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CABINET UPSET OVER REPORTS OF ISRAELI GESTURES TO EGYPT By Barbie Zelizer

JERUSALEM, March 28 (JTA) -- Current reports of "one-sided" Israeli gestures to Egypt. concerning the West Bank residents have caused consternation among some of the Cabinet ministers still remaining in Israel, but all have agreed to wait until Premier Menachem Begin's retur from the United States tomorrow before reacting publicly.

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The so-called Israeli gestures to which Begin has reportedly agreed include a cessation of administrative arrests in the West Bank, cancellation of the prohibition on political conven tions, permitting West Bank residents who tell the country in 1967 to be reunited with their families, and a dissolution of the military gov ernment headquarters in West Bank cities.

"Israel has not left itself any leverage with which to conduct the forthcoming negotiations on autonomy, " commented one minister. Another odded that the gestures were was Tikely the work of journalists, and that he found it hard to believe that Begin would agree to such acts.

The government discussed the issue of Ism gestures to Egypt twice before, once before Begin's departure to Washington and again last Sunday under the chairmanship of Acting Premie Zevulun Hammer, It appears that the government rejected some of the gestures it was reques ted to make, but current reports indicate that Begin conceded to the requests while in Washington. For instance, while Israel agreed to the dissolution of the military headquarters in the Gaza Strip, the same agreement was apparently not forthcoming as concerns cities in the West

ISRAEL DISMANTLING ITS SINAI INSTALLATIONS IN PREPARATION FOR FIRST STAGE WITHDRAWAL FROM AREA By Yirzhak Sharqil

TEL AVIV, March 28 (JTA) -- The Israeli army has begun dismantling its installations in Sinai in preparation for the first stage of its withdrawal from the peninsula to be completed oths after the peace treaty with Egyp! is ratified.

Acting on direct orders from Defense Minister Ezer Weizman who is in the United States, army transport units, the engineers corps and auxiliary units are loading ammunition and equipment on trucks and taking down prefabricated buildings. Gen. Avraham Adam, the Deputy Chief of Staff, is commanding the vast evacuation operation.

The activity is concentrated in northern Sinai inasmuch as Israel has agreed to return the administrative capital of Sinai, El Arish, to the Egyptians at an earlier date than originally contemplated. This will be within the first two nonths of the initial ains stage. The army stressed that the work just be gun is preparatory. The full-scale evacuation will begin only after the Passover holidays,

three weeks from today. Items Transferred To New Line

All moveable items will be transferred to the

new line that extends from just east of El Arish on the Mediterranean to Ras Mohammed on the Red Sea. The bulk of the equipment will be stored in the Negev where the Israeli army is to be re-deployed and a massive new military infrastructure built. It was learned that the re-deployment will take into consideration that the main military threat to Israel in the future will be on its eastern front rather than from Egypt

Preparations are being made for Israeli-Edyptian military committees to meet on security matters. As a first step, direct telephone communications will be re-established between the Israeli and Egyptian defense ministries.

Bitter Feelings Among Settlers

The evacuation moves have engendered bitter feelings among the Jewish settlers in Sinai, partic ularly those in Yamit, the largest township, who will be moved out of the territory during the final stages of withdrawal.

The Yamit settlers are furious with the government for its failure to consult or keep in touch with them. So far, the government has not set up the machinery or even an official body to deal with their problems. Today, Yamit residents resorted to a familiar form of protest -- blocking the main Sinai road with tractors and piles of burning tires

Some of the settlers, however, believe that in the end they can forestall their evacuation, not by demonstrations but through negotiations with President Anwar Sadat of Egypt. They want a meeting with Sadat to see if they can arrange to stay in Yamit as Israeli citizens after all of Singi is feturned to Egyptian sovereignty. The settlers have cabled Sadat to this effect and also cabled Premier Menachem Begin while he was in Washington to use his good offices to arrange a meeting with the Egyptian

CARTER, SADAT APPEAL TO AND WARN U.S. BUSINESSMEN TO SPEED ECONOMIC AID TO EGYPT By Joseph Polakoff

WASHINGTON, March 28 (JTA) -- With a personal public assist from President Carter, Egyptian President Anwar Sadat last night both appealed to and warned the American business community to respect economic aid to Egypt and advance 1st 1970 standards. "Come and be my partner," he fold about 150 businessmen of the Egypt-U.S. Business Council, a part of the U.S. Chamber of Commerce, at its Washington headquarters.

