

# JTA daily news bulletin

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## U.S. AID OFFER DISAPPOINTS ISRAEL

By Gil Sedan and Yitzhak Shargil

JERUSALEM, Jan. 1 (JTA) — Israeli officials expressed disappointment today with the \$200 million in military sales credits that President Carter has agreed to add to the \$3 billion aid package for Israel over the next three years. The White House announced late yesterday that the President will seek Congressional approval of that sum. Israel had requested a total of \$3.4 billion in military and economic assistance for the fiscal year 1981 which begins next Oct. 1.

According to officials here, the short-fall means that military expenditures will have to be reduced substantially and the government will be forced to implement even tougher economic austerity measures than those already announced.

Defense Minister Ezer Weizman returned from Washington yesterday where he had spent a week conferring with President Carter, Secretary of State Cyrus Vance, Defense Secretary Harold Brown and other top officials on the new aid package. According to reports today, top U.S. officials complained to Weizman about Israel's West Bank settlement policy and about the lack of progress in the autonomy talks. (See related story P.3.)

The \$3.4 billion Israel sought, double its present allocation, was expected to cover the loss of purchasing power of the U.S. dollar owing to inflation. Congress has already approved \$2.2 billion in military aid credits over the next three years to help Israel carry out the terms of its peace treaty with Egypt, including the redeployment of its forces from Sinai to the Negev. Congress also approved \$800 million in economic aid.

### Basis For Decision

The amount Israel will receive for fiscal 1981 will not be known until the Administration announces its budget later this month. In announcing the additional \$200 million for military purposes, the White House said the increase "reflects our sympathy and concern for Israel's security and well-being."

The White House statement said "The decision was based on consideration of such factors as inflation and Israel's balance of payments deficit and takes into account the fact that the Israeli government has instituted since last November extremely tough austerity measures designed to overcome those economic problems."

The statement also stressed that Carter is determined to hold down federal expenditures. Weizman came in for sharp criticism in some quarters today for failing to persuade the Administration of Israel's need for a larger aid package. The Defense Minister, who reported on his mission to Premier Menachem Begin this morning, rejected the criticism. He maintained that Israel would have received even less were it not for his efforts and challenged anybody to do better. Weizman said he was not surprised by the White House announcement, considering the inflationary pressures in the U.S.

### Disappointment On Two Levels

Officials here were disappointed on two

levels. According to some sources, the relatively small addition to the aid package, spread over three years, meant that Washington did not see "Israel as an asset." As for the immediate impact, it was generally agreed that Israel will have to take stringent measures to cope with the "new economic reality."

Fear was expressed that Israel would have to draw on its foreign-currency reserves to finance urgent defense needs. Dr. Eliezer Sheffer, Deputy Governor of the Bank of Israel, warned that the country's balance of payments deficit would reach \$5 billion this year if the government failed to implement austerity measures. These include manpower cuts in public service, a freeze on salaries, and a 4-6 percent cut in the budget. Even if those measures are adopted, the deficit would be \$4 billion, he said.

Other measures that may have to be considered are a more rapid devaluation of the Pound to make exports more profitable and a reduction of imports. Some experts said the government would have to reconsider its liberal policy regarding foreign currency holdings. White Bank of Israel Governor Arnon Gafni has ruled that out on grounds that the national deficit stemmed from excessive imports rather than excessive purchase of foreign currency by individuals; another expert remarked, "It is hard to accept that Israel has such a tough time getting dollars whereas its citizens can buy as many dollars as they wish."

### Practical Implications Of Aid Package

The immediate practical implications of the limited aid package include reduced production of warplanes, missiles and ammunition. Army exercises will be less extensive and soldiers will use less live ammunition. Some 4000 employees will face dismissal from defense industries and civilian industries that supply the army. The government will have to hike the price of imports and spur exports by every possible means.

Finance Minister Yigal Hurwitz said he was grateful to the U.S. for its aid to Israel but that aid will not satisfy Israel's needs in either the military or civilian sectors. Weizman noted, in a statement to Yedioth Achronot today, that the U.S. Administration has decided not to increase its aid to a number of countries and, in some cases, to reduce it.

He said the Israel Embassy in Washington spared no effort to increase Israel's share but it was his visit last week that bore fruit in the form of an additional \$200 million. "This is something, though not so much," Weizman said, adding, "One has to remember that the President is making an effort to check inflation and it is an election year and this is all we could get."

