

U.S.-ISRAEL RELATIONS STRAINED AGAIN OVER MUBARAK-ARAFAT EMBRACE From The JTA Wire Services)

Dec. 26 (JTA) — U.S.-Israel relations, recently improved, were strained anew this week over the Reagan Administration's optimistic view of the apparent reconciliation between the Palestine Liberation Organization and Egypt.

Israel regards the meeting in Cairo last week between President Hosni Mubarak and PLO chief Yasir Arafat as a blow to peace prospects in the region. The Administration called it "an encouraging development" and President Reagan, in a year-end interview with wire services over the weekend, said "We are optimistic about this because ... Mubarak is the head of state of the one country in the Arab world that has gone forward and has a peace treaty with Israel."

But according to Premier Yitzhak Shamir, the Americans are making a grave mistake if they believe the Mubarak-Arafat meeting would help advance Reagan's Middle East peace initiative of September 1, 1982. Shamir sent Reagan a cable yesterday warning that American support for the Egypt-PLO rapprochement would only dissuade moderate Palestinians from coming to the negotiating table.

Shimon Peres, chairman of the opposition Labor Party, disagreed with Shamir's assessment and warned that Israel must strive for a "common strategy" with the U.S. to achieve peace. But the Shamir government's attitude drew strong support from American Jewish leaders who flooded the White House with statements of protest over the weekend.

Anger In Jerusalem, Optimism in Washington

The sharp differences between Jerusalem and Washington emerged late last week after Arafat, ousted from Lebanon by Syrian-backed PLO dissidents, was warmly embraced in Cairo by Mubarak. That created bitter feelings in Israel where the Foreign Ministry labeled "the reception accorded ... in Cairo to the head of the murderous PLO... a severe blow to the peace process in the Middle East."

On the same day, however, State Department spokesman John Hughes noted that the meeting in Cairo took place in the context of "Egypt's adherence to the Camp David accords and its outspoken support" for Reagan's peace initiative.

Reagan, at his White House interview Friday, cited the Mubarak-Arafat meeting as a reason for optimism over his peace plan which was rejected by both Israel and the Palestinians when it was enunciated more than a year ago. "I'm always a little leary about saying a breakthrough," Reagan told the wire service reporters.

"But I do think this: We are optimistic about this because ... Mubarak is the head of state of the one country in the Arab world that has gone forward and has a peace treaty with Israel ... Obviously, a part of the process depends on a fair and just settlement of the Palestinian question ... and Arafat ... in the past was the one who has refused to recognize Israel's right to exist as a nation."

"Now I think that what President Mubarak is doing is talking to him about returning to ... peace negotiations (with Israel), our peace proposal," the President said. He added that he could understand Israel's discomfiture with the Cairo meeting but he thought the Israelis need to "look at this a little more clearly. They will see that Mubarak, based on the experience of Egypt and its willingness to go forward for peace, is simply trying to persuade others to change their thinking," Reagan said, referring apparently to Arafat.

Shamir expressed the opposite view strongly Friday to visiting Sen. Christopher Dodd (D. Conn.). He maintained that the Mubarak-Arafat reconciliation would only encourage Palestinian extremists at a time when moderates might have come forward in the wake of Arafat's disaster in Lebanon. Shamir offered the same argument in an interview published in Yedioth Achronot today. He made it clear that Israel still opposes Reagan's peace plan and that he so informed Reagan at their White House meetings last month.

However, according to Shamir, these differences would not hinder cooperation between Israel and the U.S. He said it was wrong to speak of tension between the two countries but, nevertheless, in further talks Israeli officials will do their utmost to persuade the Administration that Israel's assessment of the Mubarak-Arafat meeting is the correct one.

Apparent Reversal Of U.S. Policy Cited

American Jewish leaders have already undertaken that task. In a telegram to Reagan last Friday, Julius Berman, chairman of the Conference of Presidents of Major American Jewish Organizations expressed "shock and dismay at the apparent reversal" of U.S. policy toward Arafat.

"Betting on Arafat is a grim mistake," Berman's message said. "He has failed the Palestinian Arabs. He will fail the White House. To believe that Arafat can be persuaded to follow the path of peaceful reconciliation is to doom the Middle East to continued strife, for only if new and indigenous Palestinian Arab leaders come forward with courage to negotiate with Israel under the terms of the Camp David accords can there be the possibility of peace in the Middle East."

