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GAS PRICE HIKES FORESHADOW PRICE CLIMBS IN ENTIRE ECONOMY

By David Lando

JERUSALEM, July 19 (JTA) -- The price of gasoline soared by 40 percent last night. At the current exchange rate this means that a gallon of 94 octane gasoline now costs the Israeli motorist about \$2.60.

Because of a slow-down strike by customs and tax officials, the Commerce Ministry was concerned today that at least some of the country's 370 service stations have profiteered as a result of the price hike. Ordinarily when gas prices rise, customs and tax inspectors are dispatched immediately to check stocks in every station and impose a special levy to cover the price rise. This time, because of the go-slow, the inspection did not proceed as usual.

Economic circles said that the gas price rise would inevitably mean a rise in water and electric rates, although for the moment the government has not imposed these increases. Inevitably there will also be a ripple effect of price rises throughout the economy because fuel, whether for production or for transport, is a component in almost every commodity and service.

Energy Ministry sources said the first rise would be followed by a second wave of price hikes before the end of the year in order to keep abreast of world price rises and with the steady fall of the Pound which reached an all-time low of IL 26-\$1 this week.

The gasoline rise was one of two measures decided on at Tuesday night's emergency Cabinet session. The other, a 60 percent rise in the cost of imported frozen meat, was implemented yesterday.

Political Storm Abating

The political storm caused by that Cabinet session, during which the ministers failed to agree on a program for slashing government subsidies on basic foodstuffs, seemed to abate somewhat today. In part, observers felt, this abatement was due to Finance Minister Simcha Ehrlich's television interview last night in which he hinted that Premier Menachem Begin had told him he himself would resign if Ehrlich stepped down as Finance Minister.

The Cabinet's inaction Tuesday night, moreover, seemed to receive more sympathetic treatment from many newspapers this morning than it did in political circles -- including the coalition -- yesterday. The Labor-affiliated daily *Dayar* and the Mapam organ *Al Hamishmar* in effect backed the Cabinet's 11th-hour change of heart over the Treasury's proposal for a sweeping abolition of the subsidies.

But within the Liberal wing of Likud, the embarrassment and soul-searching is still intense and it is likely to come to a head at the party's central committee meeting next week. Several Liberal MKs have been urging that the party's four Cabinet ministers resign collectively in a protest against the government's failure to adopt a tougher economic policy.

But voices also have been raised within the Liberal Party to the effect that Ehrlich has become a liability and should therefore step down. The Finance Minister himself has made it clear,

privately and in his TV appearance, that he does not intend to resign alone.

TRIFA TRIAL POSTPONED

DETROIT, July 19 (JTA) -- The trial of Rumanian Orthodox Archbishop Valerian Trifa accused of hiding his ties to the fascist Rumanian Iron Guard when he entered the U.S. after World War II and when he applied for U.S. citizenship, has been postponed from its scheduled starting date of July 30.

U.S. District Judge Cornelia Kennedy last week granted a government motion to delay the trial while prosecutors receive, translate and review new evidence being submitted by the government of Rumania.

U.S. Assistant Attorney Thomas Woods said a delay of at least two months would be needed. Woods said a defense motion for summary dismissal of the case is still expected to be ruled on this month, but no date has been set for the ruling.

Meanwhile, the Rumanian Orthodox Episcopate of America adopted unanimously a resolution at its recent 47th annual congress at Grass Lake, Mich., reaffirming "its unshaken confidence in the person and activities" of Trifa and "pledges its moral and material support for him." In another resolution the congress denounced Rep. Elizabeth Holtzman (D-NY) for attacking Trifa, the head of the Rumanian Orthodox Church in America, for characterizing him as "one of the most infamous of the alleged war criminals living in the United States" and as "a leader of the Rumanian Iron Guard during World War II."

BEHIND THE HEADLINES

CAPITULATION UNDER PRESSURE

By Joseph Polakoff

WASHINGTON, July 19 (JTA) -- The action by the Aspen Institute for Humanistic Studies in withdrawing its invitation to an Israeli academician and its failure to invite any other Israeli to participate in its seminar on the Arab world was characterized by a well-informed source as being the first time a ranking American academic institution capitulated to pressure.

The scenario involves, in addition to the Aspen Institute, the Fluor Corporation whose contracts with Saudi Arabia are said to run into the billions of dollars, the East-West Foundation which was established by the Fluor Corp., and the State Department.

