

Vol. LXII - 67th Year

Wednesday, January 18, 1984

No. 11

**FORMER U.S. ENVOY TO SAUDI ARABIA  
SAYS USSR HAS TOLD THE U.S. IT WILL  
CONTINUE TO SUPPLY ARMS TO SYRIA**

BRUSSELS, Jan. 17 (JTA) — A former U.S. Ambassador to Saudi Arabia said here that the Soviet Union has informed the Reagan Administration that it intends to maintain its presence in the Middle East and will continue to supply arms and support to Syria "in an unlimited way" to further that objective.

According to Robert Neumann, an American expert on the Middle East, "The Soviets would not hesitate to escalate the conflict (in Lebanon) if there was a threat against Syria. Moscow is determined to remain in the area and will not allow itself to be excluded."

Neumann made his remarks at an international conference on the future of NATO and global security organized in Brussels by the Georgetown University Center for Strategic Studies. The session last Saturday was chaired by former Secretary of State Henry Kissinger.

Neumann maintained that the multinational force presently in Beirut faces a "growing crisis" that is likely to reach a climax in the next 2-3 months. He urged the withdrawal of the U.S. marines as well as the French, Italian and British contingents of the MNF from Lebanon. The Lebanese authorities, he said, must institute political reforms.

"The United States must withdraw the marines ... or will be forced by domestic pressures to withdraw as the failure of American policy become more dramatic," Neumann declared. He suggested that the Europeans could have an important, positive impact on the Palestine Liberation Organization and might encourage and facilitate a larger role for Egypt in the peace process.

**U.S. SEES RECONVENING OF JORDAN'S  
PARLIAMENT A STEP TOWARD RENEWAL  
OF THE MIDDLE EAST PEACE TALKS**

By David Friedman

WASHINGTON, Jan. 17 (JTA) — The Reagan Administration indicated today that it sees the reconvening of the Jordanian Parliament by King Hussein yesterday as a step toward renewal of Middle East peace talks.

"The best way to give new impetus to the peace process would be the early entry of Jordan into negotiations with Israel," State Department deputy spokesman Alan Romberg said. "We support King Hussein's efforts to create the conditions necessary for him to enter the peace talks with Israel." Romberg said the U.S. understands that among those conditions the King feels are necessary are backing from the Palestinians and other Arab states.

Hussein, in addressing the Parliament which he reconvened for the first time in 10 years, appealed to the "free and legitimate" Palestine Liberation Organization to work with him to seek "a practical formula that will enable us to perform our duty toward Jerusalem, Palestine and its people." By "free and legitimate," Hussein apparently was referring to the PLO headed by Yasir Arafat and not the Syrian-backed anti-Arafat group.

Romberg sidestepped questions as to whether Israel would join the talks since it opposed President Reagan's September 1, 1982 peace initiative. "I'm not going to try to speak for Israel," he said. "The next step is essentially for King Hussein to obtain the support he needs."

Romberg reiterated the U.S. position that it does not expect all of the parties who enter the talks to support the Reagan initiative. He stressed that the talks would be held under the framework set up by the Camp David agreements.

Romberg said the U.S. will enter the talks with the belief that the Reagan initiative offers the best solution. "If others come to the table with other positions, fine," he said. "The point is to go back and talk."

**REPORT SHOWS THAT SOME 10  
PERCENT OF ISRAEL'S POPULATION  
LIVE BELOW THE POVERTY LINE**

By Gil Sedan

JERUSALEM, Jan. 17 (JTA) — Israelis, facing an economic crisis and in the throes of spreading labor unrest, were shocked to learn that some 10 percent of the population presently live below the poverty line.

According to figures released yesterday by the National Insurance Institute (NII), 500,000 people live on a monthly income of under 14,000 Shekels (about \$140). This is only 20 percent of the average salary and defines the poverty line. About 300,000 of these people belong to the families of pensionaires but the rest are members of families of salaried workers.

The NII figures showed that the number of poverty families with four or more children tripled between 1977-1982. There was also a sharp rise in the number of single-parent families which fell below the poverty line in the same period.

Danny Azriel, Director General of the NII, said today that the erosion of child care allowances and the failure to readjust tax brackets to inflation were the main causes of spreading poverty. He called for a reform of the welfare system. Minister of Labor and Welfare Aharon Uzan was said to be ready to bring the problem before the Cabinet and demand urgent measures to reverse the trend.

