

U.S. REBUKE OF ISRAEL ON LAND EXPROPRIATION TERMED ONE-SIDED

By Gil Sedan

Jerusalem, March 13 (JTA) — The latest U.S. rebuke to Israel over the expropriation of land in East Jerusalem drew no official comment from government sources today but was challenged by Mayor Teddy Kollek. He said statements such as that issued by the State Department yesterday only aggravated tensions in the city and made life more difficult.

Kollek took strong exception to the statement yesterday by the State Department's chief spokesman Hodding Carter that the U.S. "deplores the decision" to expropriate some 1000 acres of land "in occupied territories."

He noted that the expropriation was within the city limits, was within the law and was intended to prevent individuals from illegally taking possession of the land. The State Department's reaction was "grave, impulsive and one-sided," Kollek said. He maintained in a radio interview that it was Israel's right and duty to utilize the land for housing projects which, Kollek claimed, would benefit "Arabs and Jews alike."

The Ministerial Expropriations Committee, headed by Finance Minister Yigal Hurwitz, signed the expropriation order Tuesday night. The action followed a proposal by Housing Minister David Levy that 1000 acres be seized for the purpose of constructing 10,000 housing units for Jews. The projects would link two Jewish neighborhoods, French Hill and Neve Yaacov which are now separated by mostly unused land, the bulk of which is owned by Arabs. Levy warned that unless the land was expropriated, Arabs would build on it.

Ironically, Kollek was the only Israeli official to publicly object to the project, not in principle but on grounds that it was ill-timed and provocative and because the resources did not presently exist for any massive construction projects. Even while condemning the State Department's view, Kollek chided the government for poor planning and execution. "One should have made sure from the start that people would have the clear impression of the benefits derived by both Jews and Arabs from the project," he said. "Otherwise, the project is open to misinterpretation."

(Meanwhile, Egypt today strongly condemned the expropriation of land in East Jerusalem. A government spokesman in Cairo expressed "utmost dismay" over the action and said Egypt considers it "null and void." However, the statement said that Egypt would not allow the Israeli move to undermine its determination to achieve a permanent and just peace settlement in the Middle East.)

AUSTRIA RECOGNIZES PLO OFFICIAL

Vienna, March 13 (JTA) — Austria today extended a form of diplomatic recognition to a representative of the Palestine Liberation Organization. The government announced that it was granting official status to Palestine-born Ghazi Husseini who has been accredited to various United Nations agencies here as a PLO observer for the past three years.

Today's move made Austria the first Western nation in Europe to confer such status on a PLO

official. The Foreign Ministry would not say whether or not it was full diplomatic recognition of the PLO but indicated that Chancellor Bruno Kreisky is prepared to deal with Husseini on questions concerning the Palestinian people or the PLO. Other circles here described the move as a new form of diplomatic recognition. It is unprecedented inasmuch as Husseini represents neither a government nor a territorial entity.

The Israel Embassy here said Ambassador Yissakar Ben-Yaacov has asked the government for an immediate clarification. PLO chief Yasir Arafat was received by Kreisky for talks here last July. It was his first official visit to a Western country since his appearance before the UN General Assembly in New York in 1974.

MEASURES AGAINST NEO-NAZISM PROPOSED

By David Kantor

Bonn, March 13 (JTA) — The ruling Social Democratic Party (SPD) has proposed measures that would close the gaps in existing legislation aimed against neo-Nazism in West Germany. The recommendations, submitted to the government, are the result of a thorough study and evaluation of hearings held last year on the dangers of neo-Nazism. The party concluded, however, that in general, laws now in effect are fairly tight.

But it accepted the recommendations of prominent officials and social scientists who testified at an open meeting of the SPD's parliamentary faction. They included an amendment to a paragraph which forbids spreading Nazi propaganda material produced after the Federal Republic was established. The amendment, which the SPD supports, would make it a criminal offense to circulate such material which antedates the Federal Republic, including, presumably, Hitler's biography, "Mein Kampf."

Another amendment would extend the ban on the display of Nazi placards and symbols to such materials that are produced abroad, regardless of the country of origin. The present law applies only to Nazi material produced in West Germany.

The SPD will also examine an amendment that would explicitly forbid the circulation of allegations that the death camp gas chambers never existed. Under present law, persons circulating that falsehood cannot be prosecuted unless they identify the people who allegedly fabricated the gas chamber "story" in order to collect reparations. It is understood that the Federal government will carefully study the SPD proposals but no official comment is available yet.