The Aspen Institute, headed by Robert Anderson, chairman of the Atlantic Richfield Company, invites academicians, government leaders and business magnates to seminars on public affairs. It is currently conducting a seminar in Aspen, Colo. on "The Arab World in Transition." A Palestinian academician on the faculty of Beir Zeit University on the West Bank is attending, but no Israeli.

Last spring, the Institute invited Menachem Milson, a professor of Arab literature at the Hebrew University in Jerusalem, to this seminar conducted by the Institute's Middle East Center. Then, according to an Aspen official, the State Department in May informed Joseph Slater, the Institute's president, that Milson was also an Israeli army colonel who served in 1977 as an aide to the Military Governor of the administered territories. The Aspen Institute then withdrew its invitation.

When Slater was asked why another Israeli was

not invited he replied: "We are not the United Nations. We don't feel the need for an Israeli quota." However, Lord Caradon, well known for his anti-Israel, pro-Arab views, was in the seminar in which he presented what the Jewish Telegraphic Agency was told a "very negative view on Israel" regarding Jerusalem and "nobody was there to refute him." Thus, the JTA was told, "only one point of view was presented."

Two weeks ago, the Institute's Board of Trustees adopted a resolution declaring the independence of its academic programs and sent a copy to John Fluor, chairman of the Fluor Corp. who also is chairman of the board of the East-West Foundation. "Nobody is going to dictate to Aspen who shall come and where we have our meetings," Aspen Institute's vice president Stephen Strickland told the JTA in a telephone conversation. He said no response to the resolution on independence has been received from Fluor.

Israel Blocked Out

However, Israel has been blocked out of the Institute's Middle East Center although over the years the Institute has had a superb reputation of being impartial in its treatment of Arabs and Israelis. It has a center in Jerusalem and Jerusalem Mayor Teddy Kollek is on its Board of Trustees. Israelis are invited to Aspen to participate in some programs this season but not to the Middle East seminar.

Fluor Corp., headquartered in Irvine, Calif., is a giant construction firm that builds electric plants and has, among other projects, constructed oil wells for ARAMCO, the giant oil consortium with huge interests in Saudi Arabia. The East-West Foundation, headquartered in Santa Barbara, Calif., is a non-profit, tax-exempt group.

Christopher Beirn, president of the East-West Foundation, was reported by Aspen officials to have threatened earlier this month to terminate an annual grant of \$600,000 to the Institute unless it withdrew its invitation to Israelis to attend the seminar on the Arab world. The Aspen officials also said Beirn had previously threatened to drop the grant unless Aspen relocated another series of seminars held each year in Jerusalem. The \$600,000 grant represents about 80 percent of the Institute's Middle East programming.

Whether the seminars in Jerusalem are affected by the East-West Foundation's position has not yet been ascertained. According to an Aspen official, Beirn "never said flatly" but "suggested that unless we play this the Foundation's way" he thought the Saudis "would be very upset." Aspen sources also said that Beirn called Kollek to insist that Aspen should not accept Israeli participants in seminars funded through the East-West Foundation.

The net result is that Israel was not asked to send anybody to the seminar and "there's tremendous ill feeling now toward this Foundation among many of the Aspen trustees," JTA was informed.

Background Of Related Controversy

The American Jewish Committee has been involved in this matter since last August. Neil Sandberg, the Western Regional Director for the AJ Committee based in Los Angeles, told the JTA that "the same people" of the East-West Foundation in the Aspen matter were "principal players" in the drive to establish a Middle East Center at the University of Southern California (USC).

Fluor is chairman of the Board of Trustees of USC. The year-long controversy at USC involved

a proposed agreement between USC and the Middle East Center Foundation, a non-profit organization established by Fluor, which would have given the Foundation control of all USC's academic programs at the Center to individuals outside the university's faculty. This included hiring the Center's faculty, admission of students and determination of curriculum. The Middle East Foundation was to have provided an initial \$7 million and corporation executives doing business with Saudi Arabia were to have been urged to make further generous gifts, according to Sandberg.

According to the AJ Committee, the heart of the controversy over the Middle East Center was whether an Arab government, namely, Saudi Arabia, and a group of American corporations doing billions of dollars worth of business with Saudi Arabia should be permitted to control a center of research and education in a leading U.S. university.

The AJ Committee opposed this, Sandberg noted, since "the Saudis were calling the shots on academic programs in the United States which is highly inappropriate." The USC faculty and the USC President's Advisory Council supported the AJ Committee's view and last August the executive committee of the USC Board of Trustees rejected the agreement and set up a committee to rewrite it so that academic control would remain in the hands of the university.

