

# JTA daily news bulletin

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Published by Jewish Telegraphic Agency / 165 West 46th Street / New York, New York 10036

Vol. XLVI - 62nd Year

Wednesday, August 8, 1979

No. 152

## IMPORTANT PROGRESS REPORTED AT LATEST ROUND OF AUTONOMY TALKS

By David Landau

JERUSALEM, Aug. 7 (JTA) -- Participants in the fifth round of autonomy talks, which wound up in Haifa this afternoon, reported success in drafting a list of issues to be negotiated in connection with the methods for electing the autonomy authority for the West Bank and Gaza Strip. Egypt's chief delegate, Premier Mustapha Khalil, said "very important progress" had been made at the two-day meeting. He said the "misunderstanding" that had arisen during the talks should be seen as "behind our backs."

Israel's chief delegate, Interior Minister Yosef Burg, also sought to couch his summation of the session in a positive way, saying that if the "ups" had been more numerous than the "downs," this must mean that the talks had been successful.

Israeli sources reported that the Egyptians had dropped three controversial demands. These were the right of Arabs in East Jerusalem to vote in the election; the right of Palestinians living abroad to vote and the question of international supervision of the election.

But while Burg termed this development an achievement, it was not at all clear that by acceding to omit these points from the agreed list of issues, Egypt had actually conceded its substantive position on them. Khalil noted that the agreed list could be interpreted in different ways.

### List Of Issues

The list specifies the following issues: the election campaign -- rules for running it, regions into which the area will be divided for the purposes of the election, electoral procedures, the right to vote, the right to run as candidate, and supervision of the election. These issues will be dealt with in detail in the weeks ahead by the "modalities" working group.

There has been no agreement yet on a list of issues to guide the second working group, whose mandate is the "powers and responsibilities" of the self-governing authority. The full committee is to meet again only after Egyptian President Anwar Sadat's visit to Haifa on Sept. 5.

The "misunderstanding" that Khalil referred to was his reference yesterday to Egyptian support for efforts to obtain "balanced changes" in United Nations Security Council Resolution 242, a statement which immediately drew sharp reactions from Burg and Justice Minister Shmuel Tamir. Both Burg and Khalil were anxious to veer away from this sensitive issue and steer their dialogue back to the relatively less contentious problems of creating the autonomy. "We are not the balabatim for the 242 affair," Burg told an interviewer after the Haifa session ended.

## VANCE SAYS ISRAEL MAY HAVE VIOLATED AGREEMENT WITH U.S.

By Helen Silver

WASHINGTON, Aug. 7 (JTA) -- Secre-

tary of State Cyrus Vance said today that Israel may have violated an agreement with the United States by using American-made weapons in its strikes into Lebanon last month. But Vance said that any action by the U.S. "will depend on the course of events and our assessment of them."

Vance's statement was in a letter to Rep. Clement Zablocki (D. Wisc.), chairman of the House Foreign Affairs Committee, in response to a demand by Rep. Paul Findley of Illinois, the ranking Republican on the Committee, that the State Department tell Congress whether Israel had violated U.S. law in the raids. Findley introduced a resolution last week that the Department be compelled to report to Congress if Israel violated the law, but Congress adjourned for its summer vacation before the House could act on it.

The State Department confirmed today that Vance had sent a letter to Zablocki but refused to make its contents public. However, the letter was released by Findley.

It said: "A violation of the 1952 agreement between Israel and the United States may have occurred... by reason of such actions as Israel's July 22 air strike and the deployment in southern Lebanon of U.S. supplied artillery. We are continuing to watch this situation with seriousness and concern. Further action on our part will depend on the course of events and our assessment of them."

## DAYAN WARNS PUBLICLY OF ISRAEL'S 'COLLAPSING IMAGE'

By David Landau

JERUSALEM, Aug. 7 (JTA) -- Foreign Minister Moshe Dayan issued a somber public warning today that Israel is viewed abroad as "dying economically" and this image has led foreign statesmen to believe they could pressure Israel for new concessions. In newspaper interviews, Dayan blamed primarily the government coalition and the ministers responsible for the economy for the state of affairs. He expressed his own deep confidence and conviction that Israel has the strength to stand up for its vital interests and to withstand demands for changes in United Nations Security Council Resolution 242.