### REVIEW OF THE 1970s

#### A DECADE OF TRIAL AND TRIUMPH

By Maurice Samuelson

LONDON, Jan. 1 (JTA) — For Israel and the Jewish people the 1970s were the decade of trial and triumph. The Jewish State not only withstood a sustained challenge to her existence but finally achieved peace with her biggest and most dangerous neighbor. Despite all the other dangers which still confront her, therefore, she enters the 1980s with a positive balance sheet.

The two outstanding events of the decade for Israel were the Yom Kippur War in 1973 and Egypt's

President Anwar Sadat's visit to Jerusalem in November, 1977. It was the Yom Kippur War which gave Egypt the assurance to negotiate with Israel. Yet the two events belong to different chapters in the history of the Middle East.

#### War And Peace

The Yom Kippur War was the climax of the Arab world's military attempt to vanquish Israel with Soviet support. The pact with Egypt marks the start of her acceptance as one of the Middle East nations.

At the height of the Yom Kippur War, and in the preceding years, Israel risked not only war with the Arab states but also with the Soviet Union. Only a world-wide military alert by the United States thwarted the Soviet Union's plan to strike against the Israeli forces who had entered Egypt proper after their counterattack across the Suez Canal.

Although most Soviet military advisers had been ousted from Egypt the year before the Yom Kippur War, Egypt's initial military successes were due largely to the dense concentrations of anti-aircraft missiles which Russia had installed along the canal in breach of the cease-fire which ended the Suez war of attrition in the summer of 1970.

In those bitter summer months of 1970, too, the Israel air force clashed with Soviet aircraft as it struck at strategic targets deep inside Egypt. Many Israelis began to compare their fate with that of Finland which fought a crippling war with Russia on the eve of World War II.

However, a wider conflagration was averted and while Israel emerged strengthened, the Soviet Union finally lost her position of influence in Egypt, which under Sadat's leadership, became a firm ally of the United States.

#### Old Dangers And New Dangers

Nevertheless, the decade saw the revival of old dangers and the birth of new ones. Terrorism became a world-wide phenomenon in which the Palestinians gave a lead to many other disaffected groups. Hijacking became the nightmare of every airline passenger. Its most spectacular manifestation was in September, 1970 when the Popular Front for the Liberation of Palestine captured three airliners and blew them up on Dawson's Field, an old RAF airstrip in the Jordanian desert.

This prompted Jordan's crushing of the Palestinian terrorist movements and created the "Black September" movement which ushered in a new spate of world-wide terror, culminating in the massacre of Israel's athletes at the 1972 Munich Olympics. But from this, too, Israel emerged with a positive balance sheet. Her protection of her national airline, and her stunning rescue of captured Israelis at Entebbe, Uganda, in July, 1976, were shining examples of heroism to the rest of the world.

#### World-Wide Anti-Semitism

The negative side of the Israeli balance, was headed by the resurgence of world-wide anti-Semitism, cloaked as anti-Zionism. It was fuelled by the official creed of the Soviet Union, as well as by a rampant Islamic fanaticism, which finally broke loose in the overthrow of the Shah of Iran at the beginning of 1979. In November, 1975, the General Assembly of the United Nations passed a resolution equating Zionism with racism and Nazism, the movement which had sent six million Jews to their deaths.

Chaim Herzog, Israel's Ambassador at the UN, told the General Assembly that this episode would merely strengthen Zionism while weakening the United Nations. It certainly did strengthen the internal cohesion of the Jewish people, however, even though the Western countries voted against the resolution. The anti-Zionist resolution has had a damaging effect on Israel's image in the West.

#### New Party In Power

Internally, Israel's major event occurred in the summer of 1977 when the Labor Party, which had ruled the country since independence, was swept from power. Menachem Begin, the former anti-British freedom fighter and head of the Herut Party, became Prime Minister. To the surprise of his detractors, he showed skill and flexibility in his negotiations with Sadat and President Carter which earned him, together with Sadat, the Nobel Peace Prize.

The change of regime was also living proof of the authenticity of Israel's parliamentary democracy. However, this is overshadowed by her chronic economic crisis. Inflation, heading for 200 percent, could yet jeopardize her political stability. The 1970s yielded for more failures than successes. Despite their fabulous earnings from oil, the Arab states not only failed to defeat Israel, but suffered their greatest political setback with the "defection" of Egypt.

They tried to preserve the fabric of Arab unity by transferring the headquarters of the Arab League from Cairo to Tunis. But, as Sadat remarked last week, the Arab rejectionists are busy rejecting one another. Lebanon, once the Arab world's playground and marketplace, has been dismembered by civil war.