Last month, the USC Board of Directors voted to rescind the university's contract for the Middle East Center and to return to prospective donors about \$1 million that was given to establish and finance the Center. "The same principle is involved in the Aspen situation," Sandberg stressed. "Academic freedom and academic integrity are involved."

SPECIAL BULLETIN

JERUSALEM, July 19 (JTA) -- Premier Menachem Begin was hospitalized this evening at the Hadassah Hospital in Jerusalem reportedly for tests. He returned to Jerusalem from a special Cabinet meeting at the army headquarters in Tel Aviv where the Cabinet heard a briefing on the redeployment of the Israel Defense Force in the Negev.

Shortly after arrival he felt ill and was immediately rushed to the hospital to undergo "tests." According to a brief communique issued tonight he is to undergo these tests "within the next few days." Begin suffered from heart trouble shortly after he was elected Premier but has since recovered and returned to full activity. A few months ago he suffered from a cold, but this is the first time he has been hospitalized since 1977.

AVRAHAM BOYER DEAD AT 72

TEL AVIV, July 19 (JTA) -- Funeral services were held here today for Abraham Boyer, a veteran leader of the National Religious Party and former Deputy Mayor of Tel Aviv, who died last night at the age of 72. Eulogies were delivered by Interior Minister Yosef Burg of the NRP and Mayor Shlomo Lehat. Boyer was born in Bukovina, Rumania and served as president of Mizrahi, the religious Zionist movement there, before settling in Palestine in 1933. He served for the last 28 years on the Tel Aviv Municipal Council and for many years was Deputy Mayor.

He was also a member of Tel Aviv Religious Council, a co-founder of the Central Labor Exchange in 1946 and a co-founder of the Construction Workers Assistance Fund. He was the author of numerous articles on economic and labor subjects.

SPECIAL TO THE JTA BLUM EXCORIATES WALDHEIM By Yitzhak Rabi

UNITED NATIONS, July 19 (JTA) -- Yehuda Blum, Israel's Ambassador to the United Nations, sharply criticized the performance of Secretary General Kurt Waldheim who, he charged today, lacked "moral leadership," adding, the Secretary General, instead of taking issue with the "majority of totalitarian regimes" at the UN which vote for resolutions deviating from its Charter, carries out those resolutions.

While Israel has in the past had differences of opinion with Waldheim and has criticized some of his actions, Blum's remarks today were the most outspoken attack ever made by an Israeli envoy on the Secretary General. Blum spoke as the guest of honor at a luncheon tendered here by "UN We Believe," a private, non-profit organization that describes itself as serving the business community as liaison to the UN and its specialized agencies.

The group is accredited to the UN's department of public information and to the U.S. Mission to the United Nations. It describes its activities as channeling information, opinion and suggestions to the UN from the American business, industrial and labor communities. Blum's audience today included about 20 senior executives of American companies, among them the Belpco Petroleum Corp., Dannon Milk Products; Bond Industries; Bloomingdale Bros.; the Independent Savings Bank; and others.

UN Ruled By Dictatorships

The Israeli Ambassador claimed that the UN is in a constant state of decline and charged that the UN today is ruled by a majority of countries which he characterized as dictatorships. At the same time, he said, the minority of its members of the free world actually finance the world organization. He contended that the UN consistently departs "from its principles and its Charter."

Blum warned that as long as the UN is ruled by a "majority of totalitarian regimes I don't see how the situation can be altered." He noted, however, that the UN is extremely sensitive to public criticism in the free world, especially from the U.S. and from independent groups.

He pointed out that countries of the free world at the UN face problems when they try to form a united front against the majority because "the energy crisis is very much reflected in what is going on in this organization." Therefore, he said, the free countries of the West do not want to antagonize their oil sources.

GOLDWATER RAPS U.S. COMMITMENT ON SUPPLYING OIL TO ISRAEL

By Joseph Polakoff

WASHINGTON, July 19 (JTA) -- As gasoline prices went up 40 percent in Israel today, the Senate was told the United States should refrain from commitments on supplying oil abroad as it is committed to Israel.

Sen. Barry Goldwater (R., Ariz.) raised the matter of the Carter Administration's commitment to Israel in a floor speech in which he set forth a report that noted the National Association of Arab-Americans are fighting the commitment and tied part of its opposition to Jewish settlements on the West Bank and Gaza Strip.

