

APPROVED FOREIGN AID BILL INCLUDES ECONOMIC, MILITARY AID FOR ISRAEL

By David Friedman

WASHINGTON, Dec. 17 (JTA) -- Congress has approved an \$11.5 billion foreign aid bill, including \$1.4 billion in military aid and \$785 million in economic assistance for Israel in the fiscal year 1982-83. The foreign aid bill, the first voted by Congress since 1979, was passed this time because of strong support by the Reagan Administration. The appropriation for Israel is the same as it has been for the last three years.

It was not part of the controversy over the bill during the debates in the House and Senate. However, Rep. Paul McCloskey (R. Calif.) objected to the appropriation for Israel yesterday because of Israel's annexation of the Golan Heights. The Senate approved the bill Tuesday night and the House acted last night.

For the last three years, foreign aid appropriations have been allocated through continuing resolutions. If no bill had been adopted this year, Israel and other countries would still have received the same amounts as were appropriated last year.

GOLAN REMAINS GENERALLY QUIET

TEL AVIV, Dec. 17 (JTA) -- The Golan Heights were generally quiet today as Israeli armed forces maintained a military alert following the Knesset's decision Monday night to annex the Syrian territory occupied by Israel since the 1967 Six-Day War. The Druze community opposed to the Israeli move was in the second day of a three-day protest strike. Several Druze youths stoned reporters who tried to interview them about their reaction to suddenly becoming subject to Israeli civilian law.

No other incidents were reported. But some minor problems arose as a result of the imposition of Israeli civil law. Drivers were surprised when civil or border police demanded that they show drivers licenses and vehicle registrations. The military had not bothered with such details during the past 14 years.

THATCHER ADMONISHES ISRAEL FOR ITS MOVE ON THE GOLAN HEIGHTS

By Maurice Samuelson

LONDON, Dec. 17 (JTA) -- Prime Minister Margaret Thatcher sharply admonished Israel for its move to annex the Golan Heights. "I say with the sorrow of a friend that this latest move is harmful to the search for peace" in the Middle East, Thatcher declared in an address Tuesday night to the Board of Deputies of British Jews marking the 220th anniversary of its founding.

Her remarks were otherwise overwhelmingly friendly toward Israel, Anglo-Jewry and the Jewish people generally. Accusing the Soviet Union of renewed repression of its Jewish minority, Thatcher said Britain had conveyed to Moscow "at a high level" its concern about abuses of human rights. "We shall continue to take every suitable opportunity to reiterate that concern," she said.

Earlier, the Prime Minister paid what she called "a special tribute" to the late Moshe Dayan, the former Foreign Minister of Israel, who she eulogized as "one of Israel's most brilliant generals and one of her most passionate and imaginative advocates of peace." Her remarks were seen as an attempt to make up for the absence of a senior British representative at the funeral of Dayan who died of a heart attack last October.

Supports EEC Statement

But Thatcher was stern in her reaction to the Golan move which she deplored as a breach of international law and harmful to the search for peace. She endorsed the statement by the Foreign Ministers of the 10 European Economic Community (EEC) member-states, currently chaired by British Foreign Secretary Lord Carrington, that Israel's move was "invalid in our eyes."

All members of the EEC are resolved that Israel should live in security and peace, Thatcher said. "But if we demand these rights for one country and people, we must be prepared to accord them to others, for justice and truth know no boundaries."

She observed that "The inadmissibility of the acquisition of territory by war is enshrined in UN Resolution 242. That same resolution was made the cornerstone of the Camp David accords signed as recently as September, 1978 by Prime Minister Begin for Israel and President Sadat for Egypt and President Carter for the United States. Therefore I say with the sorrow of a friend that this latest move is harmful to the search for peace." She added that real security would come only from a lasting peace which is "just to Israel, just to her neighbors and just to the Palestinians."

Responding to Thatcher, Greville Janner, a Labor MP and president of the Board of Deputies of British Jews, made no direct reference to Israel's Golan move but claimed that it was the right of Israel's democratically elected government to take whatever steps were needed for its citizens' safety. He described Israel as Britain's only true ally in the Middle East.

