



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

Near East & South Asia

ISRAEL

DTIC QUALITY INSPECTED 2

19980113 234

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

Near East & South Asia

ISRAEL

JPRS-NEA-92-052

CONTENTS

29 April 1992

POLITICAL

INTERNATIONAL AFFAIRS

Security Concerns With 'New World Order' [HA'ARETZ 18 Mar]	1
Columist on Tensions With 'New America' [YEDI'OT AHARONOT 20 Mar]	1
Arms Sales Concerns Said Behind 'Patriot' Report [HA'ARETZ 16 Mar]	4
Columist Questions Fidelity, Integrity of U.S. [YEDI'OT AHARONOT 20 Mar]	5
German, Japanese Nuclear Weapons Sales Possible [HA'ARETZ 16 Mar]	5

INTERNAL AFFAIRS

Analysis of Islamic Activity in Gaza [HA'ARETZ 2 Mar]	6
Al-Asad, Jewish Leaders Meeting Reportedly Propaganda [YEDI'OT AHARONOT 15 Apr]	9
Religious Figures Call For Jihad for Jerusalem [HADASHOT 15 Apr]	9
MK Begin on Rabin, Levi, Arabs [HA'ARETZ 25 Mar]	10
Agudat Yisra'el Seeks To Absorb Degel Hatorah [HA'ARETZ 22 Mar]	12
'Kahane Hay' Party Seeks Knesset Seat [HA'ARETZ 12 Mar]	14
Comparison of Likud, Labor Party Lists [YEDI'OT AHARONOT 2 Apr]	16
Arab Homebuyer Used by 'Ateret Kohanim' [YEDI'OT AHARONOT 14 Feb]	16

ECONOMIC

Likud Supports Unplanned Economy [YEDI'OT AHARONOT 27 Mar]	19
Gloomy Economic Forecast, Slowdown in 'Aliya' [HA'ARETZ 18 Mar]	21
Frenkel Calls For Widespread Budgetary Cuts [HA'ARETZ 25 Mar]	22
Association To Monitor Investment in Territories [YEDI'OT AHARONOT 14 Feb]	23

MILITARY

Analysis of Military Cooperation With U.S. [YEDI'OT AHARONOT 20 Mar]	25
Negative Results of Restraint in Gulf War [YEDI'OT AHARONOT 20 Mar]	26
IDF Budget Restraints, Quartermaster System [BAMAHANE 26 Feb]	27
Intelligence Leak Possible in Ambush of Convoy [HA'ARETZ 7 Apr]	28

INTERNATIONAL AFFAIRS

Security Concerns With 'New World Order'

92AE0279B Tel Aviv HA'ARETZ in Hebrew 18 Mar 92 p 4

[Article by G. Samt: "This Is Not Just a Big Quarrel"]

[Text] It is not a matter anymore of guarantees, weapons sales, insults here and there. Not merely continued unpleasantness and a big chill. That which is happening between us and the United States must be viewed entirely differently: the system of relations with the American Government is a serious problem whose damage to Israel is far-reaching and truly enduring. In a changing world, in which a new order is said to be occurring, Israel is losing its traditional place on the American map. The greatest threat is that in doing so, its peace and security are damaged in a dangerous fashion.

Once, not long ago, there was a strategic understanding between us, which was anchored by a solemn agreement. Once we traded horses together: the United States was interested, actually persuaded us, in selling weapons to obscure regimes that the Congress forbade to arm. Now, Israel seems to be a burden and its business in international weapons is portrayed as a criminal nuisance by a clandestine troop of information leakers in Washington. An item in the relations now is an analysis of the linguistic nuance of the word fuck, which was said by the foreign secretary, who is flying into a rage.

Not many days ago, the United States viewed us as a strategic asset, one of whose objects was to repel the influence of the rival superpower in the region. The superpower broke apart: together with it, Israel's usefulness lessened as an instrument for American policy. The world changed, America is not threatened, and it is no coincidence that it permits itself to behave differently toward us. If a strong Israel was a central interest of Washington, it is no longer an important consideration in its regional policies, when we are perceived as an impediment to the agreement processes.

It is difficult to believe that in that not-too-distant past, the United States would treat our anxiety over the supply of deadly missiles to Syria with such disregard. The American hesitation in the matter of locating and detaining the North Korean ship of missiles is a characteristic episode of the irreverence toward Israel's fear for survival: The Bush administration began to lose sensitivity toward what was regarded here as a real danger.

If we add to this his determined refusal to announce to the international financial community that he has guaranteed us, a threat to our most essential interests will be portrayed: Not a quarrel and confrontation and crisis in the manner of days gone by, but biting talk regarding the place that Israel occupies today in the American world view.

There is no substitute for the backing that America has always given us. The national power cannot be derived solely from a strong army: it has always been dependent on the steadfast communications with a strong and supportive superpower. Now it is gradually removing this support. The

unavoidable result in the long term is Israel's weakened ability to defend itself, not merely to make a decent living.

This is not just a quarrel. Amidst the confrontation of one with the other, something much more serious happened than the sum of all accumulated bitterness. In the years of continued debate with the United States on almost every issue—from spying on their land to the settlements—Israel's pipeline of life has been getting disconnected. Only in this way is it possible to fully grasp the state of relations between the two countries.