**Navon Blasts The Likud Government**

But former President Yitzhak Navon blasted the Likud government for allowing the poverty situation to develop. In an interview published in Haaretz today, Navon said that if the NII's figures are correct "this is not the poverty line but the red line. It is hard to believe that the leaders of the economy have brought our society to such a low level without having foreseen it and without having taken preventive measures," Navon said.

He warned that "this situation will have grave psychological and social consequences" and accused the government of having misled the populace. "They created a fool's paradise until they woke up. The main victims are the children and this is unacceptable," Navon declared.

Adding to the bad news today was the paralysis of all public services, including radio and television broadcasts, as tens of thousands of government workers staged a warning strike in support of wage increases.

to make up for the erosion of their incomes by inflation. All government offices remained closed. The strike was triggered by the collapse of negotiations between Histadrut and the government over higher wages.

#### 20 Municipal Authorities Have Financial Crisis

Meanwhile, a Knesset committee was warned today that about 20 local municipal authorities face a financial crisis and will have to be bailed out by the government.

Chaim Kubersky, Director General of the Interior Ministry, told the MKs that the financial difficulties were largely unavoidable, but in some cases they were the result of mismanagement. The government, he said, should not compensate the local authorities in such cases. He said the Interior Ministry has submitted a plan to ease the crisis but so far has had no affirmative response from the Treasury.

The Knesset Finance Committee decided today to raise transportation fares by 25-50 percent. But it rejected a government request to increase the price of electricity. Ten opposition MKs rejected the rise. The coalition is expected to resubmit the request next week.

#### FRANCE AND SAUDI ARABIA SIGN A \$3 BILLION ARMS AGREEMENT

By Edwin Eytan

PARIS, Jan. 17 (JTA) — France and Saudi Arabia have concluded a \$3 billion arms agreement providing for the sale of French-made highly sophisticated electronic equipment. The French Defense Ministry and the manufacturers, the state-owned Thomson-C.S.F., said yesterday that they have been asked by the Saudis not to disclose details of the agreement, reputed to be the most important of its kind ever concluded by France.

The usually reliable *Le Monde* said France will supply the Saudi Air Force with the latest French ground-to-air missile, the Shahine and radar equipment to guide it to targets. The Shahine, a top secret weapon, is reputed in aeronautical circles to be the world's most efficient — and most expensive — anti-aircraft missile of its kind.

It would be used mainly to protect Saudi airports, missile bases and oil production facilities. The French are also scheduled to export advanced training equipment for the Saudi personnel who will man the missiles. French experts and Air Force personnel are to be stationed at Saudi bases for the next several years.

The agreement, formally announced yesterday, was reportedly signed a week ago by French Defense Minister Charles Hernu and Saudi Defense Minister Prince Abdul-Rahman Bin Abdul Azziz. The negotiations lasted several months and entered their final phase after the Saudi minister's trip to Paris last May.

#### An Important French Client

Saudi Arabia, which has been trying to diversify its arms supplies, has become an important French client over the last few years. In 1975, the Saudis bought Crotale ground-to-air missiles which until now formed its main anti-aircraft defense network. The Saudis also equipped their armored brigades with French AMX-30 tanks, which since 1980 have carried supersonic missiles produced by France's state-owned Matra Company.

Also, in 1980, the Saudis bought in France four frigates and 24 combat helicopters equipped with air-to-ground missiles.

One of President Francois Mitterrand's first visits abroad after his election in May, 1981, was to Saudi Arabia. French officials said privately yesterday that this visit, criticized at the time, "has paid off."

#### CRANSTON: WILL MOVE U.S. EMBASSY TO JERUSALEM IF ELECTED PRESIDENT

By Yitzhak Rabi

NEW YORK, Jan. 17 (JTA) — Sen. Alan Cranston (D. Calif.), a presidential hopeful, vowed here yesterday that should he be elected President he would move the United States Embassy from Tel Aviv to Jerusalem.

"I am in favor of moving the American Embassy to Jerusalem. And I will move it if I am the President," Cranston told a meeting of the Conference of Presidents of Major American Jewish Organizations. Two of the eight Democratic Presidential candidates, former Vice President Walter Mondale and Sen. Ernest Hollings of South Carolina, had already appeared before the group. Others are to appear in the next two months.