DRAFT RESOLUTION IN UN SECURITY COUNCIL CALLS ON ISRAEL TO RESCIND ITS ANNEXATION OF GOLAN HEIGHTS

By Yitzhak Rabi

UNITED NATIONS, Dec. 17 (JTA) -- The Security Council is expected to vote late this afternoon on a draft resolution calling on Israel to rescind its annexation of the Golan Heights. The resolution states:

"The Security Council, having considered the letter of 14 December, 1981 from the Permanent Representative of the Syrian Arab Republic,

"Reaffirming that the acquisition of territory by force is inadmissible,

"1) decides that the Israeli decision to impose its laws, jurisdiction and administration in the occupied Syrian Golan Heights is null and void;

"2) demands that Israel, the occupying power, should rescind forthwith its decision;

"3) determines that all the provisions of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War of 12 August, 1949, continue to apply to the Syrian territory occupied by Israel since June, 1967;

"4) requests the Secretary General to report to the Security Council on the implementation of this resolution and decides that in the event of non-compliance by Israel that the Security Council would meet urgently, no later than 5 January, 1982, to consider taking necessary measures in accordance with the Charter of the United Nations."

Watered Down Version Of Earlier Drafts

The draft resolution is a watered down version of earlier drafts which suggested the imposition of sanctions against Israel in the event of its non-compliance with the request to rescind the annexation. The final version only notes that the Security Council would meet "to consider" imposing necessary measures on Israel. It omitted a request that the Security Council reconvene in one week should Israel not comply with its demands.

The final draft resolution sets a two-week deadline. According to sources here, the changes were made to accommodate the United States and to prevent a U.S. veto. Therefore, the sources said, it is expected that the U.S. will join the other members of the Security Council in support of the resolution.

Syrians Introduce Measure In The Assembly

Meanwhile, the Syrians have extended their campaign against the Israeli action on the Golan Heights by introducing a draft resolution in the General Assembly which is currently debating the Middle East issue. The Syrian draft demands that Israel rescind its decision, calls the Israeli action "null and void" and asks for Security Council sanctions against Israel in case of non-compliance.

The General Assembly resolution, which probably will be adopted later this afternoon, also deplores "the persistence of Israel's policy of annexation" and requests states and other international institutions not to recognize Israel's decisions. The resolution also asks for a report from the Secretary General on the subject by Dec. 21.

SEEKING OLIM FOR THE GOLAN

JERUSALEM, Dec. 17 (JTA) -- The Golan law passed this week is an "historic" act which might "kindle the spark of aliya among diaspora youth," according to Rafael Kotlowitz (Herut), the chairman of the Jewish Agency aliya department.

In an address this week in Tel Aviv, Kotlowitz said his department would try now to attract olim to the Golan townships and settlements with the added incentive provided by the new law. "We will bring the word of the new law to the diaspora as a challenge and as a national goal, and we will do all we can to channel new olim to the Golan," he declared.

Kotlowitz flew to Bucharest today for two weeks as guest of the Rumanian Jewish community. He said before departure that he intended to convey to the Rumanian community of some 40,000 Jews the opportunities and prospects provided by the possibility of aliya to Israel.

ISRAEL, EGYPT IN TRANSPORT ACCORD

JERUSALEM, Dec. 17 (JTA) -- Israel and Egypt agreed in principle this week to the estab-

lishment of a car and passenger ferry service between Ashdod and Port Said to cater primarily for tourists. The sea route was one of the subjects discussed by Israel's Minister of Tourism, Avraham Sharir, and his Egyptian counterpart, Gamal el-Nazar, who visited Israel this week and inspected many of its tourist attractions.

The ferry crossing would take four hours, about one-third the time required to travel overland between Israel and Egypt via Sinai. Although much longer than the air trip, it would be considerably cheaper.

The two Ministers also agreed in principle to Red Sea cruises from Eilat to Sharm el-Sheikh at the southern tip of Sinai, mainly for foreign tourists. The service would be provided by a foreign firm. The Ashdod-Port Said ferry probably also would employ a foreign carrier as Israel owns no passenger vessels.

KLUTZNICK: MIDEAST PEACE REQUIRES SOLUTION OF PALESTINIAN PROBLEM BUT THE PLO MUST 'BITE THE BULLET'

By David Friedman

WASHINGTON, Dec. 17 (JTA) -- Philip Klutznick, former president of the World Jewish Congress, said yesterday that a Middle East peace settlement requires a solution of the Palestinian problem but that first the Palestine Liberation Organization must announce its willingness to accept the State of Israel.

