial survey of the state of the negotiations.

Atherton then lunched privately with Dayan at a Jerusalem hotel. Sources said the two men reviewed Iran and other regional and world events and had not entered into the minutiae of the negotiating issues that Atherton is here to try and resolve.

The afternoon working session was believed to have marked the beginning on a detailed examination of the disputes over Articles IV and VI of the draft peace treaties. Another working session has been scheduled for tomorrow morning, and the envoy's schedule is said to be flexible. He is expected to travel on to Cairo some time over the weekend.

JEWISH LEADERS GOING TO ISRAEL

NEW YORK, Jan. 17 (JTA) --- Three hundred Jewish leaders from 51 communities throughout the United States and Canada, members of the State of Israel Bonds Prime Minister's Conference for 1979, will review new efforts to enhance the strength of the nation's economy and Israel's development needs with Premier Menachem Begin, Finance Minister Simcha Ehrlich and other Israeli leaders in a week-long conference in Jerusalem, Jan. 22-28. The conclave will focus on economic challenges that Israel faces in a year during which a peace treaty may be signed with Egypt.

In terms of 1979 the year of building strength for peace, Sam Rothberg, general chairman of the Israel Bond Organization, told the members they could be "part of the first phase of planning and development for peace, particularly in the Negev, Israel's Southland, which will serve as the pivot of much of the new development effort."

The delegation will be led by Rothberg and by Michael Arnon, the organization's president and chief executive officer. The conference, which will conclude Jan. 28, also will hear from President Yitzhak Navon, Foreign Minister Moshe Dayan and other important Israeli personalities.

A special ceremony will be held at the grave of Golda Meir, who served as Israel's Premier and was a founder of the Israel Bond Organization. During the conference a new billion-dollar Israel Bond Issue Bill will be presented to the Knesset in the presence of the conference delegates. They will be the guests of the Speaker of the Knesset, Yitzhak Shamir, at a special reception.

NEW YORK (JTA) --- Refusenik Victor Brailovsky is being threatened with "parasitism" charges.

RECORD NUMBER OF VOCATIONAL STUDENTS AIDED BY ORT IN 1978, REPORT SHOWS

NEW YORK, Jan. 17 (JTA) -- Nearly 100,000 men, women and young people -- a record number -- were enrolled in vocational and other programs of ORT -- the Organization for Rehabilitation through Training -- in 24 countries in 1978, it was reported this week by Harold Friedman, American ORT Federation president.

"More youth, more adults, more Israelis and more Soviet Jewish refugees were served by ORT this year than at any other time in the 99-year history of ORT," Friedman declared in a report prepared for the National Conference of American ORT, scheduled Jan. 19-21 in the New York Hilton. "If the greatest leap forward in 1978 was in Israel," he indicated, "the upward spiral in ORT programs has in fact been a worldwide phenomenon of the Seventies."

Total 1978 enrollment in all ORT programs throughout the world came to 97,776, Harold Friedman reported. This compares with 84,000 in 1977, or an increase in this single year of 14,000 students and trainees, of whom 12,000 represent a rise in ORT Israel. Friedman noted that in the perspective of what has been happening in expanded ORT services since the beginning of the 1970s, ORT enrollment has added 40,000 persons, or an increase of some 80 percent in less than a decade with the likelihood that it will in fact have almost doubled by the close of 1980.

"Two-thirds of ORT students, overwhelmingly youth, are in the nationwide network of 88 schools throughout Israel; 67,750 were enrolled in 1978. When it is considered that Israel ORT student body numbered 34,394 in 1969, it becomes apparent that the greatest leap forward in this decade has been in ORT Israel, where the program has practically doubled during this period -- an achievement of considerable note."

Soviet Jews served by ORT language training programs in Rome numbered over 6,000 in 1978, and considerably more are projected for 1979, as new facilities come into full use and provided the level of such emigration continues, Friedman said.