Who is guilty? This is an important question to which there are different answers for different observers. The United States had no interest in loosening the ground from under Israel's feet. Even if its sensitivity toward our basic interests had weakened, there was always a great parliamentary force there that supported us. It, too, has been eaten away, and not because Congress decided arbitrarily.

There can be no doubt that this dangerous development would have been prevented to a great extent if Israel had acted differently in the matter of the peace process and, primarily, toward the bone of contention, the settlements. Washington would have authorized the guarantees. Even if this administration had soured toward us since its predecessor, it would not have been the hook on which to hang all of its verbal attacks. The countries' relations were leading along a complex, but paved, road of contacts within the framework of negotiations for an agreement. The support of Congress was guaranteed, and Israel could always, even if its government was hawkish, flutter with a claim of pure hearts and clean hands in its treatment of these negotiations.

None of this occurred. In the last two years, Israel has rejected almost every American proposal, most of which are such that will not be repeated. It is difficult to believe the administration's claim that it is not interested in a change in government. But the Government of Israel is the one that gave it the occasion and again and again made it easy for them to take measures against it [Israel]. Thus, it [Israel] caused national damage of such volume it is difficult to recall in the history of Israeli policy. It must be held accountable for shattering one of the most important assets of national security.

America will not determine who will govern here in a few more months. There is no astrologer who can foretell in exactly which direction American conduct will turn the voters' decision toward us: it will harden them toward the government or it will cause them to strengthen their support for it, the one that the United States has signalled as the object of elimination. But, when the damage that the government causes is so great, it is now the civil obligation of each one to decide—without help from Washington—if it should have its punishment at the ballot box.

Columist on Tensions With 'New America'

92AE0275D Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 20 Mar 92 pp 5, 19

[Article by Rami Tal and Zadok Yehezkel: "Israel Refuses To Understand That This Is a New America"]

[Text] The seven days between last Thursday and this Wednesday were among the most difficult in the history of Israel-U.S.A. relations.

A partial list:

- Thursday: THE WASHINGTON TIMES announces that the American intelligence community suspects that Israel has sold components and technology of Patriot missiles to China.
- Friday: THE WALL STREET JOURNAL reveals that the controller of the State Department is going to publish a report that will accuse Israeli companies of stealing sensitive American technology and selling it to foreign countries.
- Monday: The columnists Evans and Novak assert in THE WASHINGTON POST that Israel is suspected of stealing technology of "[?]", an advanced American air-to-ground missile, and selling it to China.
- Tuesday: The President of the United States announces that he rejects the Senate's compromise proposal and insists on his demand for an absolute freeze on settlements. "The guarantees have died", Senator Leahy mourns.
- Wednesday: The spokeswoman of the State Department specifies that—the freeze demand applies also to East Jerusalem, which is "occupied territory." The weekly WASHINGTON JEWISH WEEK interviews the controller of the State Department, who clarifies: "Our accusations against Israel center on the theft of American physical components, which bear serial numbers—and not the theft of technological ideas, as Israeli spokesmen have tried to hint."

It would appear that the necessary conclusion is clear: the orchestra that is playing this harsh symphony has a conductor—Bush, Baker, the two of them together—who is, perhaps, hiding behind the scenes, though the movements of his hands and the signs that he gives to the musicians are visible. Assistant Minister Binyamin Netanyahu did not hesitate to conclude: "This is a malicious and planned campaign of calumny."

Even individuals who do not suffer from paranoia, such as the minister of defense, Moshe Arens, asked openly: "Who are the gentlemen who stand behind this campaign?" Arens cleared Bush and Baker, but left his question unanswered. But conversations with administration officials, with senior journalists who were involved in the recent stories about Israel and with Jewish leaders and Israeli diplomats give a completely different picture. All of them strongly rejected the assertion that a hidden, but strong and central hand is planning and directing this campaign.

"There is no orchestration here and no planning, definitely not," definitively states Tom Friedman, the diplomatic correspondent of the NEW YORK TIMES, one of the few journalists in Washington with direct access to Baker and his senior staff.

"Those who are leaking these stories are midlevel officials, at most midlevel plus. Each of them has a different motivation to do that. One has thought for some time that the defense relations with Israel are too close. Another really

fumes over Israeli deviations from the law controlling arms exports. A third one views with disfavor Israel's competition with American companies in the world arms market. But behind all this there is no 'brain' that is directing it.

"From time to time," says Friedman, "there are unflattering stories about Israel. Some of them, such as the Pollard affair and the Iran-Contras deal, also caused long-term damage. But in the final analysis, the basic strength of the relations was sufficient to overcome this damage.

"The real story in the affair is the story of the end of the Cold War, and how the Israeli prime minister stuck his head in the sand so as not to see it. In 1986, it was clear to anyone who had eyes to see that the Cold War had ended, the world was changing, and consequently that the entire diplomatic situation that we had known was going to change.

"The Germans, the Japanese, the British, the Chinese, the countries of the Third World—all of them understood this and prepared for the change. It will go down in history that the last ally of the United States to wake up and understand the change was Israel. And that is not because there were no hints, and it is definitely not because the administration was trying to hide its intentions. The signs were very clear, but Israel—and mainly its leader—preferred to ignore them and to pray that 'America would become itself again.' They refused to understand that what they were seeing was American itself, and that the America for whose return they were praying did not exist."