Dayan's statements to the press and in an appearance this morning before the Knesset Foreign Affairs and Security Committee, as well as in a blistering attack on the Cabinet in general and Finance Minister Simcha Ehrlich in particular at Sunday's Cabinet meeting, quickly became the focal political talking point both in Jerusalem and at the autonomy talks in Haifa. There was speculation that Dayan was preparing his own resignation and/or that he was seeking to move Premier Menachem Begin to changes in the composition of the Cabinet.

In his appearance before the Knesset committee, Dayan disclosed that U.S. Secretary of State Cyrus Vance had asked Israel several days ago whether press reports of its imminent economic collapse were true, and if so whether the U.S. could extend any help. At the Cabinet meeting, the Foreign Minister characterized that body as weak and argued that Israel's political standing abroad has been affected by the weak image of Israel on the economic front.

He argued there as he did today that there was an impression, albeit wrong, in some quarters abroad, that Israel was coming apart at the seams.

leading some to believe that Israel could be pressured and browbeaten. Dayan rebuked Ehrlich for having "sat and said nothing" when he was told late last year that U.S. financial aid for the construction of airfields in the Negev to replace those Israel will give up in Sinai under the Egyptian-Israeli peace treaty would be a loan, not a grant. Dayan, at the Cabinet session, urged the shocked ministers to "pull yourselves together" and show that Israel could not be pushed around but had the strength and determination to protect its vital interests.

Likud-Knesset members expressed shock and dismay today at the fierceness of Dayan's public attacks upon the government in which he serves. Labor Alignment Knesset members seized upon his words as demonstrating the discord within the government. Moshe Shabai of the Alignment said the conclusion should be not only for Dayan to resign but for the entire Cabinet to resign.

### Highlights Of Dayan's Interview

Highlights of Dayan's interview today with the press included:

"In the eyes of the world we seem to be dying economically .... I am not sure whether the Histadrut ... would give their support to this social and economic chaos if Labor were in power .... Perhaps this is legitimate, but what it means in our situation is suicide, and the Histadrut is not blameless in this. But first and foremost it is the coalition itself that is to blame."

"It is not a matter of personalities (in reference to Ehrlich). I protest vociferously at the fact that the Finance Ministry heard of the change in U.S. aid for building the Negev airfields -- from grant to loan -- and kept silent."

"Many countries suffered from inflation, but in our case, not only do we not overcome it, we do not seem to know how to tackle it at all .... That is why the world thinks of us as a dead man, as someone about to go bankrupt."

"I am in favor of broadening the basis of the coalition, so that we should have more strength to take difficult steps. I favor broadening the coalition so that the government should have broader shoulders."

"I am fully convinced -- prepared to swear on the Bible that I was never more confident -- that we can withstand political pressures, pressures upon us .... Neither the U.S. nor the whole of European force us to do what we don't want to do, in relation to Resolution 242, in relation to the Palestinians, and in relation to what is happening in Lebanon where we have got to keep on hitting at the terrorists."

### Tough Talks With The Dutch

Dayan recalled that when he was in Holland last month he had held "tough conversations" with Dutch political and military leaders over the South Lebanon situation which evolved out of the fact that a Dutch contingent is stationed with the United Nations Interim Force in Lebanon (UNIFIL). Dayan noted that Dutch soldiers were coming home as convinced anti-Semites. One had written recently in a Dutch paper that it was a pity Hitler had not finished off all the Jews.

Nevertheless, Dayan said he had explained to his Dutch hosts that Israel would continue to attack Palestine Liberation Organization bases stationed within the UNIFIL area of operation because the alternative was to permit the PLO

to launch attacks on Israel from these bases unhindered. This was an example, Dayan said, of how Israel must fight for its basic vital interests regardless of the attitudes of friendly states abroad.

### Hits Slow Normalization Pace

Dayan also expressed dissatisfaction in his interviews and at the Knesset committee at the slow pace Egypt was proceeding in normalizing relations with Israel. He told the Knesset members that he had personally heard Egyptian President Anwar Sadat promise Begin open borders, yet application by Israelis for visas to Egypt are still being held up.

The Foreign Minister expressed disappointment with Egypt's demand that the International Red Cross should supervise the transfer of students from the Gaza Strip to and from Egypt. "I will immediately resign if the Cabinet accepts this proposal," he warned. Dayan added by way of explanation that this is not the way nations at peace handled matters between them.

Dayan also aired his comments on the normalization process at a private dinner he gave at his home last night for his Egyptian counterpart, Minister of State Boutros Ghali. According to reports today, Ghali contended that the bureaucratic delays regarding visa applications would be cleared up.

