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Marathon Knesset Debate Begins: BEGIN VOWS THERE WILL NEVER BE A PALESTINIAN STATE. AUTONOMY WILL APPLY TO THE PEOPLE, NOT THE LAND

By Barbie Zelizer and Yitzhak Shargil

JERUSALEM, March 20 (JTA) -- The Knesset's marathon debate on the Israeli-Egyptian peace treaty and all of its annexes, was opened by Premier Menachem Begin this morning. He spoke for well over an hour in defense of the treaty but vowed repeatedly that there would never be a Palestinian state and that autonomy on the West Bank and Gaza Strip would apply to the people, not the land they live on.

The debate was scheduled to adjourn at 9 p.m. local time tonight and resume tomorrow morning. The vote on the treaty is not expected to be held until Thursday morning as most of the 120 Knesset members have registered to speak.

But despite heckling by Communist MKs and bitter attacks on the treaty by diehard members of Begin's own Herut faction, notably Moshe Arens, chairman of the Knesset's powerful Foreign Affairs and Security Committee, approval of the treaty is considered a virtual certainty and there was little suspense as the debate rolled on into the evening hours.

Majority Vote For Pact Predicted

Most pundits expect an overwhelming majority to vote in favor of the pact. The opposition Labor Party announced yesterday that it would support the treaty in whatever form it is presented. Its Labor Alignment partner, Mapam, did the same. Last night Likud's Liberal Party wing agreed to support the treaty as the National Religious Party had done earlier, although the latter expressed cautious reservations over the autonomy plan.

Approval was also announced by the Democratic Movement, headed by Deputy Premier Itzhak Yadin and its break-away "Shai" (Change) faction which is now in the opposition camp.

The most serious challenge came at a meeting of the Herut Central Committee in Tel Aviv last night which was not attended by Begin. A verbal brawl erupted briefly when a member demanded a vote of censure against Begin. But in the final vote, some 80 percent of the 700-member committee backed the Prime Minister.

Return To 1967 Borders

Nevertheless, Begin was obviously aware of the hardcore of anti-treaty sentiment within his own party and the reluctance of the support offered by some of his coalition partners, notably the NRP. His speech seemed intended to re-assure the waverers and to warn Cairo.

Begin declared: "Israel will never return to the borders of 1967. Neither will she allow the one and unified Jerusalem to be divided or for a Palestinian state to be established on her borders. The only autonomy that will be established is the autonomy which applies to the residents of those lands, not the lands themselves." He insisted: "What I am saying does not belong to politics. What I am saying is our very life and existence." He added that "no force in the world could make Israel retreat on those issues."

(In Cairo, Egyptian Premier Moustapha Khalifa

described Begin's remarks as "an inappropriate start for an era in which we hope everybody will work toward laying down a sound basis for just and durable peace in the Middle East and to reach a comprehensive settlement."

In a statement issued by the Foreign Ministry, he added that "what Mr. Begin said contradicts the basis of peace agreed upon in Camp David and spoils the atmosphere which we hoped to prevail at the signing of the (Egyptian-Israeli peace) agreement."

Begin stressed the historical significance of the peace treaty with Egypt and its advantages for Israel. He related in detail the latest stages of the peace negotiations. He said that on the issue of Sinai oil, Egypt had not been as forthcoming as expected but noted that Israel has received a commitment from the U.S. to supply its oil needs for 15 years if Israel is unable to find other sources of supply. "We will do all we can to avoid depending on the U.S. on this issue," Begin said.

Labor Supports Territorial Compromise

Begin was followed on the podium by Labor Party chairman Shimon Peres who stressed, "The Labor Party supports and will always support territorial compromise because the only alternative to such compromise is the loss of all territory." Peres declared that "The real choice is between compromise for peace and decision for war. Today we are a strong state with the ability to actively direct ourselves toward peace," he said.

He challenged Begin's interpretation of autonomy. "How can you separate a resident from his land, a farmer from his field?" he asked. "The government cannot and must not say that concessions only seem one way but are in fact another. We must possess a responsible lexicon. If not, we will only delude ourselves and in the end, each man will doubt the other," Peres said.

While the Knesset debate was in progress, some 100 Gush Emunim members demonstrated their defiance of the peace treaty by setting up camp near El Arish, some 50 miles inside Sinai, and proclaiming a new Jewish settlement. They claimed that the site, Wadi El Arish, is the Biblical "river of Egypt" which God "promised" to the Israelites. The squatters raised an Israeli flag and began erecting pre-fabricated huts in the territory that is to be returned to Egypt under the peace treaty terms.