In a strong pro-Israel speech, Cranston reiterated his commitment to Israel's survival and security and his opposition to "an even-handed policy as long as Arab nations are at war with Israel." He stated that "I will remain steadfast in support of Israel and in support of the Israel-American special relationship." He expressed opposition to selling American arms to Israel's enemies, including the proposed sale of sophisticated arms to Jordan.

On the issue of Lebanon, Cranston called for the withdrawal of U.S. marines from that country. "We should extricate ourselves from Lebanon as swiftly as we can," he said, noting that Israeli troops have also withdrawn from areas in Lebanon to avoid casualties. In other remarks, he said a strong Israel is in America's interest and pledged that he will continue his efforts on behalf of Soviet Jewry.

#### U.S., ISRAEL SIGN 5-YEAR AGREEMENT

By Gil Sedan

JERUSALEM, Jan. 17 (JTA) — The U.S. and Israel signed a five-year agreement here today providing for the exchange of information on social services and human development. It covers the adoption of children with special needs, services for the functionally impaired, housing for the elderly, in-home day care for children and the prevention of juvenile delinquency.

The signatories were Israel's Minister of Labor and Welfare Aharon Uzan and the U.S. Assistant Secretary of Health, Dorcas Hardy.

Meanwhile, talks have begun in Washington on the establishment of a free trade zone between Israel and the U.S. An agreement in principle was reached during Premier Yitzhak Shamir's visit to Washington late last November. The current discussions are expected to last for several months because of the technical nature of the subject.

Talks between Israel and the U.S. on the level of American economic aid to Israel for the next fiscal year, are scheduled to begin in a few days in Washington. The U.S. has already earmarked \$1.4 billion in military assistance grants to Israel. Israel is requesting an additional \$1.3 billion in economic assistance.

## ADL ANNUAL SURVEY FOR 1983 SHOWS A SUBSTANTIAL DECLINE IN ANTI-SEMITIC ACTIVITY

NEW YORK, Jan. 17 (JTA) -- Anti-Semitic vandalism and other attacks against Jewish institutions, businesses and homes declined substantially in 1983 for the second year in a row, according to the annual audit conducted by the Anti-Defamation League of B'nai B'rith.

ADL's national director Nathan Perlmutter said the survey revealed 670 incidents across the nation, a decline of 19 percent from the 829 incidents recorded in 1982.

The nationwide total for 1982 was almost 15 percent lower than the 974 recorded in 1981. The two-year decline reversed a sharply upward trend reported since 1979.

The 1983 audit once again showed that three states, New York, California and New Jersey, accounted for a majority of the incidents -- New York, 215; California, 111; New Jersey 57.

### Large Decrease In Assaults

The audit, which was based on data supplied by the ADL's 30 regional offices across the nation, also reported a large decrease in the number of assaults against individual Jews and threats and harassments in which Jews or Jewish-owned properties were victims or targets.

The decline amounted to almost 41 percent -- down from 593 in 1982 to 350 in 1983. The incidents involving assaults and harassments were tabulated separately from the category of vandalism.

The ADL reported that 115 persons were arrested in connection with 55 anti-Semitic incidents in both categories. Almost 90 percent of those arrested were teenagers, a statistic that followed the pattern found by previous ADL audits.

### Likely Contributions To The Decline

Describing the 1983 declines in anti-Semitic incidents as "welcome," Perlmutter said counteractive measures and heightened public concern over the problem likely contributed to the decline. He listed the following developments:

- \* Stricter law enforcement and punishment nationwide against those responsible for perpetrating anti-Semitic incidents;

- \* Passage of laws, many based on an ADL model statute, against religious or ethnic vandalism in sixteen states: Arizona, California, Colorado, Florida, Idaho, Illinois, Indiana, Maryland, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Virginia and Washington;

- \* Stepped up newspaper and TV attention to "bias crimes," and intensified educational programs to eradicate bigotry and promote appreciation for ethnic diversity.

The audit cited two other possible explanations for the decline in anti-Semitic incidents:

- \* The overall decrease in the number of crimes committed in this country in 1982 and the first half of 1983, as reported by the FBI;

- \* Imitative behavior, which influenced increases in anti-Semitic vandalism in the past, may have been dampened during the last two years in the face of stricter law enforcement and greater public concern.

