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AN ISRAELI AND EGYPTIAN FIRM SIGN FIRST COMMERCIAL AGREEMENT

By Yitzhak Shargil

TEL AVIV, July 10 (JTA) -- The first commercial agreement between Israel and Egypt leading to trade between the two countries that could begin in a month was announced here. The agreement, signed between Koortrade, the international marketing division of Israel's giant Koor Industries, and an as yet unnamed Egyptian firm, calls for the dispatch of a Koor representative to Egypt within a short time and the opening of an office in Israel by the Egyptian company.

Naftali Blumenthal, director general of Koor, revealed yesterday that two of its executives recently spent a week in Egypt in negotiations that culminated in the signing of a memorandum of cooperation. The two men, Benny Gaon of Koortrade and Gavriel Nevo of Aldo, a Koor marketing affiliate, reported that they had been warmly received by Egyptian officials, local industrialists and leading commercial figures.

According to Gaon, trade will begin in about a month on a small scale. Initially, the goods will have to be shipped via a European port but later they will move directly by way of El Arish, Gaon said. Payment will be made in U.S. dollars or other international currencies and the Israeli goods will have to be packed in accordance with the buyers' wishes, meaning that the Israeli trade names would be removed and the items will be marketed under the trade name of the Egyptian purchaser.

Gaon said the Egyptians were interested in agricultural items such as drip irrigation systems, pesticides, equipment for chicken farms, solar energy units and such house finishing items as sanitary plumbing, and aluminum window frames. He also mentioned oil refining equipment. Egypt is offering to sell Israel cotton and possibly other agricultural products.

Words Of Caution

The announcement, though greeted enthusiastically, brought words of caution from the Israeli principals involved and from local industrialists and financial experts familiar with the Egyptian market and Egyptian business methods. Most experts stressed that what Egypt is interested in primarily at this stage is Israeli know-how. Gaon and Nevo said the Egyptians are aware of Israel's industrial capabilities, their products and the costs and therefore what is feasible for them to buy.

Yitzhak Matza, an Egyptian-born Israeli industrialist who produces solar energy equipment, warned against too high hopes for a large-scale market in Egypt for Israeli goods. He said the Egyptian buyer must be treated carefully; the Egyptians don't like to be rushed in making deals, they don't like to be pressed by outsiders or have anything "pushed down their throats."

Matza said he would seek an understanding with the Egyptian firm rather than try to flood the Egyptian market with Israeli equipment. He observed that while Egypt enjoys a great deal of sunshine, it is not very advanced in solar energy usage. Matza advised his fellow Israeli industrialists not to seek markets for manufactured products

but to try instead to sell their cooperation; to make partnerships and to finish goods in Egypt. Above all, he advised them to establish personal friendships with their Egyptian counterparts because the Egyptians do business only with friends.

Matza said that Israel's geographic proximity to Egypt is an important advantage that could lead to an industrial boom in the area based on Israeli-Egyptian technical and industrial cooperation. But it will take time, he said.

Will Take Time To Adopt

Dr. Salaman Segal, an associate director general of Bank Leumi, Israel's largest bank, noted that Israeli industry in general is very much European-oriented and it will take time to adopt to the Oriental style of doing business.

Segal estimated that when the borders are opened for trade, Israel could export up to \$150 million worth of goods to Egypt in the first three years, not a large amount. He saw the initial stages of industrial cooperation as mainly one of selling know-how and establishing joint ventures based mainly on agriculture. The Bank Leumi, which, as the Anglo-Palestine Bank before Israel's independence had branches in Arab countries, is now studying the possibility of opening a branch in Cairo, Segal said. A special team was set up to study Egyptian monetary laws and regulations.

Koor Industries, owned by Histadrut, operates 100 factories in industrial areas -- metal and steel, chemicals and pharmaceuticals, pesticides, cement and glass, food products, detergents, shoes and electronics. Its Koortrade subsidiary, with outlets in 40 countries, had a turnover of \$480 million last year.

REPORT U.S. FIRM INVOLVED IN BUILDING NEGEV AIR BASE IS PARTICIPANT IN ARAB BOYCOTT

By Yitzhak Shargil

TEL AVIV, July 10 (JTA) -- The Jerusalem Post published today what it said was an internal document of the Anti-Defamation League of B'nai B'rith, describing one of the primary American contractors for the construction of two new air bases in the Negev as an active participant in the Arab boycott against Israel. The Post said the document, dated June 11, referred to the Perini Corp. of Framingham, Mass., sponsor of one of the consortiums selected by the U.S. Army Corps of Engineers to construct the American-financed bases that will replace those Israel will give up in Sinai.