WHITE HOUSE SEEKS TO ALLAY FEAR THAT ALLOCATIONS TO ISRAEL, EGYPT WILL AFFECT DOMESTIC AID PROGRAMS

By Joseph Polakoff

WASHINGTON, March 20 (JTA) -- The White House today sought to allay fears that the U.S. allocation of \$5 billion or possibly more to Israel and Egypt to cement their peace agreement will affect federal funding of domestic welfare programs and aid to unemployed Americans.

Responding to reporters' questions, Presidential Press Secretary Jody Powell pointed out that the allocations are "being stretched out over three or four years." He added that the U.S. budget has a "number of places" which could be tapped for the funds that do not bear on anti-poverty programs. Powell disagreed with a reporter who implied that

the money may come out of social programs for Blacks and others. Why, he asked, is the Egyptian-Israeli treaty not "in the interests of minorities" in the U.S. He said that if additional appropriations are required, we will be making recommendations for both the current budget and the upcoming 1980 budget. (Israel expressed disappointment with the amount of U.S. aid. See P. 3 for story.)

Meanwhile, Sen. William Proxmire (D-Wisc.), chairman of the Senate Banking Committee and a strong opponent of military foreign aid, continued his criticism of the U.S. commitments in connection with the Egyptian-Israeli treaty. He told the Senate that it is "a remarkable contradiction" and "self-defeating" that President Carter negotiated the peace but that "in order to button up that treaty we are going to have to agree to \$5 billion of arms exports to Egypt and Israel."

Touching on a favorite theme of many Congressmen, Proxmire said, "For us to solve our problems" by "giving more arms to both sides is fundamentally wrong and self-defeating."

Agreements Between U.S., Israel

During the meetings between Defense Secretary Harold Brown and Israeli Defense Minister Ezer Weizman, the U.S. agreed yesterday, according to Pentagon sources, to provide \$3 billion in new military aid to Israel of which \$800 million will be in grants and \$2.2 billion in loans to be repaid over a 30 years period at prevailing interest rates, beginning after a 10 year grace period.

This is to help Israel pay the costs of its withdrawal from Sinai and to finance the construction and equipment of new air bases in the Negev under the "management supervision" of the U.S. Army Corps of Engineers, Pentagon sources said.

In addition, the sources said, the U.S. has agreed to begin delivery of 75 F-16 fighter bombers to Israel early next year instead of October, 1981 as originally planned. Other military equipment will include M-60 tanks, armored personnel carriers, howitzers and naval guns.

Furthermore, Brown and Weizman agreed that Israel would cooperate with the U.S. in research and development and in certain military procurement programs. This would allow Israel to compete with U.S. defense contractors to sell certain military equipment to the American armed services.

Today, Egyptian Defense Minister Kamal Hassan Ali went on a two day tour of U.S. air bases to inspect American equipment that Egypt might request. The U.S. has promised \$2 billion in military aid to Egypt in connection with the peace program, according to Pentagon sources. Egypt's requirements will be worked out over the next few months.

The \$5 billion for both countries is in addition to current U.S. aid in the amount of \$1.8 billion for military and economic assistance to Israel, and \$1 billion in economic aid to Egypt, this year.

Meanwhile, lower echelon Egyptian and Israeli officials were working out the final details of the military annexes to the peace treaty. One remaining issue is whether Israel will give up the Sinai oil fields nine months after the treaty is signed or seven months after as Egypt has requested.

Begin, Dayan, Sadat Due In A Few Days

In another development, it was learned that Israeli Foreign Minister Moshe Dayan is due here Thursday to meet with Secretary of State Cyrus Vance to draft an understanding of U.S. and Israeli commitments under the peace treaty.

Premier Menachem Begin and Mrs. Atzila Begin are due in New York Friday where they will rest until leaving for Washington Sunday. Begin will be accompanied by about 15 of his top aides.

President Anwar Sadat and Mrs. Jehan Sadat are expected to arrive in Washington Sunday directly from Cairo. Neither the Israeli nor Egyptian leaders will stay at Blair House, the Presidential hostelry for visiting foreign dignitaries.

FRENCH SOCIALIST PARTY INVITES PLO TO SEND DELEGATION TO ITS CONCLAVE

By Edwin Eytan

PARIS, March 20 (JTA) -- The French Socialist Party has invited the Palestine Liberation Organization to send a delegation with observer status to its general conference. This is the first time that the French Socialists, refused to be Israel's "sneachest friends in France, have invited the PLO. Israel's Labor Party traditionally sends a high ranking delegation to the conference.