In assessing the findings of the audit, Perlmutter asserted that they provide only a single barometer for measuring anti-Jewish hostility in this country.

Anti-Semitic incidents, he said, constitute only one of several manifestations of bigotry in the U.S. of concern to the American Jewish community. Others include:

- \* Anti-Semitic activities of hate groups such as the Ku Klux Klan, neo-Nazis and various armed paramilitary groups, including Posse Comitatus;

- \* The increasingly open anti-Semitism promoted by the Soviet Union as "anti-Zionism" and the activities of radical leftist organizations such as the Communist Party and the Trotskyist Socialist Workers Party whose propaganda against Israel and Zionism attacks the most heartfelt concerns of the overwhelming majority of Jews both in the United States and around the world;

- \* The outpouring of anti-Semitism at the United Nations disguised as anti-Zionism;

- \* Anti-Israel and anti-Zionist propaganda purveyed by pro-Arab and pro-PLO groups;

- \* The spreading of Holocaust revisionist propaganda by organizations and individuals that deny the reality of the Nazi annihilation of six million Jews;

- \* The private prejudices and bigotries, which cannot be counted, that take place in executive suites where discrimination against Jews is practiced, or in social clubs that bar Jews from membership.

### Several Widely Publicized Incidents

The audit noted that several incidents in 1983 attracted considerable publicity and were perceived by many as motivated by anti-Semitism. These included shootings directed at New York's Yeshiva University and its students, a purported arson at a Jewish center in Bloomington, Ind., and arson and vandalism directed at synagogues and homes of individual Jews in West Hartford, Conn.

In the Yeshiva incidents, police have not yet been able to establish that anti-Semitism was the motive of the attacks. In Bloomington, authorities suspect that anti-Semitism was the motivation. In the Connecticut incidents, a Jewish teenager admitted he was responsible.

"Regardless of the decline in anti-Semitic incidents in the past two years," Perlmutter concluded, "the stark fact remains that in 1983 there were 670 incidents of anti-Semitic vandalism. The vandalizing of even one religious institution or one home because of the religion or race of the occupant is one too many." He called for continuing educational, legislative and law enforcement efforts.

### EXHIBITION ON YOUTH EXCHANGE PROGRAM

BONN, Jan. 17 (JTA) -- An exhibition was opened here today depicting the German-Israeli youth exchange program which has been going on for a number of years. The opening was attended by Israel's Ambassador to West Germany, Itzhak Ben Ari, and the Bonn Minister of Youth and Family, Heiner Geissler.

The exchange is important to both countries. It is subsidized largely by the West German Federal government and the Federal states and is the largest program of its kind for Germany, except for youth exchange with France. For Israel, the program is by far the most extensive. There was a sharp decline in 1982 because of the Lebanon war and the anti-Israel attitudes it engendered in Germany. There was, however, a slight upturn last year. But official sources say there is an increasing tendency among West German youth groups to choose exchanges with Arab countries rather than with Israel.

# SPECIAL TO THE JTA EMERGENT SPANISH-ISRAELI RELATIONS By Michael Fooner

(Part One Of A Three Part Series)

MADRID, Jan. 17 (JTA) -- In defiance of Arab pressures, Spain is moving to recognize the State of Israel, exchange Ambassadors, and normalize official relations for the first time in recent history.

Libya and Saudi Arabia have fronted the drive to block Israel from obtaining full diplomatic status in Madrid, but the year-old government of Prime Minister Felipe Gonzalez has held firm. A recent meeting of the Council of Ministers authorized officials of the government to take part in several activities sponsored by the Israeli government, and to officially invite Israeli representatives to Spanish events.

"Although there is no date for our first exchange of Ambassadors," said Samuel Hadas, Israel's principal representative in the Spanish capital, "positive steps have been taken to bring this about."

Without quotable comment on the Arab provocations, he said during an interview here, "Our policy is step-by-step progress, avoid confrontations, defuse crises, and accumulate successful official contacts."

## Arab Struggle To Repress Israel

The chronology of Israel's "step-by-step" diplomacy, as Hadas calls it, reflects a curious corner in the backstage struggle of the Arabs to repress Israel. In March, 1983, Spain's Prime Minister Gonzalez said in a speech while visiting Morocco, "The Arab world has no greater friend than Spain"--but he at the same time alluded to "future diplomatic communication with Israel."