Nevertheless, Egyptian Premier Mustapha Khalil, who is heading the Egyptian delegation at the autonomy talks, said during an interview on Israel Television yesterday that Israel was misinterpreting the understanding reached between Sadat and Begin over the open borders. "You are really confusing the whole issue," he said. "What we have agreed upon is not normalization. What we have agreed upon is a kind of token open borders between the two countries. We didn't say that this is normalization, because normalization under the treaty is subject to negotiations that will start next January."

### MODAI TO EGYPT TO DISCUSS OIL

TEL AVIV, Aug. 7 (JTA) -- Energy Minister Yitzhak Modai left for Egypt today to seek assurances that Israel will continue to receive oil from the rich Alma oilfield in the Gulf of Sinai after it is turned over to Egypt in November. Modai said the oilfield now provides Israel with one quarter of its needs and he wants Egypt to maintain this rate.

The Egyptians have agreed, in principle, to sell Israel oil at the prevailing international market price and in quantities that will be equal to the production at the Alma field on the day it is returned to Egypt. The field now yields some 40,000 barrels a day, or two million tons a year, a figure which includes a new oil well which was only put into operation a week ago.

Israel would also like Egypt to pay something of the high cost spent by Israel in developing the Alma field. But Egypt has refused to pay anything for the investment made by Israel during its control of Sinai.

### SUSPECTED TERRORIST ARRESTED

By Helen Silver

WASHINGTON, Aug. 7 (JTA) -- Militias leader Garabedian, a 32-year-old Jordanian believed to be one of the persons who staged a hand grenade and machine gun attack on an Israeli El Al airliner at Athens Airport in December, 1969, has been arrested in Fountain Valley, Calif. by the Immigration and Naturalization Service (INS). Garabedian entered the U.S. on a 45-day visa. After the INS received information about him from a U.S. government source, his fingerprints were checked with the Greek government and he was arrested on a charge of concealing material information in applying for

a visa. According to the INS in Washington, if this information had been known, he would not have been admitted to the U.S. He is being held for deportation. No date has been set for the hearing. In the 1969 airport terrorist attack, three people were killed and 50 people were wounded.

#### U.S. REJECTS CHARGES OF OIL PRESSURE By Helen Silver

WASHINGTON, Aug. 7 (JTA) -- The State Department today strongly rejected charges in the United States and Israel that the U.S. was changing its policy in the Middle East in order to ensure continued supplies of oil from Saudi Arabia and other Arab oil-producing countries. Department spokesman Tom Reston also denied that the U.S. was trying to "tamper with or change" United Nations Security Council Resolution 242 to meet Arab demands that references to Palestinian rights be included.

"Oil is not a controlling factor -- it is in no way linked to our policy in the Middle East," Reston said. "It has been repeated over and over again by Ambassador Robert Strauss (President Carter's special envoy for Middle East negotiations), and Assistant Secretary of State Harold Saunders, in a recent statement, emphasizing the U.S. is not doing anything in the negotiations about our needs for oil. I want to confirm this to you today."

Reston noted that Strauss, Saunders and other Administration officials have repeatedly denied reports that the U.S. agreed to change its position on the Palestinians in return for Saudi Arabia's promise last month of increased oil production.

The Department spokesman reiterated that the U.S. has not changed its policy on the Palestine Liberation Organization and that "there has been no change or shift in the U.S. policy of close friendship and firm support of Israel."

Similarly, Reston stressed that "The United States is not engaged in any effort to tamper with or change Resolution 242 of the UN. In fact, that resolution remains the basis of our Middle East efforts, the Camp David framework and the (Egyptian-Israeli) peace signing."

#### Determining Position On Palestinians

Reston noted that the U.S. is "engaged in the debate on the issue of Palestinian rights" at the Security Council. "We are still in the process of determining what our position will be in that debate which resumes on Aug. 23. We are in close contact with the State of Israel and other countries about the debate."

Reston said the U.S. has not decided what its position will be on any resolution that is presented to the Security Council, "except to say that the U.S. position on the PLO remains unchanged." The U.S. has been reported as ready to support a resolution that would change Resolution 242 to include support for Palestinian rights in hopes that this will persuade the PLO to support Resolution 242, including the provisions affirming Israel's right to exist.

In reaction to this, the Israeli Cabinet on Sunday adopted a strong resolution rejecting any change in 242 and declaring that Israel will never agree to negotiate with the PLO. The resolution was forwarded to Washington and Israeli Ambassador Ephraim Eylon is expected to discuss it with President Carter over lunch at the White House tomorrow. Eylon has already

discussed it with Vance and Saunders. Meanwhile, Reston said Strauss will be returning to the Mideast Aug. 18-20 to "push forward the process laid out at Camp David."