(An ADL spokesman in New York told the Jewish Telegraphic Agency that the Perini Corp. has been under "study" by the ADL but he could not immediately confirm the nature of the internal document reported by the Jerusalem Post.)

According to the Post, the document said that David Perini, president of the corporation, has stated that he would continue to oppose pending anti-boycott legislation in the U.S. It said the corporation is known to do business with Arab countries, including Saudi Arabia and Kuwait and that Perini signed agreements with those countries containing clauses that enforce the anti-Israel boycott.

Meanwhile, preliminary work is proceeding on one of the Negev airfields in the Ovdat Valley, where land has already been leveled. A private plane has already landed there carrying a team of

American experts and directors of the construction companies involved. (The Jewish Telegraphic Agency phoned the Perini Corp. for a statement on the ADL document but a spokesman for the firm was not immediately available for comment.)

JEWISH LEADERS HIT VIENNA MEETING

NEW YORK, July 10 (JTA) — Jewish leaders have strongly denounced Austrian Chancellor Bruno Kreisky and former West German Chancellor Willy Brandt for meeting with Palestine Liberation Organization chief Yasir Arafat in Vienna last weekend. They charged that Kreisky, chairman of the Socialist International, and Brandt, vice president of the Socialist International, gave legitimacy to a terrorist group and thereby undermined the ongoing Middle East peace process.

By bestowing "honor and status" to Arafat, Brandt and Kreisky, "elevate terrorism and encourage Arafat in his avowed intention to create a PLO state on the West Bank as a first step to 'liberating' Israel itself," Theodore R. Mann, chairman of the Conference of Presidents of Major American Jewish Organizations, declared. "Why Kreisky and Brandt should believe that this will advance the peace process is beyond comprehension."

Mann noted that "Israel's great responsibility in its ongoing search for a comprehensive peace is to prevent the West Bank from becoming a staging ground for Arafat's terrorists." He said this is why Israel exercises "its right to establish security settlements on the West Bank." Mann said the two European leaders "have further blurred the distinction between the legitimate aspirations of Palestinian Arabs who live in peace, prosperity and freedom and the declared aspirations of the PLO to destroy Israel."

Mann added that "it is a sad commentary" when "even the well intentioned leaders of Austria and West Germany" have been unable to learn from history that "when a Hitler or an Arafat threaten to liquidate a whole people, one must never assume that they are engaging in hyperbole. They must be taken at their word."

This theme was noted by Nathan Perlmutter, national director of the Anti-Defamation League of B'nai B'rith, who declared, "In Austria, Hitler's birthplace, the head of state and a prominent German cozy up to the single greatest enemy of the Jewish people, Yasir Arafat, who has repeatedly vowed the extinction of the Jewish State, is welcomed in the same streets where, in our lifetime, Jews were herded for shipment to death camps."

Shock To Civilized People

Charlotte Jacobson, chairman of the World Zionist Organization-American Section, called Kreisky's "warm greeting" to Arafat "a shock to all civilized people." She said "It is not only unbelievable but incomprehensible how the leader of any democratic nation could encourage and lend support to a murderer and to attempt to lend legitimacy and respectability to this group of terrorists." Mrs. Jacobson said Kreisky's "statement that it was Arafat and the PLO who stopped terrorist activities in Europe could be ludicrous if it was not magically horrifying."

Nathan Goldberg, national commander of the Jewish War Veterans, charged, "By officially receiving the head of an organization whose declared aim is the destruction of the State of Israel at the very moment that Middle East peace efforts are being conducted... I believe that Kreisky

has committed a deliberate act against Israel, an act that could undermine the peace efforts of the United States."

Mrs. Sarah Shane, president of the American Mizrahi Women, has sent a cable to Kreisky and Brandt, stating "It is to your shame that you lend your support to the PLO which has maintained a continuing campaign of craven terrorism. The endorsement of PLO policies by Brandt and Kreisky, she said, "is another example of how misguided efforts on the part of some world leaders can fly in the face of justice and morality."

YOSEF RULES BIRTH CONTROL FORBIDDEN BY HALACHA

By Gil Sedan

JERUSALEM, July 10 (JTA) — Sephardic Chief Rabbi Ovadia Yosef has issued a lengthy halachic judgement ruling that birth control is forbidden by religious law. He declared that there is no justification for family planning even if the reason is shortage of housing and low income. The only permission to use birth control should be given to women who must not become pregnant for health reasons, he said.