Until that moment, official relations with Israel had been in deep freeze since the state was founded. A breakthrough occurred when the national airlines of both countries gave each other landing rights.

But immediately, inauguration of service was paralyzed by fear of terrorist attacks on El Al and Iberia aircraft, sponsored by Libya, according to observers in close touch with the Spanish government.

On June 23, Edgar Bronfman, president of the World Jewish Congress, had a secret meeting with Gonzalez in New York at which the process of initiating airline service was worked out. On July 1, Bronfman and Jacques Torczyner, a member of the WJC Board of Governors, met with the Prime Minister in Madrid. Gonzalez then had on paper the decision to establish diplomatic relations with Israel.

## Saudi Arabia Intervenes

Final action was scheduled for the end of August, according to the knowledgeable diplomatic correspondent, Alberto Miguez, but intense pressure from Arab states, especially Saudi Arabia, caused hesitation, and Gonzalez declared the matter of diplomatic status for Israel would have "no priority."

Inside the government, confusion was rising, according to Miguez. A few days before, the Minister of Foreign Affairs, Fernando Moran, had met in New York with Jewish leaders and told them the decision to recognize Israel would be implemented "rapidly," but in Madrid, addressing Parliament, he declared it would be "delayed."

However, while the Foreign Minister was saying action in Israel's recognition had stopped, the Council of Ministers in Madrid voted a decision to "intensify interchanges" and they designated the Minister of Transportation, Tourism and Communications, En-

rique Baron, to organize a program of official activities with the Israelis. The Arabs responded with "carrot-and-stick" tactics. In October, Saudi Arabian representatives came into Madrid with a contract offer to purchase Spanish-made armaments. Libya openly denounced Gonzalez's moves toward Israel and threatened to break diplomatic relations with Spain if relations were actually established.

It got them nowhere. The press quoted government sources as interpreting the arms deal to be a scheme to influence Spain against friendship with Israel, and the Saudi Defense Minister, Prince Abdul-Rahman Bin Abdul Aziz, went home with nothing more than a promise that the contract would be studied.

Activities initiated by Transportation and Tourism Minister Baron, for official contacts with Israel, began to create an impression that Gonzalez's idea for diplomatic recognition was already a fait accompli, according to reporters with inside government contacts. They also reported airline security "collaboration using sophisticated anti-terrorist methods of the Israelis."

Col. Muammar Qaddafi of Libya was furious; he started bombarding Foreign Minister Moran with messages delivered direct to his office.

## Secret Visits To Israel Reported

Meanwhile, the press was reporting that prominent members of both Spain's major political parties were making a series of visits to Israel, Spanish and Israeli officials were participating in each others' tourism promotions, and Israeli educators were official delegates to a Congress organized by Spain's Ministry of Education.

The public in Spain, including the Jewish community there, has long been dubious that Israel would ever gain official recognition, due to the nation's dependence on Arab oil, for one thing, and also, the Spanish King's close ties of friendship with the Saudi royal family.

There was, therefore, some astonishment last summer when the King granted an audience to Hadas. He declines to predict when diplomatic recognition will come but says, "When it does, that will be something of an historic moment. We are the only democratic nation without official status in Spain, despite the existence of major economic, cultural and ethnic ties between us."

Hadas, officially, is head of the Madrid office of Israel's World Tourism Organization. However, newspapers in the capital have been referring to him as the "unofficial ambassador." He is a man in his 50's, slight of build, soft spoken but dynamic, with an easy smile.

He has been living in Madrid with his wife and children for about a year-and-a-half. He is a career diplomat, with previous posts in the Israel Foreign Office in Jerusalem as information officer, in the Embassy to Colombia as charge d'affaires, and as Ambassador to Bolivia.

"My job now? 'Coordinator' of our two countries' maturing relations," Hadas says.

(Tomorrow: Part Two)

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PARIS (JTA) -- President Francois Mitterrand has promised to try and help Israel maintain its current agricultural exports to Western Europe after Spain and Portugal become full members of the European Economic Community (EEC) in 1986 and begin to enjoy preferential tariffs. Spain and Portugal sell in Western Europe agricultural products similar in kind and availability to those exported by Israel.