Socialist sources say the decision to invite the PLO was taken by the party's Executive in the absence of its First Secretary Francois Mitterand. Certain Socialist sources even claim that the invitation was launched "in order to embarrass" Mitterand who is being contested as the party's leader and Presidential candidate. The PLO will be represented at the annual conference due to take place April 7-9 by its permanent delegate in Paris, Ibrahim Suss.

Mitterand has in the meantime written President Valery Giscard d'Estaing asking him to intervene on behalf of a large number of Soviet Jews. Mitterand has asked Giscard to take up this issue with Soviet President Leonid Brezhnev when the two meet later this week. The French President is leaving Thursday for an official visit to the Soviet Union.

The Socialist leader asked Giscard "to enable the reunification of families as prescribed by international law and the basic rights of man." Mitterand added to his letter a long list of Soviet citizens on whose behalf he asks the French President to intervene. A Presidential spokesman has refused to comment on the request, saying that such top level meetings are confidential.

EVRON: U.S. GRANTS, CREDIT FOR ISRAEL WILL HELP PEACE TREATY

NEW YORK, March 20 (JTA) -- While Israel did not get everything it asked for in its request for large scale military aid from the United States, the decision of the Carter Administration to recommend a \$3 billion in grants and credit for Israel will prove "very helpful" in assuring Israel's security and the success of the Egyptian-Israeli peace treaty, Ephraim Evron, the Israeli Ambassador to the U.S. told the Conference of Presidents of Major American Jewish Organizations today.

Evron praised the "persistence and determination" of President Carter in bringing about the treaty but reserved special praise for Israeli Premier Menachem Begin, whose flexibility and leadership were chiefly instrumental in the achievement of the "supreme objective of Israel since the founding of the State -- peace."

Not since David Ben-Gurion made the decision to declare the Jewish State in 1948 has an Israeli Premier confronted so difficult a decision as Begin did in recommending to the Cabinet that Israel return all of the Sinai to Egypt to assure a peace treaty, Evron said.

"No participants in the peace negotiations made a more intensive effort or took greater risks

for peace than Prime Minister Begin," the Ambassador said. "The attack he endured in the American press and even from some Jewish groups constituted a grave injustice."

The Israeli diplomat acknowledged that among many American Jews he had met in the last few days as well as Israelis "the feeling of euphoria that we knew when President Sadat visited Israel 16 months ago has disappeared." He added, "We don't realize the historical importance of this achievement, perhaps because we are too close to it. Let us hope that later generations will."

No Hour For Criticism, Gloom

A similar note was struck by Yehuda Hellman, executive director of the Presidents Conference, in addressing a luncheon of the Jewish National Fund National Assembly today. "We have not hesitated to criticize President Carter when we felt he deserved it," Hellman said.

"But this is no hour for criticism or for gloom. It is a moment for celebration. There are, to be sure, difficult days ahead as the negotiations on the West Bank begin and pressures develop on Jerusalem. But let us not fight those battles until they are upon us. Today we can rejoice in the magnificent victory for peace which the Egyptian-Israeli treaty represents and which will both strengthen America's security and open a new era for the people of Israel and Egypt. And let us remember that those who cannot rejoice when it is time for rejoicing cannot respond to the summons for battle when summons is sounded."

Presidents Conference chairman Theodore Mann announced at the Presidents Conference meeting that Begin will be welcomed by the Jewish community at a rally March 28 in Avery Fisher Hall at Lincoln Center. The meeting will be sponsored by the Presidents Conference.

STATUTE OF LIMITATIONS ISSUE

By Joseph Polakoff

WASHINGTON, March 20 (JTA) — West German Chancellor Helmut Schmidt was reported here yesterday as critical of his country's judiciary and Christian churchmen for not taking a stand on whether the statute of limitations on Nazi war criminals should be extended or abolished to permit trials to continue.

Leaders of an American group, including two Congressmen, said on their return from West Germany that Schmidt told them he was disappointed that the judges and clergy had not advised him and the Bundestag on the "difficult question" before them. "I am sorry to report it has not been forthcoming," the Chancellor was quoted as saying about the advice he had asked. "I hope we would not save them from the necessity of making up their minds."

Speaking with the Jewish Telegraphic Agency, Rep. Robert Dornan (R-Calif.) and Rabbi Marvin Hier, Dean of the Simon Wiesenthal Center for Holocaust Studies at Yeshiva University of Los Angeles who headed the 25-member group which had been invited by the Bonn government, said that Schmidt had asked for the advice during a speech in the synagogue in Cologne on Nov. 9, the 40th anniversary of Kristallnacht.