The only success in the Arab struggle against Israel is the Palestine Liberation Organization's growing prestige. It has managed to secure seats on all major international organizations and to be accepted as a legitimate representative of the Palestine Arab people. However, this is an ephemeral gain.

Israel continues to reject the PLO as a partner in peace talks and despite its growing contacts with several West European countries, it is still held at arms length by the United States. The PLO has also an increasingly tense relationship with many Arab states. It has allied itself with the unstable revolutionary regime in Iran, which is the natural enemy of the Saudi-Arabian royal family and the ruling families of the other Arab oil sheikhdoms, until now the PLO's paymasters.

#### Triumph Of Soviet Jewry

Outside Israel, the major success of the Jewish people occurred inside the Soviet Union. Inspired by the 1967 Six-Day War, the Soviet Union's three million Jews revolted against 50 years of enforced assimilation and began to demand for the right to settle in Israel.

The first signs were visible at the end of 1969 when a group of Georgian Jews signed a collective letter which reached the West. In the next few months, Jews in European Russia joined in the chorus and the "Jews of Silence" became the "Jews of Protest."

At the end of 1970 came the Leningrad trials of a group of Jews who had planned to hijack an aircraft out of the country after being refused permission to emigrate. Following world-wide protests, the death sentences of two of them -- Edward Kuznetsov and Mark Dymshits -- were commuted. Only three of the original Leningrad prisoners are still in prison -- Yosef Mendeleovich, who is Jewish, and Yuri Federov and Alexei Murzhenko, both non-Jews. All the others have reached Israel, including

Kuznetsov and Dymshits who were released in the spring of 1979 in exchange for two Soviet spies arrested by the Americans. In the meantime, more than 200,000 other Jews succeeded in leaving the Soviet Union. Most went to Israel but an increasing number have gone to North America.

# REPORT U.S. COMPLAINED TO WEIZMAN ABOUT SETTLEMENTS, AUTONOMY TALKS

By David Landau

JERUSALEM, Jan. 1 (JTA) — Top U.S. officials complained to Israel Defense Minister Ezer Weizman this weekend about Israel's West Bank settlement policy and about the lack of progress in the autonomy talks. This was revealed here today after Weizman reported on his trip to Premier Menachem Begin.

Weizman is under criticism from some quarters here for having in effect failed to persuade the U.S. to raise its aid level to Israel. But he says the attempt was virtually doomed in advance since the Administration has its own real budgetary problems and is cutting on foreign aid to other countries.

According to a leaked report on Israel Radio, Defense Secretary Harold Brown raised the settlements issue with Weizman, arguing that by its policy in this area Israel was damaging its own image — and making it hard for the U.S. Administration to grant it aid. The settlements tended to overshadow the very real concessions that Israel had been making during the peace process, Brown contended.

Secretary of State Cyrus Vance raised the autonomy talks question, pointing out that there had not been much progress to date. According to some reports, Vance asked the moderate Weizman to involve himself actively in these negotiations. (Weizman is nominally a member of the Israeli negotiating team, but has not attended the talks so far.) Weizman said publicly yesterday on his return, that he would join the autonomy talks "at a suitable time, when I can contribute."

President Carter himself told Weizman, according to reports today, that despite his many pressing problems he would be ready to devote his own time and effort again to advancing Mideast peace efforts. Meanwhile, Carter telephoned Begin tonight to wish him success in his meeting next week with Egyptian President Anwar Sadat at Aswan. An official statement here reporting the call said Carter and Begin also discussed the situation in the Middle East.

# UPROAR OVER ISRAELI MOVE TO TAKE OVER EAST JERUSALEM UTILITY FIRM

By Gil Sedan

JERUSALEM, Jan. 1 (JTA) — A new political uproar burst in East Jerusalem and on the West Bank today after the government notified the Arab-owned East Jerusalem Electric Co. that it intends to purchase the utility in one year. Energy Minister Yitzhak Mordechai said the decision was purely technical and was made because the company had been unable to serve its customers adequately.

But West Bank leaders and executives of the company immediately denounced it as a political move aimed at tightening Israel's grip on the territory and vowed to fight it in the Israeli courts and abroad if necessary. According to the government's announcement, the effective date of the purchase will be Jan. 1, 1981. No price was mentioned.