ORT Activities Cited

"It is important to remember that ORT is an international program, serving Jewish communities in most parts of the Jewish world," he commented. "Thus, last year, the ORT schools in France, whose students are overwhelmingly of Jewish North African origin, totalled 7,761."

"ORT has been called upon increasingly by Jewish communities to introduce its expertise into existing Jewish day schools, to modernize their education and make that education more relevant to the realities of modern life," he stated. "Last year ORT was responsible for providing such 'creative education' studies to 6,600 in-community schools throughout Latin America and to over 8,800 youngsters globally. "ORT integration into present Jewish community education facilities is definitely a wave of the future," Mr. Friedman said. "It is bound to grow."

Friedman's report recited a substantial rise in ORT graduates. More than 33,800 people completed their ORT training last year, as compared with 24,560 the year before. In Israel alone, ORT schools graduated 25,863 into the country's skilled workforce. "In this respect it is no exaggeration to describe ORT as the nation's skilled manpower resource," Friedman stated.

NEW NATIONAL SOVIET CENSUS MAY SHOW DECLINE OF JEWISH POPULATION

By Maurice Samuelson

LONDON, Jan. 17 (JTA) -- With a new national census beginning today in the Soviet Union, it is believed that the result could show a Jewish population of not more than 1.9 millions, compared with 2.1 million in 1970.

This is the result of the emigration of 180,000 Jews since the last census in 1970, in addition to the decline shown in previous decades. However, the figure will depend mainly on whether there will be a large change in national identification in census declarations. This is the conclusion of an analysis by Dr. L. Hirszowicz of the Institute of Jewish Affairs.

The numbers of Jews in the five preceding Russian censuses were as follows: 1897-five million (according to language) and 5.2 million according to religion; 1926-2.7 million; 1939-3 million; 1959-2.26 million; and 1970-2.1 million.

Since the 1917 revolution, all the censuses have omitted the religion question and recognized Jews as a nationality. Between 1959 and 1970, the number of Jews dropped by 117,000; through natural causes and perhaps through their changing their national identity. The loss between 1970 and 1979 must be much greater -- about 270,000, if one adds these processes to the roughly 180,000 emigrants.

Another clue to the real number of Jews will be in the answers concerning a person's national language where it differs from his first language. A further decline in the number of Yiddish speakers may be expected, but Hirszowicz believes, the decline may be overstated due to the way the question is formulated.

CLASH LOOMING IN SOUTH LEBANON

TEL AVIV, Jan. 17 (JTA) -- A possible clash loomed today between the Christian militia in south Lebanon and the newly deployed Nigerian contingent of the United Nations Interim Force in Lebanon (UNIFIL), which, the Christians claim, favors the Palestinian terrorists. The Nigerians aimed tanks and artillery at Christian villages following a series of confrontations with the militia in recent days. The Christians have blocked roads leading to the Israeli border to all UNIFIL traffic.

A meeting between militia and UNIFIL officers at Metullah Monday night failed to reach any agreement. The Nigerian troops replaced an Iranian battalion that was called home last week. The Christians, who are backed by Israel, claimed that the Nigerians, being Moslem, support the Palestine Liberation Organization and its terrorist arm, El Fatah. They urged the UNIFIL command not to post them on the Akiyah bridge, charging that they were allowing terrorists to cross the Litani River. A Nigerian unit was encircled by militiamen after it allegedly hampered Christian patrols in south Lebanon.

The Christians said the patrols were permitted under an agreement reached between their commander, Major Saad Haddad and UNIFIL commander Gen. Emanuel Erskine of Ghana. But the Nigerians replaced tanks and artillery within range of the Christian enclaves. It was the first time UNIFIL has deployed artillery in the area.

VIENNA (JTA) -- The Austrian Court confirmed the ban of an issue of the rightwing "National Zeitung" which included an article entitled "The 20th Century Fraud: The End of the Six-Million-Lie."