"At some point the PLO has got to bite the bullet," he said at a hearing of the House Foreign Affairs Committee's Subcommittee on Europe and the Middle East. He was joined at the hearing by Harold Saunders, former Assistant Secretary of State for Near East and South Asian Affairs; Merle Thorpe, president of the Foundation for Middle East Peace; and John Greene, president of the Seven Springs Center of Mt. Kisco, New York.

The four men, who visited Israel, Egypt, Syria, Jordan and Saudi Arabia last August, testified on their report, just published by the Seven Springs Center, which called on the U.S. to increase its role as a middleman in the Middle East peace process.

The report, which warned that hopes for a negotiated peace in the Middle East "are fading," also stated that "no peace will be possible without the Palestine Liberation Organization being involved in the process."

It also called on the U.S. to "wed military and diplomatic strength in a coherent strategy" that goes beyond the Camp David process between Israel and Egypt and to mount "a parallel campaign" that would involve other Mideastern states -- Saudi Arabia, Jordan and Syria -- in peace talks with Israel. Last month, Klutznick, in an Op-Ed page article in The Washington Post, expressed views similar to those contained in the report.

Urge U.S. To Push Camp David

At yesterday's hearing he noted that the PLO does not speak with one voice, but also said it would have to decide to renounce the use of force. Rep. Paul Findley (R. Ill.), said PLO chief Yasir Arafat has told him on several occasions that the PLO is abandoning force. But Klutznick observed that every time such a statement is made by a PLO official, it is immediately withdrawn by another PLO official.

Saunders and Klutznick stressed that the U.S. has to move energetically to push the Camp David process to a conclusion. Klutznick said this required a successful outcome of the autonomy talks. Saunders said that at the same time, the U.S. should be seeking a method to bring Israel's eastern neighbors including the Palestinians, into the effort to

reach a peace settlement similar to the one Israel achieved with Egypt. Klutznick warned that if the Camp David process is allowed to fail, it would be years before such a process could be attempted again.

Says Fahd Plan Is Still Alive

Klutznick rejected the view that the Saudi effort at the Arab summit meeting in Fez, Morocco recently failed because the eight-point plan prepared by Crown Prince Fahd was not accepted. He said the plan is still alive and that the eight-points are nothing more than an "opening gambit" for negotiations with Israel. He noted that the late President Anwar Sadat's original proposals also were not fully acceptable to Israel. But the Saudis are still willing to continue the effort, he said.

Saunders called Israel's action this week to annex the Golan Heights "destructive of the peace process" because it was a unilateral act. He said the whole idea of the Camp David process is not to take unilateral actions but to seek to negotiate all steps. He said the Golan action undermined Egypt's credibility because Egypt was trying to convince other Arab countries that the way to achieve their goals was through negotiations with Israel.

Klutznick said he would not comment on the Golan issue since he is going to Israel Friday and will learn the facts behind the Israeli decision. Before the hearing, he told the Jewish Telegraphic Agency that his mail has been 45-1 in support of his remarks since he took a public stand recently on bringing the PLO into the peace negotiations. He said the mail came from Jews and non-Jews alike.

REAGAN DEPLORES ISRAEL'S ACTION ON THE GOLAN BUT IS 'OPTIMISTIC' THAT MIDEAST PEACE WILL BE ACHIEVED

By David Friedman

WASHINGTON, Dec. 17 (JTA) -- President Reagan said today that Israel's annexation of the Golan Heights "increased the difficulty" of obtaining a Middle East peace but he continued to be "optimistic" that it will be achieved.

Reagan, who was answering questions at a nationally televised press conference from the East Room of the White House, refused to say whether he believed the Golan Heights should be returned to Syria. He said that it was "not proper" for him to comment on this because under United Nations Security Council Resolutions 242 and 338, it was a matter to be negotiated.

The President noted that "we were caught by surprise" by the Israeli action Monday. He said the U.S. deplored the "unilateral action" by Israel because it "increased the difficulty of seeking peace" under Resolutions 242 and 338. He said he was hopeful that the Israeli action would be "ameliorated." This was assumed to be a reference to current international efforts to have Israel rescind its action.