Schmidt Expresses Cautious Optimism

In their two-hour meeting with Schmidt in Bonn, Dornan and Hier said, the German leader expressed "cautious optimism" that the majority in the Bundestag would by a "few votes" abolish the statute of limitations. Dornan also emphasized that without the NBC-TV series "Holocaust" that

had been shown in Germany in January "the effort to get the statute abolished would have failed." He said the series "awakened the conscience of the younger generation in Germany."

In addition to Dornan and Hier, the Jews and non-Jews in the group included Rabbi Abraham Cooper of Los Angeles; civil rights leader Bayard Rustin; Rev. Carl Benecke of Loyola University in Los Angeles, who was born in Hamburg; and Martin Rosen, Mayor of Lawrence, Long Island, N.Y., the legal counsel in the United States for Wiesenthal.

Three victims of the Nazi terror who now live in Los Angeles also were members of the group. They are Mrs. Ruth Bromberg, who lost 72 family members in the Holocaust; Alexander Vario, who fought in the underground while his parents and grandparents vanished in Auschwitz; and Hans Lederer, who was a month away from becoming a medical doctor in Austria when Nazis seized and later killed all the members of his family.

ISRAEL DISAPPOINTED OVER U.S. AID

TEL AVIV, March 20 (JTA) — Finance Ministry circles expressed disappointment today over the amount and form of economic aid the U.S. has offered Israel to carry out the terms of its peace treaty with Egypt. As a result, the possibility arose that Premier Menachem Begin and other ministers accompanying him to Washington over the week-end will have to discuss the matter again with President Carter before the treaty is signed on Monday.

This new development emerged after Defense Minister Ezer Weizman reported that the U.S. agreed to the sum of \$3 billion for Israel of which \$800 million would be in grants and the \$2.2 billion balance in the form of loans, albeit on favorable terms. Weizman, who returned from Washington this afternoon, seemed well satisfied with the American offer even though Israel had asked for \$3.9 billion to help evacuate its forces from Sinai, redeploy them in the Negev and construct new air bases in the Negev.

But Treasury officials had expected the larger portion of the money to be a grant and the lesser part as a loan. They claimed the American decision would place an unbearable burden on Israel's economy and that when Begin discussed this aspect with Carter in Washington several weeks ago, the impression had been that most of the sum would be given as a grant. Some ministers are already insisting that Israel make its signature on the peace treaty conditional to a satisfactory settlement of the financial questions with the U.S.

Weizman told reporters on his arrival that while he was in the U.S., "I heard very familiar words that reminded me of home. They speak of inflation and the high cost of living and price hikes. America has its problems and it is nice that they give us what they said they would," Weizman said. He said that in addition to the loan and grants, the U.S. will provide Israel with military items that had been requested but until now denied. "This is quite fair on their part," he said.

He announced that while all of the details of the withdrawal from Sinai were settled in his talks in Washington with the Egyptian Defense Minister, Kamal Hassan Ali, agreement has yet to be reached on one point. "This is the question of Israel's withdrawal from the off-shore oil fields discovered recently in the Gulf of Suez. Israel insists that it will pull out of the oil fields nine months after the treaty is signed but the Egyptians want to take over at a much earlier time," Weizman said. He said that El Arish in eastern Sinai would be evacuated in 3-4 months after the treaty signing.

RIVLIN: JNF WILL INTENSIFY LAND RECLAMATION, DEVELOPMENT OF NEW AREAS AFTER PEACE TREATY IS SIGNED

By Yitzhak Gobi

NEW YORK, March 20 (JTA) -- Moshe Rivlin, chairman of the Jewish National Fund Board of Directors, declared last night that "as a direct consequence of the signing of a peace treaty between Israel and Egypt, the JNF will triple its operations in reclamation and development of new areas, especially in the Negev." Rivlin disclosed that contingency plans have already been worked out between the JNF and the Israeli government and Jewish Agency authorities to begin the work immediately after the signing of the treaty.

Rivlin made the announcement at the JNF's gala dinner at the Waldorf Astoria Hotel here, where 500 delegates from throughout the U.S. are attending the two-day National Assembly of the JNF.

Addressing guests and JNF leaders at the dinner, Rivlin said that the Board of Directors of the JNF is about to approve a budget that will enable the JNF to build the infrastructure for 20 new settlements on the Israeli side of the Sinai border and to add new settlements in the Arava portion of the Negev further to the east on the border with Jordan.