CARTER EXPECTED TO INVOKE 'EXECUTIVE PRIVILEGE' ON INFORMATION REGARDING THE U.S. VOTE IN THE UNITED NATIONS

By Joseph Polakoff

Washington, March 13 (JTA) — The State Department made it clear today that it expects President Carter to invoke "executive privilege," the purpose of which would be to deny the Congress documents and other information it may seek with regard to the U.S. vote in support of the United Nations Security Council's March 1 anti-Israel resolution which the President subsequently repudiated as a "mistake."

The Department's chief spokesman, Hodding Carter, said today that he was "confident" that "we will uphold the Constitutional separation of powers (between the legislative and executive branches)

formally and finally when Congress may speak to us." Reminded by a reporter that a basis for President Carter's election in 1976 was his commitment to "open government," the State Department spokesman said "We will address the problem as it becomes necessary... Our basic legal position is established."

In a letter to the House Foreign Affairs Committee yesterday from Assistant Secretary of State for Congressional Relations J. Bryan Atwood, delivered shortly before it began its hearing on a resolution of inquiry into the UN vote "mistake," the State Department said it would not provide the committee with its informational materials given to the President because they would fall under "executive privilege."

Rep. Elizabeth Holtzman (D. NY) who, with Reps. Christopher Dodd (D. Conn.) and Hamilton Fish (R. NY), is seeking an open hearing on the steps that led to the U.S. vote, told the House committee that previous administrations used the tactic of executive privilege to hide embarrassing information. This was apparently a reference to such actions in the Nixon Administration.

Hodding Carter, without mentioning former Secretary of State Henry Kissinger by name, remarked that "My boss' predecessor was eloquent on the subject" of executive privilege and this is "something much higher than embarrassment."

The House committee hearing ended with chairman Clement Zablocki (D. Wisc.), who is usually sympathetic to the Administration's positions, winning agreement to summon Secretary of State Cyrus Vance to appear before it, "hopefully next week" behind closed doors. It was unlikely that Vance's subordinates or any White House personnel would be summoned to testify without a battle within the committee. Meanwhile, the Senate Foreign Relations Committee, which was to have held a hearing on the same matter today, has not yet scheduled a firm date. Its hearing might be held next Thursday.

There is a feeling in some knowledgeable quarters that the delays in the two hearings were seen to have been engineered, at least in part, by supporters of President Carter's re-election. Their purpose apparently, according to some observers, is to avoid criticism of the President on an issue that relates to possible damage to American national interests in advance of the Presidential primaries to be held in Illinois on March 16 and in New York on March 25.

In a related development, although Carter has repudiated the U.S. vote in favor of the anti-Israel Security Council resolution, the State Department said yesterday it has "no plans" to formally notify the UN on the President's position which he has stated several times. Spokesman Carter was asked "whether and when" the U.S. would circulate a document at the UN setting forth the President's repudiation of that resolution and setting forth the principles governing U.S. policy on the Arab-Israeli situation. "I have no answer to offer you because we have no plans to do it," spokesman Carter replied. He said the U.S. position was expressed by the President in a statement on the night of March 3 repudiating the U.S. vote.

YADIN, THATCHER DISCUSS MIDEAST By Maurice Samuelson

LONDON, March 13 (JTA) -- Yigael Yadin, Deputy Premier of Israel, last night warned

Prime Minister Margaret Thatcher that any outside interference in the Arab-Israeli peace process would have "very crucial effects."

The two leaders met for nearly 45 minutes at 10 Downing Street against the background of growing British and European calls for a new initiative to spur the flagging talks on Palestinian autonomy, and to involve the Palestine Liberation Organization in the peace talks and in the "self-determination" of the Palestinian people. Yadin, who was accompanied by Ambassador Shlomo Argov, forcefully declared Israel's opposition to any new moves by the European Economic Community (EEC) and urged that the current peace process should be "allowed to exhaust itself."

He also complained about the arguments of Lord Carrington, Britain's Foreign Secretary, who is out of the country, that the crisis in Afghanistan has made it all the more necessary to mollify the Arab and Moslem worlds over the "Palestinian issue." According to Israeli sources, Yadin told Mrs. Thatcher that her Foreign Secretary's arguments were "totally unacceptable" to Israel, which viewed the Afghanistan and Palestinian conflicts as completely different and separate.