The President noted that only a few hours after the Israeli Knesset adopted the measure applying Israeli law to the Golan Heights, Egypt and Israel continued working on the autonomy negotiations. "The peace process is going on," Reagan said, and "we continue to be optimistic."

Asked by a reporter about Israeli "oppression" and "violence" on the West Bank, Reagan said he knew nothing about violence there. When asked by another reporter whether he had objected when the Jordanian Arab Legion controlled the West Bank and when Syria shelled Israeli settlements from the Golan Heights, Reagan said he could not

remember what his position was that long ago. But, he added, he remembered where he was during the 1967 Six-Day War. He said he was participating in a rally at the Hollywood Bowl in support of Israel. Reagan was Governor of California at the time. He said the only other elected official at that rally was George Murphy, then a Republican Senator from California.

VICTOR KUGLER DEAD AT 81

TORONTO, Dec. 17 (JTA) -- Funeral services were held today for Victor Kugler, the man who sheltered Anne Frank and her family from the Nazis in Amsterdam during World War II. He died here Monday at the age of 81.

Kugler was one of the main characters in "The Diary of Anne Frank," begun when she was 13 years old. She lived in hiding from the Nazis for two years with her family and four other Jews in the annex of Kugler's business office. Kugler and Otto Frank, Anne's father who was the only member of the family to survive the Holocaust, were partners in a spice importing firm. Otto Frank died last year in Switzerland at the age of 91.

Kugler, who was arrested along with the Frank family and the others whom he hid, managed to escape from the Bergen-Belsen concentration camp in Germany and returned to Holland. He emigrated to Canada in 1955 and resided with his wife, Lucy, in the Toronto suburb of Weston. In 1977, Kugler received the Hedy Munk Award by the Canadian Council of Christians and Jews. A year later he received the Joseph Award by the Jewish Institute of Religion in New York City.

JWV OF CANADA ASKS FOR PROSECUTION OF WAR CRIMINALS

By Ben Kayfetz

TORONTO, Dec. 17 (JTA) -- The Jewish War Veterans of Canada wants the federal government "to establish a special segment of the Justice Ministry in order to institute a study of law and conventions as a basis for a public report on war crimes prosecution possibilities in Canada." Such a report, the JWV said, would constitute the terms of reference either "for prosecution or clarity of understanding of the realities which preclude action at this time."

The JWV national executive called for this action at a recent meeting and a resolution to this effect has been sent by the national commander, Senator David Croll, to Prime Minister Pierre Elliott Trudeau.

The JWV pointed out to the Prime Minister that Nazis charged with war crimes are living in Canada "under the protective sanctuary of Canadian citizenship." The JWV alleged that these Nazis succeeded "by lies and deceit in continuing to take refuge in our country, thereby gaining immunity from deportation and trial." It added "There is a consequent probability that with the absence of appropriate legal process, those guilty as charged will be able to escape exposure and punishment."

The JWV pointed out that Canadian law sets no time limit on prosecution for murder and says most Holocaust crimes led to murder. Because of this, "Canadian justice suggests the vital importance of a minute examination of law and precedent by government in order to determine whether or not procedures exist" to prosecute Nazis residing in Canada. The JWV has asked other Jewish organizations to support this resolution and is also soliciting the support of the Royal Canadian Legion.

SPECIAL TO THE JTA ISRAEL'S SECRET WEAPON AGAINST INFLATION IS ITS HIGH-TECHNOLOGY PRODUCTS FOR EXPORT, EXPERT SAYS

MILWAUKEE, Dec. 17 (JTA) -- High-technology products for export are Israel's secret weapon against inflation, according to an American expert on Israel's economy, who says Israel's prospects for continued economic growth are "unlimited in their potential."

Elmer Winter, chairman of the Committee for Economic Growth of Israel, returned this week from Jerusalem, where he took part in Isratech 81, Israel's largest exhibition of industrial products. In an interview, he forecast an annual growth rate of 25 percent for Israel's electronics and computer industries over the next five years.

This economic expansion, Winter predicted, will be reflected in a "soaring volume of exports that will significantly reduce Israel's trade deficit and ease inflation."

The spectacular growth of advanced technology in Israel, as reflected in the high level of sophisticated products displayed at Isratech 81, Winter said, stems from the availability of highly-trained scientists, outstanding research and development facilities, a skilled labor force and a wage scale that makes scientific research 40 percent less costly in Israel than in the U.S.