#### AIR FORCE DECISION ON RABBI DOES NOT SETTLE ISSUE, COLPA SAYS By Ben Gallo

NEW YORK, Aug. 7 (JTA) -- The decision yesterday of the Air Force to drop its opposition to the wearing of a beard by Rabbi Alan M. Kalinsky of Bangor, Me., while he serves as an Air Force reserve chaplain, does not settle the issue and the battle will be continued, Howard Zuckerman, president of the National Jewish Commission on Law and Public Affairs (COLPA), said today.

For more than a year, the Air Force rejected a request by Kalinsky that he be permitted to maintain his beard. Kalinsky, a 28-year-old Orthodox rabbi, refused to shave off his beard on religious grounds and was placed on inactive status in January, 1978.

Represented by Nathan Lewin, a COLPA vice president, and David Butler, a COLPA volunteer attorney, Kalinsky sued the Air Force, contending that forcing him to shave violated his constitutional right to freedom of religion. The Air Force, facing a hearing Thursday in federal district court in Washington on the constitutionality issue, notified Kalinsky he could keep his beard.

Lt. Gen. Andrew Iscoe, deputy Air Force chief of staff, wrote Kalinsky that he would be reinstated in the active reserve with the rank of First Lieutenant and given credit for points toward retirement benefits, in addition to all the back pay he would have received had he remained on active status.

Zuckerman noted that in a separate affidavit, the Air Force said its grooming requirements would be changed for other reserve chaplains but not for anyone else, including chaplains on duty. Zuckerman said there was no guarantee that the ban on beards would not be reinstated for reserve chaplains. He said for these reasons, Kalinsky will oppose the Air Force's anticipated effort to have the case dismissed in federal court because of the concessions to Kalinsky, including his reinstatement in the active reserve.

Butler said the limitation permitting beards only to chaplains on reserve was "clearly arbitrary" and that the Air Force action effectively diminished the Air Force contention that requiring its personnel clean-shaven was essential to the effective functioning of its personnel. Butler declared he would continue to press the case in federal court in an effort to assure that any Air Force personnel wishing to wear a beard for religious reasons should be allowed to do so.

#### ISRAEL BONDS LAUNCHES \$1-B CAMPAIGN

JERUSALEM, Aug. 7 (JTA) -- The Israel Bond Organization has launched a \$1-billion campaign to cover the expected costs of developing the Negev and other areas in Israel in the coming peace era, it was announced here yesterday by Michael Arnon, president of the Israel Bond Organization. One hundred American and Canadian Jewish leaders representing the State of Israel Bonds National Campaign Cabinet arrived here yesterday for an intensive three-day round of conferences with Israel government officials on urgent peace needs. The delegation is headed by Sam Rothberg, Israel Bonds general chairman, and Arnon. The \$1 billion Economic Development for Peace Loan will be issued for 15 years and will carry a low interest of four percent. It will be administered by the Bond Organization. Last year there was a sale of \$370 million in Israel Bonds, but Arnon was hopeful that more would be sold this year.

## BEHIND THE HEADLINES CANADIAN CONTRACTS WITH ISRAEL

By Michael Solomon

MONTREAL, Aug. 7 (JTA) -- "When all the totals are in, Canada will have drummed up, in signed and pending contracts, between \$1.5 billion and \$2 billion worth of business in Israel," Lou Ronson, president of the Canada-Israel Chamber of Commerce, told the Jewish Telegraphic Agency upon his return from a recent business tour of Israel.

Included in the list of major projects is a contract to redesign Ben Gurion Airport which has been secured by the Toronto-based architectural planning firm known popularly as IBI, a potential \$1.5 billion venture to take over and restructure the Israel government-owned telephone and telegraph system, and two major railway infrastructure projects which include the reopening of the long defunct Cairo-Tel Aviv line through Sinai, Ronson said.

The IBI firm has secured the redesigning of Ben Gurion Airport, including extension of the main runway, an addition to the existing terminal to be finished by 1990. Phil Beinbaker, IBI president, estimated that by the time of completion the whole project will approach \$200 million in 1979 dollars.

The Calgary-based engineering firm, Construct, is negotiating the building of a rail system to link the Mediterranean with Eilat, via the giant phosphates plant at Sodom providing an efficient land bridge between Europe and Asia for the convenience, storage and distribution of container traffic.