"Americans sweating it out in gas lines and being asked to turn up their thermostats," Goldwater said, "will be interested to know that President Carter's ill-timed promise to guarantee Is-

rael's oil supply for 15 years is going ahead on schedule." Goldwater said that "legislation to accomplish this part of the deal for an Israeli-Egyptian peace agreement has been quietly slipped into legislation which is now pending before both Houses."

He was referring to the legislation which would authorize the Export Administration to exempt the Israeli oil guarantee from a general ban on the export of Alaskan oil.

Goldwater did not directly urge elimination of the guarantee but noted that "the chances are that the U.S. will soon have to start making good on the promise President Carter made," and he said "it is long past time that this country (the U.S.) faced up to the fact that it cannot take care of all the needs throughout the world that happen to come to our official attention."

SENATE UNIT SEEKS TO DETERMINE RUMANIA'S POSITION ON EMIGRATION

WASHINGTON, July 19 (JTA) -- The Senate Finance subcommittee on international trade is seeking to find what guarantees the Rumanian government has given to the United States on emigration in order to continue to be eligible for U.S. most-favored-nation trade benefits. The subcommittee, headed by Sen. Abraham Ribicoff (D. Conn.), went into executive session today on the first day of the hearings in order to get that information from State Department Counsellor Matthew Nimetz. Sen. John Heinz (R. Pa.) asked for the closed session after he sought from Nimetz what assurances Jewish groups had received from the Rumanian government on emigration, and if these were in writing, which the U.S. has not been able to obtain.

The Conference of Presidents of Major American Jewish Organizations has backed the Carter Administration's request for continued MFN status for Rumania, although the Conference has voiced concern about decreasing Jewish emigration from Rumania. Ribicoff introduced a letter from Jack Spitzer, president of B'nai B'rith, in which the Presidents Conference endorsed the trade benefits for Rumania based on "understandings reached with the Rumanian government" by a representative of the Presidents Conference.

But Jacob Birnbaum, director of the Center for Russian and East European Jewry, voiced opposition in testimony to the subcommittee. He urged a monitoring system in the U.S. Embassy in Bucharest. He noted that Jewish emigration has dropped in recent years and charged that would-be emigrants are turned away at the police station when they apply for emigration visas. He demanded written assurances from the Rumanian government.

WASHINGTON (JTA) -- The United States Thursday, noting the absence of affirmative action by the United Nations Secretariat towards preserving the UN Emergency Force (UNEF) in the Sinai, emphasized it opposes an Egyptian-Israeli group to substitute for an international military presence. UN Secretary General Kurt Waldheim, in a report Thursday to the Security Council, which must act by July 24 on the renewal of UNEF's mandate, withheld recommendations for renewing the mandate. Pointing out this absence, State Department spokesman Hodding Carter said he would not comment on the report but he went on to stress a force will be put in place.

JERUSALEM (JTA) -- Two bombs exploded Thursday afternoon in a shop in downtown Jerusalem causing heavy damage but no injuries. Police placed roadblocks in the area and conducted a wide search.

BEHIND THE HEADLINES

ALEXANDRIA'S JEWISH COMMUNITY

By Gil Sedon

ALEXANDRIA, July 19 (JTA) — A little old man with clear blue eyes interrupted the flow of conversation suddenly and asked: "Is there a way to bring Jews here?"

For a moment it seemed as if he was joking. Sitting at the quiet Eliahu Hanavia Synagogue shortly after Premier Menachem Begin held the mincha prayer last week, one might have expected a different question, about prospects of allowing the 250 Jews of Alexandria to immigrate to Israel or at least come for a visit. But the main concern of Eli Danon, 75, was the future of the Jewish community in Alexandria. He wants it to survive after him, but he can see plainly that it is slowly dying.

The Jews of Alexandria do not suffer, neither from the government nor from their Arab neighbors, said Danon. It is time that he is their worst enemy. The rabbi is almost 90, "and he is not of much use. We have to accept him, as they say in French, for the mieux" — the time being.

Danon describes himself as a "Yom Kippur Jew." Although he is one of the six members of the local Council, he does not care much for religious ceremonies. When this reporter called up his sister, Bekki Nahmias, in Jerusalem, to pass his regards, she asked, astonished: "Are you sure it was my brother? You met him at a synagogue?"