"Come and start your feasability studies. Don't lose any time, " Sadat said . Egypt's goals, he said, are peace, democracy and prosperity. "Democracy is my responsibility," he added. "You are responsible to achieve prosperity.

Carter, who suggested the Chamber provide the forum for Sadat and a similar-meeting in New York today for Israeli Premier Menachem Begin, unexpectedly made a personal appearance at the dinner and lauded Sodat. He introduced Sodat as "a man who has come to love me and I have come to love as a brother," and pointed out that during the negotiations with Israel Sadat, "never deviated

Pledging his cooperation to American business in helping lift the Egyptian economy, Carter said Egypt is "a country ready to expand rapidly econom

one jota from what he pledged to do.

ically." He said "peace will last not because of Sadat, Begin or Carter, "but "because once those borders (Egyptian-Israeli) are open, tourists, students, scholars, archaeologists will move across." Carter said that Egypt needs more food, homes, roads, power, seaport and airport facilities

Sadat, who hinted that Egypt's poverty trige gered his surprise invosion at Israel in Sine on York Kippur in 1973, discarded a prepared text and spoke without notes to the businessmen who included several executives of American corpor ations who are Jewish. A special guest invited for the occasion was George Klein, the New York industrialist who is a member of the Israel-U.S. Business Council.

SADAT PROPOSES EL ARISH AS SITE FOR FUTURE NEGOTIATIONS BETWEEN ISRAEL : ARABS WHO WANT TO TALK PEACE By David Landau

WASHINGTON, March 28 (JTA) - Egypt is proposing that El Arish, the capital of Sina which Israel is towacate in 10 weeks, serve as the site of any future negotiations between Israel and Arab parties that want to talk peace with her President Anwar Sodat made the proposal at a news conference he gave at the Egyptian Embassy here yesterday for Israeli and Egyptian journalists

He said that in this way potential Arab peacemakers would have an "advantage" which he did not have when he launched his peace initiative by traveling to Jerusalem. He said that if any Arab party wished to talk peace with Israel secretly, Egypt would do its best to assist in that.

Sadat said Egypt had already begun extensive labbying among Arab moderates to garner support for the peace treaty. This had been the purpose, he said, of Vice President Hosni Mubarak's recent meetings with President Gaafar Numeiri of Suda and King Khalid of Saudi Arabia.

Sadat indicated that the forthcoming Israel-Egypt negotiations on the Palestinian autonomy due to begin in six weeks or so, would be held in El Arish and -- perhaps alternate -- in Beershelm He said he hoped that "a new style would prevail on the Israeli side now that the

peace treaty had been signed and that "no more time than necessary" would be lost at the autonomy negotiations.

He mourned the "lost stateen months" that had elapsed between his visit to Jerusalem and the signing of the peace treaty: "If everything had gone, on in the spirit of my initiative," he said, we could have had an Israeli Ambassador in Cairo and an Egyptian Ambassadar in Tel Aviv months ago...

This remark came in response to a question on his feeling about Premier Menachem Begin's handling of the peace negotiations, Sadat was careful to avoid any more direct or pointed crit-icism than that of the Israeli leader.

Noting that this was his first appearance on Israeli television, Sadat said he wanted to take the opportunity once again to praise "by ally, the Israeli mothers" for their role in making the peace possible. "I salute the Israeli mother, he said smilingly.

The Polestinian Question

Pressed on the Palestinian question, Sadat warned that it was "the crux and core of the conflict" and that without its solution there would be no "permanent and comprehensive peace" in the area. But he sidestepped saying specifically that Egypt demanded the creation of Palestinian state

"What I want Israeli public opinion to know," Sadat said, "is that Egypt always has certain responsibilities, certain commitments to its Arab col leagues" -- whatever those "colleagues" were presently saying. The Camp David "fromework for peace" was "the proper channel to start with in

solving the Palestinian problem," he said:
"What I am asking is this: the Palestinians should determine their own future: I can't speak for them; they should speak for themselves. Let us start with the full autonomy. According to the Camp David framework, after a few years we will sit with the Palestinians" and negotiate the permanent statu of the West Bank and Gaza Strip, Sadat noted

Despite the Palestine Liberation Organization's present recalcitrance and terrorism Sadat'said, 4sraelis should realize that "these people are desper ate, since they were ill-treated." This did not mean, he stressed, that he agreed with the PLO's "views" or with its actions. There "should come a time," he said, when Israel would be able to sildown and talk with the PLO.