Yosef also issued a call to other prominent rabbis warning against the establishment of family planning centers. "Such centers," said Yosef, "exploit the innocence of women of Mideastern origin, teach them how to use birth control devices, and sometimes even encourage abortions." Yosef compared this service to the advice of pharaoh to stop the birth of Hebrew first-born sons. He warned all Jewish women that "such advice contradicts our faith and the Holy Torah, and they should keep away from such centers."

Yosef also wrote that a woman who uses birth control deserves "severe punishment." The world was not created, but for procreation. He further quoted the Talmud Yerushalmi which claimed that God prefers procreation of the children of Israel even more than the building of the Temple.

In a first reaction to this document, Labor Alignment MK Rabbi Menachem Hacohen said that one could not deal with the issue of birth control without taking into account the social surrounding of the woman using it. Hacohen criticized the Chief Rabbi for issuing such a statement without thoroughly consulting other rabbis as well as professionals. Furthermore, said Hacohen, most religious families use birth control, even the families of rabbis.

INFLATION HITS ORTHODOX JOBLESS

By Judith Rosen

NEW YORK, July 10 (JTA) — Orthodox Jews completing the Kolel (post-graduate yeshiva study) are among those hardest hit by rising inflation in the New York area. In a recently completed study by Project COPE, the career guidance and job training agency of Agudath Israel of America, Orthodox Jews were found to be unable to take advantage of new jobs opening in management and related fields because the entry level salary did not meet subsistence level living requirements.

In an interview with the Jewish Telegraphic Agency, Rabbi Menachem Lubinsky, director of Project COPE, said that a typical entry level salary of \$13,000 for a family of four is "far below" that needed to maintain basic living expenses. Lubinsky added that his agency has opened a special desk to deal with the hardship cases. The special desk is run by Rabbi Moshe Bornstein, who will work with the estimated 100 unemployed Orthodox Jews throughout the metropolitan area who have registered so far. Bornstein, who faced similar problems in his own

career direction, will attempt to place these unemployed in suitable jobs and retrain others to meet the demands of changing job markets.

Project COPE also assists the wives of the Kotel students in finding better paying careers in order to support their husbands and families. In this way, many graduate students who would be forced to abandon their studies in order to obtain more lucrative employment, are able to continue their careers in Jewish education and communal affairs.

Project COPE also aims to retrain and place Orthodox Jews, often supporting large families, who are employed in low paying jobs often within the Jewish educational system. Orthodox Jews maintaining unprofitable small businesses and professional practices will also benefit from Project COPE's emphasis on retraining and career guidance.

In summarizing the findings of the study, the COPE statement concluded, "Because Jewish poverty and unemployment is not concentrated in self-contained communities as is the case with other ethnic groups, the enormity of the problem is not easily visible. However, the sum total of dozens of isolated pockets does make for an enormous problem. The future direction of COPE's plans and programs will in large measure aim at dealing with this problem area."

BEGIN ARRIVES IN ALEXANDRIA

By Gil Sedan

ALEXANDRIA, July 10 (JTA) -- On the way to Janeklis Airport in Alexandria, a colorful poster hangs on a tree showing Israel's Foreign Minister Moshe Dayan pouring fire over the heads of the Egyptian people. An Israeli photographer who wanted to film the poster was cordially asked not to do so. The explanation, given by Egyptian officers guarding the airport was, "this is an old poster. Why bother?"

The incident, unimportant as it may seem, characterized the mood here, as Premier Menachem Begin landed at Alexandria's Janeklis Airport for his fourth visit to Egypt: a mixture of cordiality and old suspicions.

Indeed, the reception for Begin was as modest as it could be. When Begin's Westwind airplane landed at the airport -- once the main civilian airport of the city, now a military airfield -- he was received by Vice President Hosni Mubarak and Deputy Premier Fikri Makram Obeid.

There were only two flags hanging in front of the terminal and no speeches were made. The Presidential guard saluted, the national anthems of both countries were played by a military band and Begin was driven to the official guest house, Sadaph Palace, in downtown Alexandria.

There was a thick line of security along the roads leading from the airport to the official guest residence. Several pedestrians waved friendly greetings when they saw Begin's motorcade escorted by a small number of aides. It was nothing like the reception Begin received when he first visited Cairo April 1. No posters welcomed the Premier, and no throngs lined the streets to cheer. The message is quite clear: in order to receive warmer treatment, Begin must give a lot.