But such spokesmen, Berman added, "dare not and will not speak out as long as Arafat is supported in his claim to be the voice of Palestinian Arabs."

Kenneth Bialkin, national chairman of the Anti-Defamation League of B'nai B'rith, said in a statement Friday that it was "wrong and counterproductive" for Mubarak to have met with the PLO chief and for the U.S. to have supported their meeting.

Charging that the Camp David agreements "are not being fully lived up to by Egypt which has kept its relations with Israel at the lowest level," Bialkin claimed that "the U.S. has now further encouraged Egypt to abuse the treaty by welcoming the man who symbolizes everything in opposition to it."

Howard Friedman, president of the American Jewish Committee, said that Mubarak's "embrace of Arafat, while presumably intended to induce the PLO to join the peace process, puts the cart before the horse."

Logic and human decency require that Arafat must first unequivocally renounce terrorism and agree to peaceful coexistence with Israel. Egypt, as the first and most important Arab country to sign a peace treaty with Israel, has served as an important example of the benefits of peace to those Arabs who persist in their hostility to Israel.

"It is all the more distressing then, that Egypt now appears to be sending the wrong signal by, in addition to its continued refusal to return its Ambassador to Israel, giving public expression of support for the PLO's leader."

'A Travesty Of Justice'

Alleck Resnick, president of the Zionist Organization of America, sent a telegram to Reagan declaring that it is "a travesty of justice for any civilized nation to suggest a role for Arafat in the Mideast peace process when new non-violent and non-PLO Palestinian Arab leadership and King Hussein of Jordan should be asked to step forward."

He added: "Mr. President, we must as well express our grave misgivings over U.S. expressions of support for the Arafat-Mubarak meeting as a harrowing contradiction of your stated concern to put an end to the scourge of terrorism currently threatening democratic forces around the world."

Peres Suggests Israel's Aim

Israeli opposition leader Peres told reporters in Jerusalem yesterday that while he "could not give the (Mubarak-Arafat) meeting my blessing," it did demonstrate that the Palestinians now know they can make no moves without Egypt, regardless of Egypt's peace treaty with Israel.

Peres stressed that he does not regard the PLO or Arafat as partners in peace talks "yesterday, today or maybe even tomorrow." But Israel's aim should be to coordinate its strategy on the Palestinian issue with the U.S., not with Egypt.

This, he said, should be Israel's immediate goal now that there is a possibility that Reagan's peace initiative may be revived.

"The burning issue today is not whether the U.S. will store its medical supplies here," Peres said in a reference to the new U.S.-Israel cooperation agreement. "Rather, the central problem is the continuation of the peace process. And on this we have no common strategy with Washington," he said.

Arafat Promises Radical Changes

Meanwhile, the official Egyptian news agency, Mena, reported today that Arafat, now in North Yemen, has promised radical changes in the Palestinian approach to the Middle East conflict.

"There will be new trends for Palestinian action, details of which will be announced as soon as possible," the PLO chief was quoted as saying. He also charged that there was a conspiracy between Israel and unnamed Arab "parties" to divide the Middle East into spheres of influence favoring Israel.

DEPUTY FOREIGN MINISTER RESIGNS

By David Landau

JERUSALEM, Dec. 26 (JTA) -- Premier Yitzhak Shamir is expected to come under strong pressure to hand over the foreign affairs portfolio to one of his Cabinet colleagues following the surprise resignation over the weekend of Deputy Foreign Minister Yehuda Ben-Meir.

Shamir retained the office of Foreign Minister after he succeeded former Premier Menachem Begin as head of government. He indicated at the time that this would be temporary. But he is known to be reluctant to appoint Deputy Premier David Levy to the post. Levy, like Shamir, belongs to Likud's Herut wing. He has made no secret that he would like to head the Foreign Ministry, but his relations with Shamir have been strained of late.

Shamir is said to be equally reluctant to appoint Energy Minister Yitzhak Modai of Likud's Liberal Party to the senior Cabinet post. He could argue up to now that any change in the status quo would shake the delicately balanced coalition cabinet. But with Ben-Meir's departure from his sub-cabinet office, Levy's supporters are certain to press their demands and similar pressure for Modai may come from the Liberal Party wing.