The electric company is owned by Arab municipalities on the West Bank and receives a

stipend from the Jordanian government although it has operated under Israeli rule since 1967. It supplies electric power to Jewish neighborhoods in East Jerusalem as well as to the Arab sections and to Jewish settlements on the West Bank and Arab villages. Its concession extends for a radius of 20 miles, centered on the Old City of Jerusalem and it serves about 60,000 customers in all.

But the rapid growth of East Jerusalem has caused severe strains. There have been frequent power blackouts and Israeli customers have accused the utility of deliberately cutting off their electric supplies. The Energy Ministry has found those accusations to be groundless. Nevertheless, it believes that the company is unable to fulfill its functions and cannot cope with growing demands. Although it provides two percent of the electric power produced in Israel, it has been able to service only 50 of the 130 villages within its franchise territory.

# Acted On Original Franchise

If the purchase is effected, Israel's National Electric Co. will take over the franchise. The 400 Arab employees reportedly have been assured that they would retain their jobs. Mordechai said the government acted on the basis of a clause in the original franchise, which the British Mandatory authorities granted to Arab owners in 1928, that allowed the British High Commissioner for Palestine to exercise an option to purchase the franchise.

The government served notice of its intention on the utility's board of directors yesterday. Board chairman Anwar Nusseibeh, a former Jordanian Defense Minister, convened the board which promptly rejected the notice and lodged a formal protest. Nusseibeh said the decision would be fought by "every legal means including the (Israeli) Supreme Court and the International Court at The Hague."

Mayor Fahed Kawasme of Hebron said the company was "the property of the Palestinian people and is not up for sale." West Bank chambers of commerce, meeting in Jerusalem today, also condemned the government's decision. Leading Arab businessmen demanded that Mordechai reverse it. Protest telegrams were sent to Defense Minister Ezer Weizman and to Brig. Gen. Binyamin Ben-Eliezer, military commander of the West Bank.

Officials at Jerusalem's City Hall did not conceal their unhappiness over the decision. Some senior officials warned that the move might jeopardize efforts to promote cooperation between Jews and Arabs in the city and concern was expressed that Arab extremists might use the occasion for their own ends. Mayor Teddy Kollek has declined comment. He spent the day visiting the mayors of nearby Arab towns to convey New Year greetings.

# MAPAM EXPECTED TO STAY IN ALIGNMENT

TEL AVIV, Jan. 1 (JTA) — Mapam is expected to vote overwhelmingly in favor of continuing its alignment with the Labor Party at its convention which opens here tomorrow. The main issue will be the nature of the alignment which Mapam insists cannot remain as it has in the past.

Meir Talpi, secretary general of Mapam, said three resolutions will be introduced. One calls for closer ties with Labor and another for looser ties. But both demand regular consultations between the partners and fewer decisions by majority vote in which Mapam, the smaller faction, invariably emerges the loser. A third resolution, supported by a minority of Mapam members, advocates termination of the alignment. But this is not given much chance of adoption.

# **CABINET DECISION ON ELON MOREH SPARKS KNESSET DEBATE, LEGAL ACTION** By David Landau and Gil Sedan

**JERUSALEM, Jan. 1 (JTA) --** The Cabinet's decision Sunday to extend the deadline for the removal of Elon Moreh for another five weeks raised a bitter debate in the Knesset yesterday and appears to have triggered new legal action to oust the settlers.

While Premier Menachem Begin defended the Cabinet's action before the Knesset's Foreign Affairs and Security Committee, two lawyers who represent Arab landowners from nearby Rujeib village announced that they will seek a new order from the high court to have the settlers removed immediately. Elias Khouri and Amnon Zichroni said they represented 14 Arab landowners from Rujeib on whose plots the Gush Etzion settlement is located.

Last Oct. 22, the Supreme Court ruled in favor of 17 Arab landowners when it found that Elon Moreh was established illegally on Arab land seized for "security" reasons that, in fact, did not exist. The parcels of land cited in the original appeal were returned to their owners last month. But the Cabinet delayed the evacuation of the bulk of the land for six weeks in order to allow time for the construction of a new settlement at Djebil Kebir, six miles away.

The Cabinet Sunday granted a second extension on grounds that bad weather had delayed construction work and the new settlement could not possibly be completed by the Jan. 3 deadline. The Cabinet acted despite a warning by Attorney General Yitzhak Zamir that if the extension was challenged in court, the government would have no case.