Discloses Soviet Effort In 1972

Sadat disclosed that the Soviet Union proposed in 1972 that he meet with then Premier Golda Meil at Tashkent. "Would they have attacked me if I had agreed to meet her then?" Sadat asked vigorous! rebutting Soviet criticism of his present peace initiative

He said that "for sure the late Mrs. Mejr would have tried to translate our defeat in the Six-Day War into a treaty then, "thus appearing to confirm the thesis that Egypt, spurned direct peace contacts before 1973 because it felt that any negotiations would be engaged in out of weakness.

Earlier in the day, Sadat told reporters that Jer-salem should be ruled by a combined council of Israelis and Arabs and should never be divided again. He said that at the Camp David summit meeting with Premier Menaghem Begin of Israel and President Car-ter, "I agreed that Jerusalem shall not be divided." again by barbed wire. But this shall not cancel Moslem rights, the rights of 700 million Moslen Sovereignty in Arab Jerusalem should return" to the Arab population. He did not explain how the combined council might work or the duration of the proposed council. He also did not answer a reporter's question about whether Jerusalem should remain the capital of Israel.

U.S. TO MAKE PUBLIC TEXT OF ITS ASSURANCES TO ISRAEL By Joseph Polakoff

WASHINGTON, March 28 (JTA) -- The text of the U.S.-Israeli memorandum setting forth U.S. assurances to Israel in the event its treaty with Egypt founders or is violated will be made public tomorrow, the State Department said today, An as yet unidentified "major State Department offic will discuss "various interpretations and legal aspects" of the memorandum, spokesman Hodding Carter said:

Carter repeated with emphasis that the memo would not require Senate ratification. Contrary to a televised commentary last night, Egypt has been offered a similar agreement but has decided not to accept it. Carter volunteered this information yesterday.

In the meanwhile, Carter refused to comment on Israelli Premier, Menachem Beain's statement in an interview, that the U.S. would "take action" in the event of treaty violations by Egypt. The memo

was signed Monday by Secretary of State Cyrus Vance and Foreign Minister Weshe Dayan

According to sources close to the Middle East! negotiations, the U.S. has pledged economic, military and diplomatic support to Israel. This would include establishment of a U.S. military presence; remove any naval blockade, provide emergency resupply of weapons to Israel in the event of wor, and vero United Nations Security Council resolutions inimical to Israel's security.

Other Administration sources said that the determination of a treaty violation rests solely with the U.S. and that the U.S. would have to consult both Egypt and Israel before a U.S. review of

possible action is begun.

Asked whether the Egyptian-Israeli treaty is a "separate peace" agreement, Carter emphasized that "the parties are committed" and "have . agreed" to "a continuing process" for a comprehensive treaty as they had "established" in the Camp David frameworks. Regarding the United & Notices force to be in the Sinai under the arrange ment for Israel's withdrawal, Carter said "the con finued UN supervision," is "to inspire confidence for both sides

Meanwhile, the White House had no immediate comment on a letter from President Carter to Egyptian Prime Minister, Mustapha Khalil to the reported effect that Israel has agreed to improve political conditions for Arabs on the West Bank and Gaza to help induce them to join the peace process: (See story P. 1.)

BEGIN URGES U.S. BUSINESSMEN TO INVEST IN ISRAEL AND IN EGYPT By Yitzhak Rabi

NEW YORK, March 28 (JTA) -- Premier Menachem Begin urged American businessmen today to invest in Israel where they would find the combin ation of "inventive brains" and "skilled labor" that can make investments profitable. He also dave a strong plug for American investments in Egypt to help liquidate its poverty and set an example to other Middle East countries that "peace rings prosperity."

Begin addressed more than 150 businessmen at a luncheon sponsored by the U.S. Israel Business Council and the U.S. Chamber of Commerce at the Plaza Hotel. He was preceded by Vice President Walter Mondale who hailed the Israeli leader as a warriage for peace and asserted that American business has a crucial role to play in the achievement of peace in the Middle East.

Begin noted pointedly that the peace treaty ismel signed with Egypt in Washington on Monday ends Egypt's participation in the Arab boycott of companies doing business with Israel. He noted that next Monday he is going to Cairo at the invitation of "my friend Sadat" to return the visit President Anwar Sadat paid to Jerusalem in November, 1977. He spoke of Egypt's social and economic problems and observed that "Egypt. Th, a Jew, ar needs help, to overcome them, 1, a Jew, an Israeli, appeal to you to invest in Egypt and help them rebuild their economy," he declared.