Despite Yadin's straight talking -- something in which Mrs. Thatcher herself specializes -- officials described the meeting as "very friendly." Mrs. Thatcher's expressed special interest in the Israeli government's new package of economic measures, including the public spending cuts which resemble those adopted by her own government.

Gloomy Prospects About Britain's Initiative

Yadin is expected to refer publicly over the next two days to his impression of Britain's Middle East policy. However, Israeli diplomats stationed here remain gloomy about the prospects of restraining for long Britain's drive for a new initiative which favors the PLO. Mrs. Thatcher gave Israelis some slight satisfaction Monday night when she was interviewed on French television. She said she supported France's call for Palestinian self-determination, but also stressed the need for the Palestinians to recognize Israel "within secure borders."

Meanwhile, Yadin predicted today that the leaders of Israel, Egypt and the U.S. will meet again at Camp David in June or July. His comment, to Jewish journalists, was intended to show that the peace process would, if necessary, continue after May 26, the Camp David accords deadline for completing the negotiations on autonomy. The need to keep pressing for an agreement after that date was also given by Yadin as a reason for not calling early general elections in Israel. Premier Menachem Begin had a chance to implement Camp David and should be given a full chance to do so, he said. Yadin is visiting Britain as the guest of the Joint Israel Appeal.

JDC SHIPS MATZOH'S FOR PASSOVER

NEW YORK, March 13 (JTA) -- The American Jewish Joint Distribution Committee (JDC) has shipped over 400,000 pounds of Passover supplies to small Jewish communities throughout the world, including shipments to the communities of Egypt and Lebanon, according to JDC president Donald Robinson. JDC executive vice president Ralph Goldman noted that for the past two years JDC has been providing the small Jewish community of Egypt with Passover matzoh and supplies directly, rather than through the International Red Cross as was the case for the past 31 years.

BEHIND THE HEADLINES**THE STATE OF ISRAEL'S AGRICULTURE**

By Gil Sedan

JERUSALEM, March 13 (JTA) — When 25,000 angry farmers from all over the country descended on Jerusalem March 5 and stormed the Knesset building, the riot was described as one of the worst in the city's history. It was symptomatic of the mounting crisis in Israel's agriculture, once the proudest and in many ways the most successful branch of the nation's economy.

The farmers were infuriated by the Likud government's slash in price support subsidies for agricultural products. It has left them at the mercy of a market where triple-digit inflation has drastically reduced consumption of what farmers grow and produce.

The government took a hard line toward the demonstrators, claiming that the farmers were the "most pampered" segment of Israeli society. If that phrase was unflattering, its meaning was to a large extent true. Israel's agriculture has been a dependency of the government ever since the State was founded and, necessarily so. But times have changed. The supportive policies of the past have clashed with the hard realities of the present and that, in essence, is the cause of the crisis.

The present condition of agriculture stems from a built-in contradiction: a profit-oriented business whose profits depend, at least in part, on subsidies that drain the Treasury.

Subsidization In The Early Days

Subsidization of agriculture was inevitable in the early years of the State. The country needed infusions of foreign funds to emerge from the small-scale economy of the Mandate period and to seek new horizons which would eventually make Israel a self-sufficient economic entity. Agricultural exports were a means to earn foreign currencies but Israeli farmers needed support if they were to expand from the locally oriented market into an export oriented agricultural industry.

Private farms as well as the more sophisticated farms of the kibbutzim and moshavim were created with Jewish Agency funds. The money was used for an infrastructure — houses, work tools, livestock and other necessities. In the early days of the State, farmers were not required to reimburse the Agency. As Prof. Roanan Weitz, head of the Jewish Agency's settlement department, explained in a recent article in *Haaretz*:

"It is true that in the past, in the early '50s, inefficient farmers were given agricultural tools, the reason being that all new settlers were inefficient farmers. It was known, a priori, that in order to make them into successful farmers, one had to pay 'rebbe gelt.' It was the only way that we succeeded in turning new immigrants who had no professional know-how into successful farmers.

The farmers' debts were written down only years later. Repayment was calculated on very easy terms. The farmers were asked to pay back loans that were not linked to inflation, over a period of 50 years at two percent — virtually a gift.