'Something Should Be Done'

Perhaps this is the reason that he speaks in very down to earth terms. He mentions the beautiful 19th Century synagogue, the old-age home, the community maintains and other buildings and says: "All these are worth millions. What will become of them when we disappear? Something should be done."

He does not know, though, just what should be done. "Perhaps they should send us rabbis.... Perhaps we can turn the old-age home into a rabbinical seminary." He does not know, who would teach there but then he says, "I could give them free lessons of law."

Danon is a member of the first graduating class of the Hebrew University Law School in 1924. When Acting Foreign Minister Butros Ghali of Egypt was once asked about him, he referred to him as the "Israeli among us." Indeed, Danon was born in Jerusalem and even though he never returned to that city after 1925, he speaks Hebrew fluently, switching from English to Hebrew, and then to French and Arabic without difficulty.

He came to Alexandria in 1925 to work as a counsel on the Court of International Justice of the League of Nations. Now he lives on his pension, alone in an eight-room apartment in downtown Alexandria. A bachelor, he has no family in Egypt. He does not hold Egyptian citizenship but says he has no purpose in leaving the country. He is happy here with his friends, none of them Arabs.

"I am the only Jew in the building. When I first moved in they were all Europeans but they have slowly moved out and now all my neighbors, as well as the landlord are Arabs. My landlord lives on the third floor. Once a year I go up to him, pay my rent in advance, and that's it."

His friends are either Jews, Italians or Greeks, remnants of the large European community that used to live in Egypt. In the morning he meets in a coffee house with a group of pensioners and cracks jokes. In the evening he goes to the French Cultural Center. He is also a member of

the Atelier, a center for artists and writers. He himself wrote three books in French. "I feel as a foreigner," he admits, after almost 55 years in Egypt. "We have a quiet peaceful life here," said Clement R. Setton, president of the Jewish community. "But it is boring. We feel too alone, too separated from the Jewish world."

Waves Of Emigration

The Jewish community of Alexandria used to be one of the more flourishing Jewish communities outside of Israel. Jews first settled in Alexandria at the beginning of the Third Century B.C.E., according to Josephus Flavius, in the time of Alexander the Great. They have always been a driving force behind the city's economy, which as the country's main seaport, was based on trade with the outside world.

But in recent times the Jewish community suffered three waves of departures. On the outbreak of Israel's War of Independence in 1948, relations with the Arabs worsened. Several Jews were placed in detention camps and there were several assaults on the Jewish community by the local population. A bomb was thrown into a synagogue in July 1951. Many left for Israel. When President Gamal Abdel Nasser assumed power in February 1954, many Jews were arrested on charges of Zionism, Communism and currency smuggling.

After the Sinai campaign in 1956, there was a large exodus of Egyptian Jews. The 1960 census showed only 2760 Jews in Alexandria of a community that once numbered 100,000 Jews. After the Six-Day War about 350 Jews, including Chief Rabbi Nafusi, were interned in the Abu Za'bal detention camp, known for its severe conditions.

Today there are only 100 men and 150 women; many of the men married non-Jewish women. "There is no Jewish life here," said Danon. "Even though I am a member of the Council, I come here every fortnight." The benches in the synagogue are marked with the names of members of the community. Each Jew has his own seat, but they hardly ever occupy it. Danon carefully avoided any political comments.

Danon was well acquainted with Israeli politics, although not quite up to date. Only minutes after Begin stood in the synagogue praying, Danon commented: "Abba Eban and the other group (Labor Alignment) deserve to take part in the peace process. They have worked on it for years."

Danon observes the scene from afar, from the point of view of a Jew who has lived with Arabs most of his life. Yes, he would like to come to Jerusalem, visit the family, see the city he was born in, — but he would not stay. He feels like a foreigner. But he wants to stay in Alexandria. His only real concern is the community, what will become of the community?

Danon walks with me out of the synagogue, and I ask him to pose for a photograph. At first he refuses. "I am not photogenic." Then he poses, for the record, a little old man, with lively blue eyes, a symbol of a once great community that is slowly disappearing.

JERUSALEM (JTA) — A new Knesset faction, "Banai," was formed this week. The acronym stands for "Brit Neemanel Eretz Israel" (Covenant of the Faithful of Eretz Israel) and the faction comprises Likud rebels Geula Cohen and Moshe Shamir. The two said they would be "the only real opposition," constantly attacking what they regard as the "disastrous policies" of the Begin government and striving to ensure Israel's retention of, and settlement in, all parts of Eretz Israel.