Letter Of Resignation

Ben-Meir announced his resignation Thursday night a few hours after conferring with Shamir. He had been Deputy Foreign Minister for two years and, in his letter of resignation, said he felt he had "exhausted his capacity to contribute" to the Foreign Ministry. He reportedly told Shamir that it was urgent that he devote more time to the needs of his party, the National Religious Party, which is in "very bad" condition.

He implied, without saying so, that with his long-time political comrade, Education Minister Zevulun Hammer, convalescing from a recent heart attack, it fell on him to take charge of the affairs of the NRP's "young guard" faction of which he and Hammer are the leaders.

Policy-Making Input Diminished

But sources close to Ben-Meir hinted that his resignation was due in part to dissatisfaction over the limited role and responsibilities he had in the area of policy-making. When Shamir became Prime Minister, Ben-Meir expected his powers and the ambit of his authority to grow, these sources said. In practice, however, his policy-making input shrank.

The sources implied that the influence of the Foreign Ministry as a whole diminished with Shamir now operating out of the Prime Minister's Office. But senior sources at the Ministry hotly denied this. They contend that, on the contrary, the top echelon of the Foreign Ministry now has more direct and regular access to the top of government.

The Ministry sources conceded that Ben-Meir's position may have weakened after Shamir became Prime Minister. But the position of the Foreign Ministry itself has been strengthened, they say. They noted, as an example, that the Ministry's daily intelligence assessments are read each day by the Prime Minister and other senior Cabinet members.

Both David Kimche, Director General of the Foreign Ministry, and Yitzhak Oron, head of its research division, are in direct and frequent contact with Shamir who continues to exercise direct control of foreign affairs and makes all major policy decisions the sources said.

POLL SHOWS GROWING DISILLUSIONMENT WITH LEBANON WAR, GOVERNMENT'S HANDLING OF EVENTS SINCE THEN

By Hugh Orgel

TEL AVIV, Dec. 26 (JTA) -- The Israeli public is increasingly disillusioned with the war in Lebanon and the government's handling

of developments since then, according to a comparison of opinion polls taken by the Dahaf organization from July, 1982 through November, 1983.

The analysis, by the weekly newspaper Koteret Roshit, noted that 51 percent of the respondents in the latest poll, last month, thought the government was wrong to invade Lebanon in the first place in light of subsequent events and Israeli casualties.

Support for the war has declined precipitously since July, 1982 when 84 percent of the public believed the invasion of Lebanon was the "right decision." In December, 1982, support was down to 64 percent and in May, 1983, a bare 51 percent majority supported the decision. Last month it was down to 43 percent.

Opposition to the war rose from 13 percent in July, 1982 to 32 percent in December, 44 percent in May, 1983 and 51 percent now.

Last month's poll found that 44 percent of the public thought Israel should make whatever security arrangements are necessary and pull out of Lebanon within the next few weeks. A longer stay for better security arrangements was supported by 25 percent and another 25 percent thought Israel should remain in Lebanon until the Syrians pull out. Only two percent of the respondents believe Israel should stay in south Lebanon indefinitely.

17.9% INTERIM C.O.L. FAILS TO HALT PROTEST RALLIES AND WORK STOPPAGES By Gil Sedan and Hugh Orgel

JERUSALEM, Dec. 26 (JTA) -- Wage-earners received a 17.9 percent interim cost-of-living allowance on their monthly salaries yesterday. But the advance payment failed to halt a rash of protest rallies and work stoppages by government employees and others alarmed over galloping inflation and a rapidly worsening economic outlook. Violence erupted near Eilat over the impending shutdown of the Timna copper mines because of the slump in world copper prices.

The c.o.l. advance was not sufficient to compensate workers for the erosion of salaries by inflation during the last three months, estimated at about 40 percent.

Histadrut Secretary General Yeruham Meshel warned several days ago that if inflation continues at its present annual rate of nearly 200 percent, the trade union federation will demand that salaries be paid every two weeks instead of monthly and the c.o.l. increment be updated each month instead of each quarter. The next c.o.l. allowance, nearly 50 percent, is due in mid-January.

Histadrut held a rally in Jerusalem today protesting the government's economic policies. About 1,000 workers in the Jerusalem area lost their jobs in the past two months, though most have found new jobs.