Weitz said this was justified under the circumstances. He noted that many other countries which invest in rural development, such as Holland, Spain and Italy, grant villagers similar and sometimes even more generous conditions. The philosophy is that new settlements have a national importance and therefore the State must share the burden.

Public support of Israel's farmers did not end with the infrastructure. Price supports were also needed. The intention was good. The State wanted to provide its citizens with basic commodities at reasonable prices. Milk, eggs, bread and other products — and services — were supplied to the consumer at low prices. The government paid the difference between the market price and the actual cost. The subsidies sometimes absorbed the greater part of the costs.

Elements Of Success

With so much care and support, it is small wonder that agriculture prospered. It enjoyed all of the elements of success: cheap money, advanced technology, high motivation — especially in the kibbutz and moshav movements — and a rising market. In 31 years, Israel reached a point where it was self-sufficient in most food products and had a healthy surplus for export.

The local demand for agricultural products never exceeded an annual rise of four percent. The productivity of the farmers grew by at least five percent per annum. A growing share of the local produce was being sold abroad.

Israel's mild climate, especially in the Jordan Valley, Arava and the Bessor, permitted the large-scale development of winter crops such as tomatoes, peppers, watermelon and flowers. These were hungrily grabbed up by the European market whose customers were willing to pay high prices in foreign currency for out-of-season crops of good quality.

Israeli flowers became popular even in Holland, the land said to have "invented" flowers. Israeli flower production was the result of huge investments in hot houses with government loans at very easy terms. High prices were commanded on the European market where the clientele was an affluent one. As a result, Israelis deserted other occupations to become florists. Initial financial and professional help was provided by the Agriculture Ministry.

But inevitably, the rapid expansion of this branch brought its downfall. Israeli florists began to compete vigorously with each other for the overseas market, by-passing Agrexco, the central body for agricultural exports. The competition resulted in a sharp drop in overseas prices while the energy-linked expense of producing flowers grew. Recently, florists were forced to destroy hundreds of flowers because it was no longer worthwhile to ship them abroad. A similar crisis may face other export-oriented agricultural products that overexpanded.

Crisis On The Local Market

The crisis on the local market has a similar background. For one thing, the government no longer makes gifts to farmers. Loans to agricultural settlements are now linked to the rapid rate of inflation. Monthly payments are much higher than in the past. The government is also determined to eliminate price support subsidies and has begun to reduce them by stages. The rate of inflation has made it increasingly difficult for the State to catch up with the rising costs of basic commodities.

This trend, begun under the previous Labor-led government, intensified when Likud took power and has become especially sharp under the leadership of Finance Minister Yigal Hurwitz. The government's policy is now the opposite of what it was in the early '50s. The State is no longer willing to pay for milk, eggs or bread. The price the consumer pays for those basics is now determined almost entirely by the rules of supply and demand.

With a liter of milk now costing four times more than it did a year ago, it is not surprising that Israelis drink less milk and eat less cheese. There

has been a 25 percent drop in the consumption of dairy products in the last six months and the dairy industry is in serious trouble. Similar problems are faced by the poultry industry.

There is little argument that Israel's agriculture is passing through a serious crisis. But most experts believe there is a way out. They believe that a reorganization is needed so that Israel produces those items that are most in demand. Weitz has suggested, for example, that the winter crops branch be expanded.

According to Weitz, "It is our duty to continue to invest in the development of new agricultural settlements. But at the same time, we have to make a point of checking their profitability. We should direct new agricultural settlements only to those areas which have proven suitable for export-oriented crops. Agricultural settlements which will not produce for export should be frozen." Weitz said such steps could make agriculture once again one of the leading and most profitable branches of the national economy.

ISRAELI MAYOR WILL BE SON OF ERIN

NEW YORK, March 13 (JTA) -- Mayor Shlomo Lahat of Tel Aviv, who is due to arrive here tomorrow for a week-long visit in the city, will have a prominent part in the city's St. Patrick's Day activities Monday. Lahat, whose visit here is under the auspices of the United Jewish Appeal-Federation of Jewish Philanthropies Joint Campaign of New York, will be a guest on the reviewing stand at the St. Patrick's Day Parade.

Earlier in the day he will be inducted into the "Loyal Yiddish Sons of Erin" during a pre-parade gathering at the "New York Experience" Theater in Rockefeller Center. Monday evening, Lahat will join Mayor Edward Koch at a dinner in the Pierre Hotel formally launching Project Renewal. Lahat will appear on behalf of Project Renewal in several communities outside the New York metropolitan area during his visit.