Another senior journalist, who wishes to remain anonymous, asserts: "The leaks and the publications of the past week certainly were not directed. The administration does not work that way. It also was not logical, from the administration's viewpoint, to open a struggle against Israel simultaneously on two or three fronts. On the contrary, when the administration was engaged in thwarting the guarantees, it suited it to appear as Israel's friend in all other areas.

"It is a fact that in the Patriot affair, the administration acted secretly at first. Ambassador Shoval was invited to see the secretary of state, Larry Eagleberger, where he was informed of the suspicions. The intention was to conclude the matter quietly, but the information was leaked by the middle level.

"Why did that middle level decide to leak the news? That is a good question, and the answer, in my opinion, is the key to everything that is happening now. The present administration has created a different climate, a different climate towards Israel. In part, that was done deliberately, on the basis of a decision that it was necessary to lower the profile of the relations with Israel, and the recognition for that purpose it was necessary to damage, to a certain degree, Israel's positive image in the general consciousness in the United States. In part, it was done by Israel herself: the intifadah, the expulsions, the settlement tricks, the dragging out of the negotiation over the Madrid conference and more.

"The men at the top made it clear to those under them what they thought on this subject. Bush, they say, once said,

'Shamir will sweat a little more,' when the Israeli ambassador begged in the White House for the publication of a statement that the prime minister would be invited for a conversation with the president. When Israel and its supporters angered the president in September with the submission of the request for the guarantees to the Senate, the president responded with his famous speech, in which he hinted that the Jews prefer the interests of Israel over those of America. It is not clear if Baker indeed said 'FUCK THEM' [previous two words published in English] about the Jews or did not say it, but he certainly uttered a very unfriendly expression.

"What happened, following that, is that lower level officials understood that there is a new and hostile atmosphere toward Israel. From there it was very easy for them to arrive at the conclusion that what the bosses want to see now is 'a hunting season,' with Israel serving as the target. In my opinion, the bosses did not intend that, certainly not at this intensity. Bush and Baker certainly thought that at any given moment they would have control over what happens. But this is a mistake: when you let spirits like that out of the bottle, no one can control them.

"I will give you an example: I do not believe for a moment that Baker called the controller of the State Department, Sherman Funk, and said to him, 'Listen, start dealing now with the Israeli infringements of the export law.' That is not Baker's style, and by the way—he is in no way Funk's boss (according to American law, the controller of the department is directly subordinate to the Congress, and not to his minister).

"But in the past, in Reagan's days, if someone learned that Funk was handling this matter, he would within a day receive a telephone call from someone senior to him, who would explain to him unequivocally that he had better drop such a subject. Now that does not happen, and consequently, many individuals who have accounts to settle with Israel or with Israeli companies found in Funk a channel for handling complaints that had accumulated with them.

"Richard Clark, Baker's assistant for military-diplomatic affairs, who will soon be transferred from his position, also is one of those who did not understand the change. In the past, when Clark blocked the handling of Israeli infringements of the export law, he was carrying out the desires of his superiors. Now, when he did exactly the same thing, it is costing him dearly."

Larry Kohler, the senior correspondent of the Jewish community weekly in the capital of the U.S., WASHINGTON JEWISH WEEK, is the only journalist who has interviewed Funk so far. It turned out that when Baker learned of the publication of the interview, he called Funk in and "let him have it" with terrible harshness. In this manner the theory putting Baker behind the leaking of the controller's report was destroyed.

Kohler says that in Reagan's days, every official knew that Israel had the status of "a protected species," and whoever leaked against her was taking a risk. "I, as the journalist of a small weekly, do not rate being among the first ones who receive 'fat' leaks from the administration," he says with a

smile. "But there is an interesting phenomenon: in the past, I almost could not receive a leak from Jews that was liable to damage Israel. Today, it is different."

The different climate that has been created towards Israel has caused every story—as imaginary and without foundation as it may be—to be accepted credulously, while the Israeli denials are received with suspicion.

Dov Zackheim, formerly a senior assistant of the secretary of defense (the man who notified Israel that the United States had decided to stop supporting the Lavie project), and today a successful private consultant, gives as an example of that Evans and Novak story about the theft, as it were, of the "[?]."

"Why, it is a tall tale, just chatter," Zackheim said angrily (in excellent Hebrew). "The '[?]' is a development of the Israeli 'Popeye.' This is known and appears in official American publications. Evans and Novak, of course, know nothing about missiles. Someone exploited their ignorance in order to sell them a story like that."

This cannot be said of Ed Pound, the investigative reporter of the WALL STREET JOURNAL, who published the story of the State Department report. Pound, age 48, has an excellent reputation in Washington. Years ago, he was the man who broke the affair of the corruption of Senator Herman Talmadge of Washington state and put an end to his political career. In recent years, he has specialized in investigating technological subjects. Not long ago, he published a story that greatly embarrassed the administration about the transfer of sensitive technology to Iraq, not long before the Gulf War.