The contract is worth some \$300 million and was the subject of discussion with Premier Menachem Begin who discussed it afterwards with Egyptian President Anwar Sadat in Alexandria on July 13. Begin and Sadat have agreed in principle to reopen the rail line which has not been in use since 1947. Taken together, the Mediterranean-Eilat link and the Cairo-Tel Aviv railway line will be worth more than \$750 million, Ronson estimated.

### Other Negotiations Cited

A Canadian consortium whose name has not yet been divulged is in a stage of advanced negotiations for an extensive modernization of Israel's telephone and telegraph system. The project, valued at \$1.5 billion, involves the installation of some 200,000 new telephones within two years.

A Montreal subsidiary of Texas Air Pollution Controls (TEPCO) is negotiating a contract to manufacture air pollution control equipment in Israel. Jack Simms, the head of TEPCO's Canadian operation, said he feels that Israel offers a multi-million dollar market for his company's product and met with Tel Aviv Mayor Shlomo Lahat who expressed interest in a total pollution control package for his municipality. Simms is due to return to Israel this month to begin final negotiation.

Douglas Bassett, president of the Toronto-based Baton Broadcasting Corporation, has initiated discussion with the Israel government in relation to the establishment of a second, commercial television channel in that country. The negotiations are still in an exploratory stage.

## RECALLING 'NIGHT OF THE MURDERED POETS' NCSJ URGES RELEASE OF POCs

NEW YORK, Aug. 7 (JTA) -- Burton

Levinson, chairman of the National Conference on Soviet Jewry (NCSJ), has called upon Soviet officials to release all Jewish Prisoners of Conscience in commemoration of the forthcoming 27th anniversary of what has come to be known as the "Night of the Murdered Poets."

On Aug. 12, 1952, 24 of the Soviet Union's leading Jewish writers, poets, artists, musicians and actors were executed at Moscow's notorious Lubianka Prison. Some of those executed were among the more than 400 outstanding Jewish artists who were rounded up in the winter of 1948-1949 and exiled, with their families and in-laws -- to Siberia. Although most died in the labor camps, the Soviet policy culminated on that summer night in 1952 and left three million Jews without teachers, creative leaders and communal institutions, Levinson noted.

"There have been many dark days in the struggle for Jewish freedom in the Soviet Union," he said, "but the 'Night of the Murdered Poets' was the darkest. We can only be reminded that there are many in the Soviet Union who are still suffering, still being oppressed and enslaved because they are Jews, and anti-Semitism in many guises is increasingly pervasive."

The present Soviet regime, Levinson observed, "is, of course, not responsible for the terrible treatment of the Jews in Stalin's time, but Soviet President Leonid Brezhnev can act decisively by freeing the POCs. He can prove to the rest of the world his contention that Jews in the USSR have the same rights, freedoms and opportunities as everyone else. To pardon or commute the sentences in commemoration of the 'Night of the Murdered Poets' would be a courageous act by President Brezhnev, since Soviet leaders have never acknowledged, let alone denounced, that barbarous affair."

## YIDDISH POET CAMPAIGNS FOR HOLOCAUST MEMORIAL IN NYC

NEW YORK, Aug. 7 (JTA) -- A well-known Yiddish poet is engaged in a one-man campaign to build a memorial in New York City for the six million Jews who perished in the Holocaust. Wolf Pasmanik is button-holing everyone he can, either in person or through poetry readings in coffee houses and on radio and television to convey his singular message about the need for a memorial. "I am fearful that the younger generation will forget the horrors of World War II and its tragic attendant circumstances," he said.

Active in many literary and arts groups, Pasmanik wrote a poem, "There's No Monument in New York," to dramatize the situation. The first stanza reads: "There is no Monument in New York -- / Nor memorial to our slain. / I walk with my grief alone. / The two of us bent. / As dogs howl. / And write down my anguish. / With the tears of my eyes. / By the light of the setting sun."

"I must have read my poem a thousand times before all kinds of societies and organizations, as well as before important governmental and non-governmental personalities," Pasmanik stated. His persistence, he feels, may have borne results in that others are now also taking up the cause for a monument "to carry the message of sadness all people feel about the death of those who were killed without any cause during the war," as Pasmanik put it.

JERUSALEM (JTA) -- The government raised the price of grain by 40 percent Sunday night, triggering an immediate increase in the price of fresh chickens (10 percent) and of cakes (seven percent). An imminent rise in the price of bread is expected, according to economic sources.