SCHOOL, MUSEUM NAMED FOR GAIL RUBIN

TEL AVIV, March 13 (JTA) -- A new school and a museum named for the late Gail Rubin were dedicated at Kibbutz Maagan Michael this week on the second anniversary of her death at the hands of terrorists. Ms. Rubin, an American-born photographer and nature lover, was the first victim of the sea-borne terrorist gang that staged the Haifa-Tel Aviv coastal highway massacre in March, 1978.

She was gunned down on an isolated beach where she had been photographing wildlife, unaware that her assailants, who had asked for directions, were terrorists who had just landed from a rubber dinghy. She had been living at Maagan Michael, near the sea. The school and museum are sponsored by her parents, John and Estelle Rubin of New York, and the Israeli Nature Preservation Society. Photographs by Ms. Rubin and nature samples from the region are on display at the museum. The school will specialize in nature studies.

ISRAELI TEACHERS CONTINUE STRIKE

TEL AVIV, March 13 (JTA) -- Striking teachers, disregarding a back-to-work order issued by a labor court Tuesday, continued to paralyze Israel's school system today. Some stayed home, some demonstrated and others showed up in class but refused to teach. The strike affects

about one million youngsters from kindergarten through high school. University faculty, which declared a three-day strike of its own on Monday, returned to work today but served notice that unless negotiations are started on wage demands, it will resume its strike next Monday.

The elementary and high school teachers who had been about to receive a 15 percent-plus wage hike by order of the courts, walked out Monday when the government demanded a no-strike pledge for the rest of the year as a condition of their raise. The matter is expected to come up at the regular Cabinet meeting this Sunday. Finance Minister Yigal Hurwitz said, however, that he would oppose any discussion of it unless the teachers return to work.

The striking teachers have won the support of large numbers of pupils and parents. In almost every city and town today, high school and junior high school students demonstrated on behalf of the teachers. In some localities, the demonstrations assumed a political flavor. Leaflets were handed out questioning why the government has money to pour into settlements on the West Bank but not for education.

ANTI-NAZI ACTIVIST HONORED

BONN, March 13 (JTA) -- Eugen Kogon, an educator and anti-Nazi activist, was awarded a special medal in Hamburg Tuesday bearing the names of two Jewish philosophers, Martin Buber and Franz Rosenzweig. The award, made by the Association for Christian-Jewish Cooperation, honored Kogon for his resistance to the Nazis during the era of the Third Reich.

The festive ceremonies were held at the Hamburg City Hall where Justice Minister Hans-Jochen Vogel congratulated Kogon on behalf of Chancellor Helmut Schmidt and the Federal government. In his remarks he referred to the recent Bundestag decision to remove the statute of limitations on prosecution for murder, including Nazi war crimes, and the establishment of the first Jewish faculty at a German university since the war as examples of the advancement of Christian-Jewish relations in the country.

Mayor Hans Klose of Hamburg noted that one of the first acts by city authorities after the war was to restore to the City Hall the portraits of prominent Jewish citizens that had been removed by the Nazis.

Kogon, responding to the award, said the young generation in West Germany was eager to know more about the past. But, he observed, young people are still not receiving sufficient orientation on the subject and face enormous difficulties in a rapidly changing world.

A bitter note was injected when one speaker remarked that "Burgstadt is everywhere in Germany." Burgstadt is the small Bavarian town whose citizens raised 200,000 Marks, bail for their former Mayor, Ernst Heinrichsohn, who was convicted last month and sentenced to six years' imprisonment for his role in the deportation of French Jews and others during World War II. Heinrichsohn, who served with the Gestapo in Paris, was freed on bail, but only briefly. He was re-arrested by court order last week pending the outcome of his appeal to the high court in Karlsruhe.

NEW YORK (JTA) -- "The Music of Israel," the only program interpreting the culture of Israel on a major metropolitan station on a regular weekly basis, will begin its sixth year on the radio stations of The New York Times -- WQXR FM (96.3) and AM (1560) at a new time: Sunday evenings at 11:05 p.m. It is written and hosted by Dr. Avraham Soltes, a former vice president of the America-Israel Cultural Foundation and Chaplain at West Point.