Of his own country, he stressed that Israel's

free enterprise policy and stable political conditions offer a fertile ground for investment, He promised that all bureaucratic obstacles would be removed for American investors.

The Israeli Premier devoted much of his speech to warning against Soviet machinations in the Middle East and the oil sheikhdoms that try to dictate policy to the free world. He said the free world must take "a hard look" at the situation

and decide "how long it will be tolerated" that a few shelkhs who were helped by Western technology to make use of their oil can dictate to the West its way of life and policies.

Israel Will Buy Oil From Egypt

He noted that even before the downfall of the Shah of Iran, Israel had begun to seek diversified sources of all because the Shah had said at one time that he would join the Arab oil embargo against Israel. He said Israel will be buying Sinai oil from Egypt under the peace treaty terms. "I have a pleage from Sadat, and he is a man of his word," Begin de clared. He said that atthough the U.S. has pledged to provide Israel with its oil needs for the next 15 years if Israel cannot obtain all from other sources, "we will do everything possible" not to have to invoke the American promise.

Begin warned that the liberty of the free world and the West is presently in danger. He cited increasing Soviet influence in the Middle East and claimed that its aith is to control the oil producing states in the region and "make the world depend on

the whim of Moscow.

Begin said the U.S. should recognize the strategic importance of Israel, which is a stable democracy and also has "a good army." He recalled that when Syria was poised to attack Jordan during the latter's purge of Palestinian terrorists in 1970, the U.S., which had its Sixth Fleet in the Mediterranean. nevertheless called on Israel to deter the Syrians

Mondale, who spoke to reporters before the luncheon, said that the Israeli-Egyptian peace Meaty has not resulted in any threats from the Arab states to reduce oil supplies to the U.S. "There have been absolutely no threats of oil source restraints nor do we anticipate any," he said. Mondale said he had been asked by President Carter to attend the lunchean honoring Begin

AUTONOMY PLAN DUE WITHIN 6 WEEKS

TEL AVIV, March 28 (JTA) -- Israel's proposals for autonomy on the West Bank and Gaza Strip will be ready within six weeks and negotiations will then begin with Egypt, Premier Menachem Begin said in a Washington interview published in Yediot Achronot today. He told-Yediot's editor Noah Mozes that upon his return to Israel the II-member mintsterial committee that he appointed before he left for the U.S. would begin working out the details and principles of autonomy as Israel sees them.— Within six weeks we shall be ready with our

proposals and both teams +- the Israelis and Egyptions - will meet alternately in El Arish and Beer shebo to negotiate the autonomy agreement, said. He noted that under the peace treaty with Egypt signed Monday "we have one year to conclude

these negotiations.'

Begin established the special committee to deal with autonomy, under his personal chairmanship, for both practical and political reasons. He proposed it at a Cabinet meeting on March 19 in part to avoid a protracted and bitter debate over autonomy that could have delayed Cabinet approval of the peace treaty and to mallify his coalition partner, the National Religious Party, which has grave reservations over autonomy.

WASHINGTON (JTA) -- In a move designed to emphasize the concern Israel has for the Soylet Jewish Prisoners of Conscience, Aliza Begin met Tues-day with the Congressional Wives for Soviet Jewcy. Also attending the meeting were former prison Silva Zalmanson and Meir Khnokh, wife of POC Leib Khnokh

BETWEEN ISRAEL, THE JEWISH PEOPLE

- PHOENIX, Ariz., March 28 (JTA) - "The real test which confronts American Jewry is whether Zionism can be incorporated into our world outlook as an essential element of our lives To this day, the average American Jew still re lates to Israel as an object of philanthropy and as a refuge for homeless lews, as it to say Israel it for others, not for us

That statement was made by Rabbi Richard G. Hirsch, executive director of the World Union for Progressive Judaism, based in Jerusalem, and a leader of the Reform movement. He spoke today at the 90th annual national convention of the Central Conference of American Rabbis (CCAR), attended by more than 500 Reform rabbis from throughout the United States and Canada. The convention ends tomorrow

"Our task is to demonstrate the interdependent relationship between the Jewish State, the Jewish people and the individual Jew, "Hirsch said. He warned that the demographic pattern and socioeconomic conditions of Israel are such that the State will not remain Jewish unless the Jewish population "is bigger and better, and it will not be bigger unless it is better, nor better unless it is bigger." He called for aliya by American Jews