"I worked at least six weeks on the story of the report," Pound told us. "It was very difficult work. Believe me—no one contacted me, no one volunteered information. It was very difficult investigative work.

"I understand the sensitivity in Israel. Certainly I am aware of the fact that there they think someone exploited me and fed me information in order to damage relations. I heard, for example, the supposition that the story was leaked to me in order to embarrass the Israeli minister of defense when he arrived in the United States. That is just talk—I didn't even know that Arens was coming."

Persons acquainted with the subject tend to agree with Pound. "From most respects," said a senior Israeli source, "Funk's report is much more serious for us than the story about the Patriot. The report is based on documents and findings, which in the best circumstances are difficult to explain. We may come out of this without official sanctions, but it is clear that there will be damage to the Israeli defense industry.

"In contrast, the story of the Patriot is without foundation. When Ambassador Shoval sent the story to Israel, the order was given to examine it in the most thorough fashion. It is completely clear to us that even if information reached the Chinese—and that is still not certain, even though there are signs of it—it was not from us. But in Congress and in the consciousness of the public, the story of the Patriot will leave a very bitter residue, which will be difficult to get rid

of. Even if the American investigating team soon to arrive in Israel clears us of guilt, there will be those who will say that this stems from a lack of evidence."

Will the administration try in the near future to take measures that will improve the tense atmosphere?

Most of our interlocutors are very pessimistic on this subject. In their opinion, if any gesture is made, it will be symbolic, like the visit of Bush, Baker, and Scowcroft to the Israeli embassy, in order to sign the book of mourning for Begin of blessed memory. There is nothing to say about more serious steps, certainly not before the elections in Israel.

"I would be very careful about defining the present situation as a 'rift'", says Dov Zackheim. "There were conflicts in the past, and there will be more. I tell my friends in Israel that they must understand that Reagan's approach was extraordinary. Bush is walking in the footsteps of Eisenhower, Johnson, Nixon, and Carter. Reagan served for eight years, and during his period the relations were really wonderful, and that led many Israelis to forget the past.

"For we are talking about two different countries, whose interests cannot by necessity be identical. All of this is understood and accepted, but I am very sorry—and I say this as a Republican activist—that the administration erred in the manner in which it is trying to implement its legitimate policy. One result is the gulf that has been created between it and the Jewish community in the United States. It did not do it maliciously, but it happened."

So all in all, it appears that there is no conspiracy in Washington aimed at vilifying Israel. But the problem is much more serious. It is possible to cope with calumnies and slanders. It is much more difficult to cope with different weltanschauungs, with new strategies, in which Israel has no place, or a marginal role.

The challenge for the Israeli leadership—they agree here—is to cope with the new reality. Up to now, most unfortunately, it has failed in this in a disgraceful manner.

Arms Sales Concerns Said Behind 'Patriot' Report

92AE0271A Tel Aviv HA'ARETZ in Hebrew
16 Mar 92 p B1

[Article by Ze'ev Schiff: "All the Means for Getting Rid of Competitors"]

[Text] Israel is not always the epitome of righteousness when it involves its relations with the United States. A good example is the Jonathan Pollard espionage affair, which is causing us continued damage. Nonetheless, the claim implied by the well orchestrated general offensive that began last week in the United States, whereby the ungrateful Jewish state is capable of anything, is by no means acceptable.

Behold, the Americans provided Israel with an important weapons system, Patriot missiles, in order to defend itself against the Iraqi Scuds during the last war, and the Jews immediately sold the missile secrets to China. Greed is what

motivates Israel. It is not concerned whether the Chinese missiles will be able to overcome the U.S. defense system.

The diabolism implied toward Israel refers to its willingness to sell the Chinese technology that will improve ground-to-ground missiles that it is about to sell to Arab countries; these, of course, will overcome the Patriots that are also defending Israel.

This is truly a grave charge, and it must not be left pending. If, indeed, Israel committed such an act, selling secret Patriot technology, then Minister of Defense Moshe Arens must immediately submit his resignation, along with everyone who was involved in the affair. If, however, it turns out that this is a false charge, an apology is insufficient. Whoever submitted such a report to the highest levels in Washington and to the American public, even if he is the head of the CIA, must pack his bags and get out.

It is clear that an American intelligence report exists on this matter. Even before Arens departed for the United States, he was told by a senior American official that the report was based upon credible sources. Even prior to that, the claim was presented to the ambassador, Zalman Shoval. It was known in Israel that publication of the story was imminent. It was written in the intelligence report that the Chinese had obtained secret information about the Patriot technology, perhaps even the missile, itself. An accusatory finger is pointed at Israel.

The fact that this refers to a report by U.S. intelligence need not cause our knees to shake. We recently have seen a few of their incredible mistakes. I know that even within the U.S. Administration there are those who doubt the credibility of the sources upon which the report is based. Particularly on the matter of the Patriot, there is little difficulty in examining the charge. Israel has a very small number of Patriot batteries. It is no problem to open up the system and see whether any attempt has been made to penetrate the black boxes, in order to decipher the secret technology. Experts tell me that such deciphering requires a tremendous investment by many people, expensive equipment, and a long period of time, between one and two years.