The Egyptians make a point of saying that there is time. They asked Begin to extend his stay here from the original two days to three days. They have lined up events such as an afternoon prayer at the local synagogue (there are several dozen Jewish families in Alexandria) and a tour of points of interest in Alexandria. Presently, two meetings are scheduled between Begin and Presi-

dent Anwar Sadat. But the timetable was left flexible enough to make any last minute changes. Egyptian analysts believe the current visit is part of a long strategy to slowly extract concessions from the Israeli leader.

The first meeting between the two leaders was scheduled for tonight, after the visit to the synagogue. Sadat will host a dinner for Begin at his residence in the Maqum Palace in the eastern side of the city. A second meeting is scheduled for tomorrow morning to be followed by a press conference. Begin is due back in Israel Thursday morning.

10 INJURED IN GALILEE CLASH

TEL AVIV, July 10 (JTA) -- Work continued without incident today on an access road to a new settlement in Galilee after clashes with local Arab villagers yesterday in which 10 people were injured and 38 arrested for questioning and possible arraignment on charges of stoning police.

The clashes involved inhabitants of the Arab village of Mailia who protested the road being built by the Jewish National Fund on State-owned land where the new settlement Mirzpeh (lookout) is located. According to senior police officers, the disturbances were the result of political incitement by the Rakah Communist Party and supporters of the Palestine Liberation Organization. The JNF insisted that no privately owned land was touched. An agreement had been signed the day before with the local council and village elders to permit the work to proceed without harassment.

But when the bulldozers arrived, villagers began to demonstrate. They blocked the road with piles of burning tires and stoned the JNF drivers. Police summoned to the scene were also stoned. They called for reinforcements and finally dispersed the demonstrators with tear gas. The injured included tractor drivers, police and some local residents.

Five so-called lookout settlements are scheduled to be built in that hilly region of Galilee in the near future. The JNF said today that the work will continue according to plan.

THE U.S. AND UNEF

WASHINGTON, July 10 (JTA) -- The United States does not yet have "a contingency plan" for military surveillance of the Sinai after Israel's withdrawal although it is becoming apparent the Soviet Union will block continuation of the United Nations Emergency Force (UNEF) now in place there.

"We have no prognosis on failure," of the Security Council to continue UNEF, State Department spokesman Hodding Carter said. He observed that if the U.S. is unable to obtain the necessary nine votes in the Security Council or should the Soviets veto a resolution on UNEF's continuation, "we simply will proceed to meet our commitment." The commitment by the U.S. to Egypt and Israel is to organize a multilateral force for the Sinai should UNEF not be continued.

BUCHAREST (JTA) -- Rumanian Chief Rabbi Moses Rosen sent cables Tuesday to U.S. Sen. Abraham Ribicoff (D. Conn.) and Rep. Charles Vanik (D. Ohio) asking to be allowed to testify before their committees when they consider whether to continue U.S. most-favored-nation trade status for Rumania. Vanik is chairman of the House Ways and Means subcommittee on trade. Ribicoff is chairman of the Senate Finance subcommittee on international trade. Rosen said he is going to Washington Sunday and plans to hold a conference after his arrival.

BEHIND THE HEADLINES**DULZIN: NOT AGAINST AIDING SOVIET JEWS WHO REACH THE U.S.**

By David Landau

JERUSALEM, July 10 (JTA) -- Leon Dulzin, chairman of the World Zionist Organization and Jewish Agency Executives, says he has no objection to assistance being given Soviet Jewish emigrants who reach the United States but "there is no justification, moral or otherwise, to finance their travel, which indirectly encourages them not to go to Israel."

Dulzin issued a statement this week which, he said, was necessary to clarify his position abroad regarding "neshira" -- drop-outs -- Soviet Jews who choose to settle in countries other than Israel after leaving the USSR. "A full distinction should be made between assistance to noshrim who arrive in the United States and assistance for them to go there," Dulzin contended.

He said that "Soviet Jews who arrive in Vienna on Israeli visas are enabled to do so only thanks to the devotion, dedication and martyrdom of the Zionist activists in the USSR and the direct involvement of the Israeli authorities. Once they arrive in Vienna as free men, the Jewish people, as a whole, has only one commitment toward them -- the commitment to get them safely to their homeland, Israel," Dulzin stated.