Support For ERA

The Reform rabbis yesterday gathered in front of the Arizona State Legislature and held a mass rally and ecumenical service in a strong message of religious support for the Equal Rights Amendment (ERA). Following the service the rabbis visited the State Senators and Representatives:

In opening the service, Rabbi Irwin Blank of Brookline, Mass., chairman of the CCAR Justice and Peace Committee, said that the CCAR was "determined to give our support to our colleague and congregants in this state who labor steadfastly to extend human rights and to enhance the life of the human family. We consider it sacrilegious to deprive human beings of their rights. It is our commitment to the possing of the Equal Ric

Amendment which now joins us in prayer, "he said The service was read by Rabbi Sally Priesand, the nation's first woman rabbi. Joining her was Sister Clattre Dunn of Arizona, a Catholic nun-who is a member of the State House of Representatives. Priesand recently resigned as associate rabbi of Stephen Wise Eree Synagogue in New York and is seeking another rabbinical position.

Meanwhile, some attending the convention protested meeting in a state that has not ratified the ERA, and called upon delegates to boycott the convention. Six women Reform rabbis issued a letter to CCAR members expressing disappointment "that the conference has not chosen to manifest its stated support of ERA through the boycott of non-ratified states." Continuing, the letter states:

"After much thought we have decided to participate in the convention, hoping that the conference will view this gathering as the first of many opportunities to address the difficult agendo raised by the changing role of women-in Jewish life .

to break a contract it had made with Phoenix and shift to another city in a state that had ratified the ERA. But the issue was reopened later, when CCAR officials polled members whether they would be willing to assume the cost of some

\$20,000 of withdrawing from the agreement. On the basis of the response, officials said they decided to abide by the contract.

LAST 'VICTIM' IN THE STATE OF WAR BETWEEN EGYPT AND ISRAEL

NEW YORK, March 28 (JTA) -- The Joint Distribution Committee is planning to fly matzos made in France to Egypt because a ship's captain refused to take Israeli-mode matzos there. The JDC reported that the captain of the ship, "Padami," unloaded the marzos in Cyprus because the cartons had is-raeli markings on them. He said that like could not take them to Alexandria because the stamp on the bill of lading does not allow merchandise from Israel to be brought to Egypt.

The matzos that were left in Cyprus will now be shipped either to Israel or Rumania, or if a ship is not found to get them there before Passover, back to Israel, the JDC said. "Peace may be signed Monday afternoon in Washington, but efforts to bring Israeli matzos to Egypt, hopefully, was the last vietim of the state of war between israel and Egypt," a JDC spokesman said.

MANN TO REPRESENT U.S. JEWS IN CALRO DURING BEGIN'S VISIT THERE

NEW YORK, March 28 (JTA) -- Premier Men achem Begin announced today that he has invited Theodore Mann, chairman of the Conference of Presidents of Major American Jewish Organizations, to accompany-him to Cairo next Monday as the representative of the American Jewish community.

Begin made the announcement this morning as he briefed some 50 leaders of the Presidents Conference State of tsrael Bonds and the United Jewish Appeal The Israeli Premier expressed the appreciation of the people of Israel for the help and support of American Jews during the past year-and-a-half of negotiations between Israel and Egypt. He urged continued political support as well as redpubled efforts through Israel Bonds and the UJA's Project Renewal to wipe out poverty in Israel and continue building the Jewish State

A report from the Israeli Embassy in Washington yesterday said that Egypt had requested that Begin's visit to Cairo be postponed one week until April 9 Egyptian President Anwar Sadat later denied that the request had been made.

SCORE OF HATIKVAH SENT TO CAIRO By Yitzhak Shargil

TEL AVIV, March 28 (JTA) -- The musical score of Hatikvah, Israel's national anthem, was sent today to Cairo for the Egyptian army brass band. The Egyptians, who are preparing a welcome ceremony for Premier Menachem Begin next Monday, were in need of the full score of Hatikyah for their brass band and requested the American Embassy in Cairo to assist in getting it

The request was relayed to the U.S. Embassy in Tel Aviv and from there a request was made to Shalom Ronly-Riklis, the assistant conductor of the Israel Philharmonic Orchestra, who was previously the conductor of the Israeli army brass band. The score was brought to the American Embassy here which promptly sent it to Cairo in time for the Egyptian musicians to Tehearse it properly.

LONDON (JTA) -- Lord Janner, Zionist Feder ation president and veteran supporter of Israel had what he called "an extremely friendly" talk Tuesday with Egyptian Ambassador Samih Anwar.