But Israel's economic growth is also a result of the government's policy of loans, grants and tax incentives to foreign investors who can create new products for export. The Ministry of Industry and Trade provides industrial research and development grants through its Office of Chief Scientist, working with Finance Minister Yoram Aridor.

Significance Of Isratech

At Isratech, some 350 foreign buyers and investors found much to impress them. Many of the 200 exhibitors said they had established promising ties with overseas clients and were expecting to conclude transactions in coming months, Elmer Winter said.

A number of these will be joint ventures of U.S. and Israeli companies, an increasingly favorable route for foreign investors.

New civilian products exhibited at Isratech 81 ranged from industrial robots to dot matrix displays. In the military sphere, visitors saw reconnaissance drones and F-15 fuel tanks. Metal products involving highly-sophisticated industrial applications -- such as carbide tools for industry and blades for jet engines -- are one of the fastest growing segments of Israeli industry, according to Winter.

He noted that in 1970 Israel's exports of metal products and electronics amounted to \$100 million. This year that figure will be \$1.5 billion -- an increase of 1,500 percent.

The executive, a founder and former president of Manpower, Inc. who also served as president of the American Jewish Committee, foresees other strong growth areas in lasers, solar energy software, medical technology and computer-aided design systems.

While impressed by the rapid development of Israel's science-based industries, Winter expressed some concern that smaller Israeli firms -- "despite some of the most advanced products in the world" -- might have difficulty in penetrating the American market because they cannot set up the necessary sales facilities.

To help Israeli companies facing this problem, the Committee for Economic Growth of Israel has organized a marketing agency -- Isam Trading Company -- to provide marketing services to Israeli exporters who cannot afford their own sales and marketing organization in the U.S.

PRO-PLO GROUP INSTALLED IN BRAZIL'S CHAMBER OF DEPUTIES

NEW YORK, Dec. 17 (JTA) -- The Parliamentary League for Arab-Brazilian Friendship, organized by the Palestine Liberation Organization, has been installed in Brazil's Chamber of Deputies as part of intensive PLO efforts to strengthen its position in the nation.

The installation, according to Rabbi Morton Rosenthal, director of the Latin American Affairs Department of the Anti-Defamation League of B'nai B'rith, took place Dec. 2 in the capital at Brasilia, marking the International Day of Solidarity with the Palestinian people.

Rosenthal, who has just returned from a visit to Brazil, said that nearly 100 members of the Brazilian Congress, from both the government and opposition parties, have joined the Parliamentary League, which plans to submit a draft resolution to the Brazilian Congress formalizing the group as a parliamentary bloc.

Pledges Continuing Fight Against Zionism

At the installation ceremony, Farid Sawan, the representative of the PLO in Brazil, read a message from Yasir Arafat expressing the latter's desire to strengthen ties with the Brazilian people and promising that Arabs "will continue the fight against imperialism, Zionist colonialism and racial segregation."

Rosenthal said that Sawan, who operates out of the Arab League office in Brasilia, has been campaigning in labor, government and university circles for establishment of a separate PLO office. He added, however, that Sawan does not have support of most Brazilians of Arab descent, the majority of whom are Christian and opposed to the PLO.

Rosenthal said he also found that within military circles, there is great opposition to the setting up of a PLO office because it is felt that PLO offices in other countries are centers for international terrorism.

DOROTHY LEVINE DEAD AT 78

NEW YORK, Dec. 17 (JTA) -- Funeral services were held Tuesday for Dorothy Levine, national vice president of Bnai Zion and president of Bnai Zion's Women's League. She died last Sunday after a prolonged illness at the age of 78.

Mrs. Levine, who was the wife of the late Dr. Harris Levine, former president of the Jewish National Fund of America, also served as JNF chairman for Bnai Zion and was a long-time member of the boards of the JNF, the American Zionist Federation and the America-Israel Friendship League.

A frequent visitor to Israel since 1948, she attended sessions of the World Zionist Congress and of the WZO Actions Committee, representing the World Confederation of United Zionists.

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TEL AVIV (JTA) -- The two-week general strike in the Gaza Strip ended Wednesday when Gaza Mayor Rasahed A-Shawwa announced the re-opening of shops and municipal services beginning Thursday.