On that basis he would have HIAS and the Joint Distribution Committee -- the two major American Jewish agencies assisting Jewish immigrants -- cease their aid to drop-outs in Vienna and Rome. That view was not widely accepted at the meeting here last month between American Jewish leaders and Israeli leaders, headed by Premier Menachem Begin. Begin proposed a compromise that would limit HIAS and JDC assistance only to those Soviet Jewish emigres who have close relatives in the U.S. The proposal is under study by the American Jewish leadership.

Not Free To Choose

According to Dulzin, the term "freedom of choice" with respect to where these emigres go has been misused. He observed that whereas Voice of America radio broadcasts are not interfered with by the Soviet authorities, the Voice of Israel radio is jammed and therefore "they (Soviet Jews) are prevented from choosing freely" because they "lack information about Israel."

Dulzin also expressed "concern about the loss of Jewish identity" among the drop-outs in the U.S. "It is now apparent that many of them drift away from the Jewish community," he claimed. "Under these circumstances, we all have a moral obligation to do everything we can to bring Soviet Jews to Israel," Dulzin insisted. "Time is running against us. If we miss this opportunity, history will never forgive us."

Dulzin insisted that "We should also refrain from defining Soviet Jews as refugees. A refugee is a person who escapes from a country or is evicted from it with no country to go to. No Jew leaving the Soviet Union can be considered a refugee since Israel is ready to receive him with open arms."

Issue Of Refugee Status

Relative to that argument, Eli Eyal, a member of the WZO Jewish Agency Executive, disclosed to the Jewish Telegraphic Agency a legal opinion prepared in 1973 by the staff of the United Nations High Commissioner for Refugees which held that Soviet Jewish emigrants who reach

Vienna do not have "refugee" status. Eyal told the JTA that he cited this document at the recent meeting in Rome of the Presidium of the Brussels Conference on Soviet Jewry.

The key passage read: "Since Jewish immigrants from the Soviet Union are Israeli-protected persons from the moment of their arrival in Austria, they cannot be considered as refugees under the UN High Commissioner's mandate. Jewish immigrants not wishing to proceed to Israel, in view of the availability of the protection and services of the Israeli government through the Jewish Agency, cannot claim UN High Commissioner assistance as refugees unless they are able to fulfill the eligibility criteria vis a vis the Soviet Union and Israel."

Eyal used this opinion, which is presumably valid today, to dismiss any ideas that the Jewish emigrants could preserve their refugee status while they tried living in Israel for a year. He told the JTA that he personally was comfortable with Begin's compromise proposal. But he said he did not favor the drastic measures, proposed by Dulzin, to stop all Jewish organizational aid to noshrim in Vienna and Rome.

PHOTO PANEL EXHIBIT OF JERUSALEM

By Joseph Palakoff

WASHINGTON, July 10 (JTA) -- Mayor Marion Barry and Israeli Ambassador Ephraim Evron jointly opened a photo panel exhibit of Jerusalem here yesterday at the Martin Luther King Memorial Library, Washington's central public library named in honor of the slain civil rights leader.

The exhibit, entitled, "Jerusalem: Keeping the Past Alive," is sponsored by the Washington Zionist Federation. It shows, in a series of eight-foot-high panels that Jerusalem is both a city 4000 years old and a major modern metropolis. The exhibit includes Jerusalem Mayor Teddy Kollek's personal collection of rare art, maps and texts on Jerusalem's landmarks and excavations delving into its antiquity.

In his remarks, Evron noted that Jerusalem never was the capital of any nation except Israel. What is known as Palestine had for its capitals centers such as Caesaria, Ramallah and Acre, but never Jerusalem. Under their Mandate, the British did not make it the region's capital but the High Commissioner made it his place of residence. Israel renewed what King David had established in having Jerusalem as the capital of the Jewish State, Evron said. He also pointed out that a forest memorializing King has been planted in Israel.

A copy of Kollek's book on Jerusalem, sent by him for Barry, was presented to the Washington Mayor by Evron. Barry noted in his response that he had considered going to Jerusalem in conjunction with his visit to Monrovia, Liberia next week for a meeting of the Organization for African Unity but found this was not possible. He said he plans a special visit to Jerusalem at a later date.

PARIS (JTA) -- The French army is setting up a special strike force which will be ready to intervene abroad, and especially in order to protect the oil fields supplying France and other West European countries. The strike force is being set up by the French Ministry of Defense, but, according to reliable reports, no basic political decision has been taken at the Presidential level on where, when and how it will be used. The force, which will consist of volunteers, will be ready to be used only on major occasions and on the President's orders. France intervened in Zaire and in Chad last year with forces supplied by its airborne divisions and special paratroop units.