## **Begin: Cabinet Decision Was Legal**

But Begin claimed yesterday that the Cabinet's decision was "totally legal" and a "merely technical" move that in no way violated the Supreme Court's evacuation order. He said that while Zamir had the right and duty to present his views, the Cabinet was responsible for the final decision. Begin also invoked humanitarian considerations. He said the women and children at Elon Moreh needed time to prepare for the move and the new settlement at Djebil Kebir must be ready to receive them.

This was angrily disputed by Labor MK Yossi Sarid who accused Begin of reneging on his promise six weeks ago that the extension granted Elon Moreh would be the last. He said Djebil Kebir was delayed because the government began work on the new settlement only three weeks ago, waiting for the Gush Etzion to agree to leave peacefully. "Instead of evacuating Elon Moreh, Elon Moreh occupies the Cabinet table whenever the Gush Etzion wishes so," Sarid said. Another Labor MK, Micha Harish, warned that the vacillation over Elon Moreh has damaged Israel's reputation abroad.

The Labor Alignment said it will introduce a motion of no-confidence in the government on the issue. Similar motions are expected from the Sheli faction and the Communist Party.

Begin said that the decision in principle to evacuate Elon Moreh remained in effect and would be executed. He expressed confidence that the settlers would transfer peacefully to Djebil Kebir. But this remained in doubt. Elon Moreh spokesman Benny Katzover said last night that he welcomed new court action because it

would provide the opportunity to expose the "PLO connections" of the Arab landowners.

Other Elon Moreh leaders emphasized that the settlers will not leave until Israel's right to seize Arab land anywhere on the West Bank for settlement purposes is affirmed by new legislation that would bar future challenges of such settlements. Such a measure would almost certainly be defeated by the Knesset and is therefore unacceptable to Begin's government.

## **SIEFF MADE MEMBER OF HOUSE OF LORDS**

**LONDON, Jan. 1 (JTA) --** Sir Marcus Sieff, the Anglo-Jewish leader, was made a member of the House of Lords in the New Year Honors List, published yesterday. Sir Marcus, who is chairman of the Marks and Spencer retail empire, is expected to assume the title of Lord Sieff, which was held by his late father, Israel Sieff.

Born in 1913, Marcus Sieff has always closely identified himself with Zionism and Israel. His father was an early associate of Chaim Weizmann and during Israel's War of Independence, Marcus served as a senior logistics officer with the Israeli Defense Forces.

A former chairman of the Anglo-Israel Chamber of Commerce, he has helped to make Marks and Spencer a major outlet for Israeli-made goods in Britain. He has also been an outspoken critic of the Arab boycott and his entry into the House of Lords will be a major boost for the pro-Israeli cause in Britain. (By Maurice Samuelson)

## **KGB BREAKS ATTEMPT TO MARK NINTH ANNIVERSARY OF LENINGRAD TRIAL**

**NEW YORK, Jan. 2 (JTA) --** Soviet KGB agents broke up an attempt several days ago by Moscow Jewish activists to mark the ninth anniversary of the 1970 Leningrad Trial, it was reported here today by the Student Struggle for Soviet Jewry (SSSJ) and the Union of Councils for Soviet Jews (UCSJ).

The two groups said that most of the Jews who sought to demonstrate at the Lenin Library near the Kremlin were detained in their homes. The three who managed to reach the protest site -- Vladimir Prestin, Pavel Abramovitch and Elena Dubenskaya -- were put in a KGB bus and driven around for two hours before being released in a remote suburb of Moscow.

The SSSJ and UCSJ also reported that on Dec. 19 in Kishinev, refusenik Vladimir Tsuckerman was arrested and sentenced to 15 days after he attempted to demonstrate by carrying a placard bearing the logo of the International Year of the Child and the slogan: "Let Me Immigrate to My Wife and Son."

Meanwhile, the two groups said that Prof. Alexander Vatonel, founder of the unofficial samizdat Moscow journal "Jews in the USSR," and who now teaches at Tel Aviv University, has issued an open appeal for imprisoned Moscow author, Igor Guberman, one of the magazine's current editors. Guberman, a well-known author of popular science books for younger readers, was arrested Aug. 13 on the false grounds of "dealing in stolen icons" after he refused to inform on the journal's contributors to the KGB.

**JERUSALEM (JTA) --** The Jewish National Fund announced that it will plant some 4500 acres of new forests throughout the country this winter, about 2000 acres of which will represent "political afforestation," the aim of which is to assert the State's claim to ownership of the land. This is necessary, the JNF noted, in areas where Arabs have begun building homes on State land without obtaining the required permits.