The charge with regard to the sale of the Arrow missile technology which, incidentally, is Israeli and not American, as the WALL STREET JOURNAL wrote, will also turn out to be false. The other charges raised by the WALL STREET JOURNAL are another matter. In an article that was published last weekend, there is a mixture of a few true things and stories from ten years ago or more, together with strange errors indicating that the writers are not familiar with the Israeli defense industries—for example, that Israel sold ground-to-air missile technology, while it does not manufacture these missiles at all. Or the old, repetitive story about the cluster bombs, 400 in number, that Dayan spoke of 13 years ago as minister of foreign affairs. Even when Israel was charged with employing the American cluster bombs in contravention of the law, did it not occur to them that Israel, like other industrial countries, including Chile, had been capable of manufacturing 'made in Israel' cluster bombs for years?

The claim that Israel sold the Python 3 missile to China has been repeated for years. In the past, the American claim was that, by so doing, we were upsetting the delicate balance of power between China and Taiwan. Today, the claim is that this is none other but the U.S. AIM.9L missile. The similarity is like that between a successful Japanese car and a more expensive American car. The diameter and fuse of the Israeli missile are different, as are its other stabilizers. Experts say that it was operational approximately one year before the model that they are now claiming Israel copied. In any case, we received the AIM.9L after we had the Python, which was manufactured by Rafael. I do not know whether it, like other equipment, contains American components, screws, or detectors, etc.... The question is whether it is prohibited to sell these components freely on the market, anywhere.

The Americans voiced a similar claim against Israel with regard to the Shafir-2 missile, following its success in the Yom Kippur War. They then purchased two missiles [and] disassembled them, at which point their claims changed. It can be revealed that several American industries are now courting Israel, in order to receive technological information from it.

There are true details in this story, as well, but these do not justify such a general offensive, unless a special reason lies behind it. Why is Israel, of all countries, the recipient of special status, even though the report, which was prepared at the State Department, refers to other countries? The economic reason fits in well with the political tension and the turbid relations among leaders from both sides.

The U.S. defense industry, which is encountering severe limitation of its markets, wants not only to sell as much as possible to the Arab countries, but to remove any competitor, small as it may be, from its path. It is finding easy accomplices within the administration, and all means are appropriate toward this end.

Columist Questions Fidelity, Integrity of U.S.

92AE0275C Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 20 Mar 92 p 12

[Article by Hayim Hefer: "Troubles From Friends"]

[Text] Troubles that come from friends hurt the most. And among us, if any trouble hides anywhere—do not worry, the government will find it and find it fast. And immediately, with great pride and before all the world, will even gloat: Great! We have a problem! But we will never relinquish [it]! For if we have no troubles that crumble body and soul, how will we be able to prove to the people of Israel that we stand upright?

Let us make no mistake. Our friends' intentions are not always pure. Sometimes, behind the pats on the shoulder, they hide dark thoughts. And there are betrayals—like the benevolent expression of President Bush that the king of Jordan, of all persons, received. The same ruler who supported openly, and still supports secretly, Saddam Husayn. And let us not forget the international coalition that defended democracy in Kuwait. When from the taste of life of the Free World bursts forth the fragrance of petroleum.

And recently, we have even experienced some slaps and blows, when hidden secrets from the bedroom suddenly crawled out. But—whoever is disgusted by this friendship of the administration in Washington, should try the handshakes of England, or the embraces of France. Thus, we have learned again, for the umpteenth time, that we, the state of the Jews, not only find it difficult to choose our enemies, but we are also limited in the choice of our friends.

And since that is the case, since this is nevertheless our only friend, the smart thing is to be careful not to lose it over some hill in Samaria, or under some tree in Judaea. Because there are times when precisely the supporting side, the considerate and tender side, is that which gives the beggar the coat and the shoe and, to the hungry one—the bread from the kitchen. And if Minister of Defense Moshe Arens, says to the Americans, with enthusiasm and exultation, that, "We will forego the guarantees, but we will not give up settlement!" There is only one answer to all that empty exultation:—Sir, you have not yet searched for food in the trashcans.

Problems in the Economy

A scandal! Did you hear, Mr. Minister of Finance? Do you understand? Do you grasp it? Suddenly, it has been discovered that there is an overdraft for the men of the administration, the senators, the congressmen! One of the important senators trembled and admitted and made an announcement that he had paid his handyman with a check on account of his next salary! And the Secretary of Defense, Mr. Cheney, stood before the people, **on television**, and said openly that he had 17 (!) checks without sufficient funds! That is, in fact, he had credit at the bank and they would lend him money, if it were necessary. But he did not have a cent in that account on that date! Had I only seen the faces of all those important persons, separately and together, the embarrassed eyes, the pallor, the disgrace, the fear. All America laughed: here, here they are making secret withdrawals! A television comic mocked: I am not a senator, so I do not have any overdrafts... Even President Bush, who grasped what damage he had suffered, tried to joke that even he did not know the state of his checking account. In short, Mr. Minister of Finance, that is how the Americans are tripping over themselves and going from mishap to mishap. And it is no wonder that the dollar is falling and that their economy has problems. And were I in your place, I would be very careful not to make mistakes. Because to me, in any event, it is clear and I tell you openly: from a bunch that has an overdraft I, for example, do not take guarantees!