Rivlin also said the new JNF budget will provide for the building of 29 outposts or "lookouts" in hitherto unsettled areas in the rocky belts of the Galilee.

New Era In The Mideast

Israel's Ambassador to the United States, Ephraim Evron, who came to last night's dinner after participating in Israeli Defense Minister Ariel Weizman's meeting with Secretary of Defense Harold Brown in Washington, said that Israel is approaching a new era and "standing on a threshold of a new challenge," with the signing of the peace treaty with Egypt. "I believe that the peace treaty with Egypt will change the whole character of relations in the Mideast," Evron predicted. But he cautioned that no one should expect "wonders" after the peace treaty is signed, recalling the warning of Palestine Liberation Organization chief Yasser Arafat that the Mideast will "explode" after the Egyptian-Israeli peace treaty is signed.

Evron also said that the "challenge of peace is no less difficult than the challenge of war," noting that Israel has to overcome the problem of the social gap and establish a more just and equal society.

JNF Activities Detailed

Earlier in the day, in a special interview with the Jewish Telegraphic Agency, Rivlin elaborated on the role of the JNF after the peace treaty with Egypt is signed. He said that the establishment of the 20 new settlements east to the new border between Egypt and Israel, near the present settlements in the Rafah salient, will require the reclamation of some 20,000 acres which are presently covered by vast dunes. "We will have to remove and transfer tens of millions of cubic meters of sand," Rivlin noted. "We will have to build new roads and plant trees immediately to protect the reclaimed land from the dunes."

Other settlements will have to be built on the southern border of the Arava, between Yotvata and Eilat, Rivlin said, noting that this area is the meeting center of Israel's borders with

Jordan, Egypt and Saudi Arabia.

The JNF, Rivlin said, is also planning two major projects in the Negev to enhance the "quality of life" in that area: Eshkol Park, in the Beshor region, and Park Timna, near Eilat.

Turning to the JNF's works in the Galilee, Rivlin warned that if Israel will not increase its Jewish population and Jewish settlements in the Galilee now, "we will all be sorry in the future." Presently, he said, the JNF is in the midst of works on 29 "lookouts" which are the basis for future settlements. This requires the JNF to build 80 kilometers of new roads in the rocky mountains of Galilee, in addition to the reclamation of thousands of acres. The new projects and challenges will increase JNF expenses threefold next year, compared with this year, Rivlin said.

"The JNF work in Galilee, our projects in the Negev and the corridor of Jerusalem are in fact the answer of the JNF to the challenges of peace. I see our work in the Negev as a sign that declares that the war between two people has ended and, instead, lets us concentrate on a war against the desert," Rivlin said. "I think," he added, "that every Jew should consider it a privilege to share in the challenge of peace and to take part in strengthening and developing Israel, because this development is the guarantee for peace."

Shares Father's Love For Israel

Addressing last night's dinner was State Senator Hubert H. Humphrey III (D-Minn.), who, two months ago, attended the dedication of the Hubert H. Humphrey Parkway in the Jewish National Fund's American Bicentennial Park in Israel. He spoke of his meetings with President Yitzhak Navon and Premier Menachem Begin, referring to his trip as one of the most moving experiences he has had. "I experienced 4,000 years of history in 10 days," he said. "I learned so much... what is at stake for Israel is at stake for all of us. A free, open democracy... that is what Israel stands for. And in this cause, I share my father's lifelong love for Israel and for the work of the JNF, for the JNF is truly a builder of peace and hope."

ARAB DISPLAY DISMANTLED

TORONTO, March 20 (JTA) -- A display in the city of Ottawa called "Palestine" mounted by the Arab Information Center at the main branch of the city's Public Library has been partially dismantled after accusations that it was a "propaganda ploy." Library director Claude Aubry said that displays are intended to show the culture, arts and crafts of the sponsoring group, but when he received immediate negative feedback about this display's intent and contents, he acted to keep "mudslinging and provocation from one group to another" out of "the last free institution in the world."

Four days after the display of books, maps, art work and crafts was set up, the director and one specialist removed from the main showcase anything they thought carried political implications.

This included books and periodicals with titles such as "Israel and South Africa—the Progress of a Relationship" and the main backdrop, a map of the Mideast showing "Occupied Palestine" and "Territories Seized by Israel." The overall sign "Palestine" remained, as it is an historic name, as did books with titles such as "Palestine and the Arab-Israeli Conflict" and "Between Olive Branch and Battle-Field."

JERUSALEM (JTA) -- Aliya figures for February showed a 73% rise compared to February 1978, Jewish Agency officials said. There were 3137 alim last February.