Plight Of Low Income Families

The Zehavi movement, which represents large families with low incomes called a press conference here today to demand an increase in allowances for child care. There are some 250,000 families with four or more children in Israel, and many of them are impoverished, according to spokesmen for the movement.

Avraham Danino, one of the Zehavi leaders, blamed the government and was especially critical of Tami, the coalition partner which represents a low income, largely Sephardic constituency. "Tami has

fallen silent," he said. "Deputy Premier David Levy (who is also Minister of Housing) talks only after the hardship befalls us. The delicate, sensitive social tissue which was built with such hard work is gradually falling apart," he warned.

The Zehavi movement urged the government to link child care allowances to five percent of average salaries. They are presently paid at a rate of 2.5 percent.

Worried About Dismissals and Inflation

Workers in general are worried about dismissals and the heavy toll of inflation which, according to Labor MK Gad Yaacobi, will reach a rate of 300 percent next year. The Timna mine workers blocked the main highway north of Eilat for two hours today. Two workers and two policemen were injured in a clash brought about by police attempts to remove a vehicle blocking the road.

The mines employ several hundred workers which is a considerable part of the Eilat labor force. They have been on strike for more than a week, hoping their action would avert a shutdown next month. The town's other principal sources of employment are also suffering. Tourism is down and much of the port is idle because of the drop in Israel's import-export trade.

Elswhere in the country labor unrest continued. Employees at the income tax offices stopped work for three hours yesterday to protest the erosion of their wages. Work slowdowns are underway at the offices of the Labor and Welfare ministries. Postal workers are threatening to strike tomorrow. But striking railroad workers and employees of the Defense Ministry returned to their jobs today on the promise that their wage demands would be given immediate consideration.

The economic slowdown was felt on the Tel Aviv stock exchange yesterday. Last week, the Bank of Israel spent the equivalent of \$40 million to shore up sagging bank stock and index-linked bonds.

RELATIVES OF MISSING ARGENTINE JEWS CHARGE ISRAELI FOOT-DRAGGING

TEL AVIV, Dec. 26 (JTA) -- Relatives and friends of the approximately 2,000 Jews among the estimated 30,000 Argentinian citizens who disappeared under the former regimes of the nation's generals have complained that the Israeli government has not done enough to bring pressure to bear to establish the fate of the "disappeared persons."

At a press conference here yesterday, relatives charged that the government had been dragging its feet for political reasons. They said the Foreign Ministry had had no concrete plan for dealing with the issue while the military junta was in power.

A non-Jewish woman married to an Argentinian Jew said that when her husband was killed in a roundup she had been taken to prison "as bad as a concentration camp" and had disappeared from view for more than two years, during which time she and other prisoners had been beaten and tortured.

She said that Jews had not been arrested because they were Jews, but received far worse treatment than non-Jews at the hands of anti-Semitic guards who believed they were carrying out God's will.

JEWISH ORGANIZATIONS SHOCKED OVER REFUSAL OF GEORGIA PARDONS AND PAROLE BOARD TO EXONERATE LEO FRANK

NEW YORK, Dec. 26 (JTA) — Major American Jewish organizations expressed shock and outrage over the decision by the Georgia State Board of Pardons and Paroles to deny posthumous pardon to Leo Frank, a Jewish factory superintendent who was convicted of the murder of a 13-year-old girl in Atlanta in 1913 and who was lynched two years later by a mob in one of the country's worst outbursts of anti-Semitism.

The State Board chairman, Mobley Howell, said last Thursday, after the decision was announced, that Jewish organizations that had sought the exoneration of Frank failed to show beyond doubt that he was innocent. In a written statement, Howell said:

"After an exhaustive review and many hours of deliberation, it is impossible to decide conclusively the guilt or innocence of Leo Frank. There are many inconsistencies in the accounts of what happened."

The Board of Pardons reviewed the case after Alonzo Mann, now 85 years old, who was a 14-year-old office boy at the time Mary Phagan, an employee of the National Pencil Company was killed, told reporters last year that he had seen the factory's janitor, Jim Conley, carrying the limp, unconscious body of the young girl to the factory basement. The parole board claimed that Mann's statement did not provide any new evidence. Jewish organizations had also presented hundreds of pages of documentation to prove that Frank was innocent.