German, Japanese Nuclear Weapons Sales Possible

92AE0271B Tel Aviv HA'ARETZ in Hebrew
16 Mar 92 p B1

[Article by Eliahu Slepter: "Nuclear Disarray"]

[Text] The changes that have taken place in the relations of the powers in the Far East are also reflected in the arms race in the Middle East. Instead of remaining stagnate, it has

received a new push by the failure of the United States to defeat Saddam Husayn and to establish unchallenged hegemony for itself in the region.

North Korea's accelerated penetration of the arms markets in the Middle East is part of the new wave of the equipping of Asian countries with sophisticated weapons, particularly when Europe is entering the age of arms limitations. In many places in Asia, there is a feeling that Moscow's constraining hand with regard to regional arms races has disappeared, and Washington's hand has also weakened.

The terminal illness of the socialist economies, which caused the fall of the Communist regime and the demise of the Soviet Union, and which is now necessitating the renewal of the reforms in China, is also rocking the foundation of the regime in North Korea.

But North Korea is a special case even in terms of orthodox Communist regimes. On the background of Confucian obedience to the ruler and an isolationist tradition, President Kim Il-song instituted personal totalitarian rule, to the point that Ceausescu of Romania and Xhaga of Albania paled next to him. A new generation has also grown in North Korea, which has started to compare the miserable standard of living to the prosperity in South Korea.

Kim Il-song still views the south as the primary danger to his regime, and seeks to protect it with a combination of military deterrence and improving the standard of living with the profits of military export. To this end, he hopes to take advantage of the large investments in armaments development, offering advanced weapons technologies to third world countries, from Pakistan and Syria to Algeria. They were previously clients of the Soviet Union, and are interested in a new source of supply.

It is rather clear that the White House and the State Department were not interested in stopping the ship that transported missiles to Iran and Syria. This could be heard in the responses of the Pentagon spokesman even before the Da Hong Ho [unclear, apparently the name of the ship] reached the straits of Hormuz. The legal fact that the U.S. Navy has a mandate from the United Nations to prevent the passage of ships carrying prohibited cargo to Iraq, alone, was the less important reason for Washington's position. The more important reason was that the White House and the State Department are afraid to anger the North Korean Government, which they hope to convince not to complete the development of the nuclear bomb.

The placating line of the White House was reflected in the controversy on this matter between State Department representatives and the CIA before the Foreign Relations Committee of the U.S. House of Representatives. The head of the CIA, Robert Gates, reported that within several months, North Korea will be capable of manufacturing a nuclear bomb. The representatives of the foreign ministry claimed that "there is no sufficient, firm evidence of this," and that North Korea needs another few years in order to manufacture a bomb.

The State Department is likely to repeat the bad mistake that it made with regard to Baghdad's intentions and

nuclear capability. It seems that Baker and his aides again think that pleasant words will stop a ruler who sees the "ultimate weapon" within his reach.

Last weekend, the Foreign Relations Committee of the U.S. House of Representatives was informed that P'yongyang has completed the development of a new missile with a range of 1,000 kilometers, capable of carrying a nuclear warhead with the power of half of the Hiroshima bomb. It has already offered the new missile to several Arab countries. All of Japan's major cities will be within the range of a missile stationed in North Korea. The cities of Greece, Italy, Spain, Portugal, and southern France will be within the range of missiles of this type, should they be stationed in northern Africa. Cairo will also be within the range of missiles from Syrian territory.

The new Korean missile—and the indifference of the State Department in light of the missile sales—is likely to create a new push in nuclear armament. This may strengthen the circles in Bonn and Tokyo that claim that in an age of nuclear bombs for whoever hungers for them, Germany and Japan must also consider amending the principle of not equipping themselves with nuclear arms.

INTERNAL AFFAIRS

Analysis of Islamic Activity in Gaza

92AE0260A Tel Aviv HA'ARETZ in Hebrew
2 Mar 92 p B2

[Article by 'A. Haas: "Repression That Forces Itself on Others"]

[Text] Twenty-five people crowded next to the gate of the military court on the Gaza coast. All of them were summoned for 0830, but it was already 0930. The judge and plaintiff had not yet arrived, and the accused and their lawyers awaited them outside on that cold morning in January. Another one of these delays which characterizes the contact with the authorities in the Gaza strip.

When it began to drizzle, those waiting stood under the awning across from the gate, and while they were stamping their feet to warm themselves, one of the lawyers distributed small pages on which Koran verses were printed. They spent the next half-hour in prayer, until the soldiers called their names. If the lawyer cannot help, someone let slip, perhaps Allah can help.

This vignette of a typical morning can be regarded as proof of the power of religion. And it is also possible—as a few have done—to regard the failure of the religious in the elections for the committee of the attorneys' bureau the day before yesterday and to interpret it as a victory of the nationalists over Hamas. But, in Gaza, they agree that the entire election system that recently took place does not reflect the power and position of the religious-Muslim camp in the Gaza strip. Only general and representational elections can reveal its proportion among the population, say the religious and their opponents unanimously.

According to the system of elections in the attorneys' bureau, for example, each candidate vies for a particular

position: bureau head, deputy, etc. Whoever is not elected, even if it is because of a small difference in votes, will not be on the committee, and, thus, his slate will not be represented. But, in any event, not every candidate necessarily identifies one hundred percent with the ideological tone of his slate.

Joining the national slate or electing one of its candidates, for example, does not always indicate support for the Fatah. In the election campaign for the bureau, they say in Gaza, thoughts about the desirability and will to be close to the prestigious platter of the delegation for negotiations (the elected chairman, attorney Furayh Abu-Midyan, is a member of the delegation) were not lacking.

And on the other hand, in every association there are, among those elected to the religious slate and its candidates, people who are close to the mainstream of the PLO, when speaking of a solution to the Israeli-Palestinian conflict. Thus is the situation in the attorneys' bureau, in the doctors' association, and even in the engineers' association, in which the religious bloc is more consolidated, and which won almost 40 percent of the votes.

But, these facts did not prevent the publication of congratulatory announcements after the victory of the Islamic slate in the engineers' association. These congratulations in the Palestinian newspapers teach us something about technique: PR is productive and vigor is an important component in reinforcing the impression of religious power. An impression that contributes, on its part, to the appeal of religion.

An example of energy that also forces itself on others is the call of the muezzins from the minarets. In the last decade, the power of the loudspeakers installed in them has greatly increased, so much so that some people have considered making a complaint. But, in the end, they were discouraged from the idea. To which authorities could they turn, and which municipal by-law would they ask to be applied here? They would not appeal to the Israeli occupation authorities to interfere in a conflict between the religious and secularists.

Starting at the end of the 1970's—they keep mentioning in Gaza—the religious fundamentalists, organized within the framework of the Muslim Brothers, began to gather strength thanks to the almost free hand given to them by the authorities.

A persistent rumor tells of a government official who allowed them to bring firearms into the Gaza strip in order to work against the "communists" (a synonym to them for anyone who is secular and "western" in lifestyle). The number of those arrested among them was relatively low in comparison to the arrested PLO men.

Before the uprising, they claim against them in Gaza, it was easier for the religious than for others to bring in foreign currency. They transferred the funds to their nursery schools, charitable organizations, and the Islamic university, and thus, they succeeded in creating centers of income and profit that increased their social appeal. A free hand was also given to them in the construction of additional mosques

during a period when all public and private construction was subject to endless restrictions.

And, indeed, until the intifadah, the heads of the fundamentalist camp declared that their goal was the Islamization of life and the struggle against "communists." In other words: postponing the struggle against the occupation to a later phase.

At this point the Islamic Jihad organization split from them, for they put armed struggle against occupation before the Islamization of society, and for these reasons they left the Muslim Brothers even before the intifadah.

Only with the outbreak of the uprising did the fundamentalist leaders decide to enlist themselves in the "national struggle" and to establish Hamas—the Islamic Opposition Movement. They saw, with concern, that the intifadah proclamations did not include them among the signatories. When it became apparent to them that the uprising was not a passing phenomenon, as they thought at first, they understood that their lack of participation would lead to their losing a hold in society.

In the early phases of its existence, Hamas turned to tactics of attacks on Israelis, in a period when the intifadah was declared an unarmed civil rebellion. There are those who interpret this as another way for the movement and its people to prove their "validity."

All of these circumstantial explanations for the consolidation of power by the religious do not disregard the authentic appeal that there is in our era for religion, and not only for the street, and it is expressed by the flow of worshippers to mosques and a stricter adherence to religious commandments than in the past.

But, it is primarily felt through the press of constraints being imposed on women, starting with traditional dress and veils, and ending with the rigid laws of social segregation between women and men, even inside their homes, and with real and mental obstacles placed in the way of women interested in working outside the home.

At the start of the intifadah, the national bloc joined the Muslims—and many of the Fatah supporters are traditionalists—and the Leftist-secularist factions, in a call to give external signs of the uprising: not only the cessation of festivities and various social activities, but also a return to the establishment of traditional customs that would demonstrate solidarity. Today they acknowledge the destructive results that this "national unity" created: for from the point of view of freedom of movement, women's work and studies, and the existence of a lifestyle of their choosing, a relatively serious regression back to the '60's and '70's has begun. Not surprisingly, during the weeks of hope that accompanied the Madrid conference, more women appeared who innocently went out into the street—not only for shopping—and some even dared to come outside without a veil and without fearing the schemes of the youths, as has occurred more than once. With hope fading, the boldness of the women has also diminished.

But, also, if going to mosques and strict adherence to a religious way of life demonstrates a real need for religious messages, in Gaza they do not forget that the mosques are essentially the only place "legally" left to socialize with friends. Since December 1987, various social and youth clubs have been closed by order of the authorities; sports teams have voluntarily suspended activities, and the constant nightly curfew does not make the existence of a social life possible. Soccer games before the intifadah drew crowds of thousands of spectators. And now, a couple of months ago, the soccer teams began to renew the games, and again, on fair Fridays and Saturdays, crowds of enthusiastic spectators who gave up going to the mosque, can be found at the fields.

There are also those who have localized the weakening strength of Hamas in a number of its traditional strongholds, for example, in the al-Nusayrat refugee camp and in Khan Yunus. With no elections, the weakening or strengthening of the religious-militants, usually Hamas supporters, is evaluated by their ability to impose fear upon others without having a great number of opponents confronting them.