'A Second Miscarriage Of Justice'

Theodore Ellenoff, chairman of the American Jewish Committee's Board of Governors, said the parole board's decision "is a second miscarriage of justice in this tragic case. If there is any serious doubt about Frank's guilt — and the statement last year of surviving witness Alonzo Mann at the very least creates a serious doubt — Frank should have been exonerated." The AJ Committee, Ellenoff said, is now calling on the Georgia Legislature to rectify this injustice.

Jacqueline Levine, chairperson of the National Jewish Community Relations Advisory Council, said the board's decision "is more than a commentary on this specific case. By its action, the Pardons and Paroles Board did not remove the lingering dark cloud that has continued to cast its shadow, for the past 70 years, over an open and pluralistic American society."

Nathan Perlmutter, national director of the Anti-Defamation League of B'nai B'rith, declared: "If a corpse 70 years moldering can cry, Leo Frank's is weeping today. Not for himself — death is immutable — but for justice, freshly lynched, and not by Klansmen but by bureaucratic insensitivity."

Dale Schwartz, the leading attorney for those seeking the pardon, said: "I can't understand why, when every historian who has studied the case, and the main players including the trial judge and the governor who commuted his (Frank's) sentence felt he was innocent, how the pardons and paroles board can call this inconclusive."

In a sworn affidavit, Mann told two investigative reporters for the newspaper, Nashville Tennessean, that he had been too frightened in 1913 to testify that he had seen Conley hold the limp body of Phagan. Mann said that Conley, who was convicted of being an accessory to the crime and given a year

in prison, had warned him that he would kill him if he ever mentioned what he had seen. Mann told a news conference last Thursday, "I know, deep down in my heart and what I saw, that Frank did not do this." Frank was convicted of murder on the testimony of Conley, who was the chief prosecution witness. He said he had disposed of Phagan's body for Frank, taking it to the factory basement.

When then Governor John Slaton commuted Frank's death sentence after conducting a separate investigation of the crime, a mob kidnapped Frank from prison, took him to a tree near the Phagan home and hanged him. Armed mobs roamed the streets, forcing Jewish business firms to close their doors. About 1,500 of the 3,000 Jews in Georgia fled, and others were targets of a boycott.

Charles Wittenstein, Southern counsel for the ADL, said of the parole and pardon board last Thursday: "The state of Georgia was badly compromised by the conviction and the lynching. They had a chance to do something about that and they failed, and the whole country will know they failed."

JEWISH AGENCY BUDGET SET AT \$360 MILLION FOR 1984-85

NEW YORK, Dec. 26 (JTA) — Leon Dulzin, chairman of the Jewish Agency Executive, announced here last Thursday, at the conclusion of the Agency's two-day meeting, that the Executive voted for a \$360 million budget framework for the Agency for fiscal year 1984-85 and a budget of \$8 million for Project Renewal. This recommended budget will be presented to the Agency's Board of Governors' meeting in Jerusalem next February.

Dulzin stressed that the budget framework, which the Jewish Agency Treasurer, Akiva Lewinsky, presented to the Executive, was a balanced budget, with no provision for deficits. "This means that although the budget is based on the same level of operations as the current fiscal year, any drop in campaign income will necessarily entail cuts in vital programs and services," he pointed out.

To this concern must be added, he emphasized, the uncertainties in relation to the dollar-shekel exchange rate and the rate of inflation in Israel. Lewinsky stressed that the Agency would also have to await the outcome of discussions on the Israel government budget, particularly in the field of welfare services, to see what the Agency might be called upon to take on as additional budget items.

Dulzin also presented to the Executive the proposals for Jewish Education which were developed at his request by leading educational authorities in Israel. The focus of the proposals is to utilize the educational resources of Israel, working in conjunction with educational leadership in the diaspora, to raise the level of Jewish education in the diaspora.

Particular stress was placed on the importance of expanding the Israel experience for greatly increased numbers of diaspora youth, and bringing much larger numbers of teachers to Israel for further training.

The Jewish Agency Executive also reviewed the relationship with the campaign organizations for the purpose of closer collaboration between the Jewish Agency and the United Jewish Appeal in the United States, and the Keren Hayesod, which conducts campaigns in over 60 other countries in the free world.