As is well known, a number of the bans determined by the uprising have faltered, and many stores are open until curfew time, 2000. In a few neighborhoods, Hamas men force—by threats or fights—store owners to close them in the afternoon. And thus, it is possible to estimate the strength of Hamas in one area or another in accordance with the number of stores that are closed or open. A month ago, a group of Hamas men left one of the mosques in al-Nusayrat and "invaded" the Suwarah quarter of the camp, imposed a "curfew," and raided the homes of the secular opposition from the Popular Front in order to beat them up. Hundreds of refugees then gathered for open confrontation with them.

Hamas men build on the fact that failure—which is certain in their estimation—of negotiation attempts with Israel will strengthen their power and will turn more supporters over to them who are disappointed with the course and solutions of the "national bloc." They hope that the disappointment with European countries for their lack of help with the Palestinian matter will strengthen antiwestern sentiments and, at the same time, dependence on Islam.

From time to time, the Hamas men concentrate their opposition on the "western agents in Gaza," primarily cultural centers of European consulates, and attempt, usually unsuccessfully, to forbid participation in clubs that are maintained in those centers, which are open to members of both sexes together.

A few months ago, belligerent slogans from Hamas appeared on the walls against the cultural centers of the French and British consulates. Those looking with a sharp eye noticed that similar slogans did not appear against the American equivalent of these two centers, the Amideast organization, which is financed by a semiofficial government foundation.

In Gaza, they are not surprised. That same foundation annually funds, with great generosity, the studies of a number of the teaching staff of the Islamic University in the

United States. The university, whose standards are maligned in Gaza and is not recognized on the West Bank as a university, is nevertheless, a fortress of strength for Hamas and its insurance card for a firm standing among the population, for it is the only institute of higher learning in the Gaza strip.

Even those who agree to assess the strength of the fundamentalists and place it within the limits of 30 percent of the general population emphasize, if that is the case, not only ideological motives, conceptual consolidation, and consistency characterize their support.

With God, Without Intermediaries

Q.'A. is one of the representatives of the Islamic slate elected to one of the associations in Gaza. In the past, he identified with the Left in the PLO; in recent years he has changed. However, he does not connect himself with Hamas.

[HA'ARETZ] How did your change begin?

[Q.'A.] In a consumer society, people look for an external, materialistic expression of happiness. One looks at the other and is jealous of his wealth. I wanted to find a moral way to feel happy. To be satisfied with what I had.

[HA'ARETZ] And is this how you explain the strengthening of the religious in the Gaza strip?

[Q.'A.] I do not want to differentiate between our people. All of them are Muslim, even if they do not pray, like me, five times a day.

[HA'ARETZ] But the power of religion has become stronger in recent years.

[Q.'A.] To my joy. People are searching for a more moral path, as our religion suggests to us. But there are also those who come out of ignorance. I feel that I have a direct connection with God. Without intermediaries. I pray five times a day and feel happy.

[HA'ARETZ] If so, the Israeli authorities are certainly also happy with you. That you are satisfied with what you have. That the occupation does not spoil your happiness.

[Q.'A.] That is your job, the Israelis, to fight for the occupation. But, it is understood that I want to live in an independent Palestinian state.

[HA'ARETZ] They say that the authorities give a freer hand to the religious.

[Q.'A.] Perhaps. I do not know. Perhaps they think that in this way it is possible to balance out their deeds.

[HA'ARETZ] Your change is not connected to disappointment with the intifadah?

[Q.'A.] A return to Islam is occurring throughout the world. Look at what is happening in the Muslim republics of the former Soviet Union.

[HA'ARETZ] Changes that you greet.

[Q.'A.] Certainly. The communist system goes against human nature, because it went against private property.

[HA'ARETZ] And what is the difference between you and Hamas; why do you not belong to Hamas?

[Q.'A.] Because whoever talks about Islamization of our society or of Israel, a Jewish state, is talking about the impossible.

A Factory for Men

Excerpt from the convention of the Islamic-Palestinian opposition movement (18 August 1988):

"The Islamic Opposition Movement is an exclusive Palestinian movement whose loyalty is given to Allah, its lifestyle is Islam, and it strives to fly the flag of Allah over every centimeter of the land of Palestine. Members of all religions can live side by side, in the shadow of Islam, with confidence for their souls, their possessions and their rights.

"The Islamic Opposition Movement is one of the links of the jihad in opposition to the Zionist invasion...as the Prophet said: 'We will not settle on our lees until the Muslims rise, fight the Jews, and kill them....'

"The Islamic Opposition Movement has found itself in a period in which Islam is not the foundation for a way of life. Therefore, the equilibrium has been shattered, understanding has been shattered, the Arabs have changed, wickedness and evil have reigned. Cowards raised their heads, residents were driven away....

"...The jihad and the opposition to the enemy are becoming a religious duty imposed on every male and female Muslim. A woman can go out and kill him without the permission of her husband, as can the servant, without the permission of his master.

"The initiatives, or what are termed peace solutions, and the international conferences for a solution to the Palestinian problem are in contradiction to the doctrine of the Islamic Opposition Movement.

"There is a role for the Muslim woman in the liberation procedure, which is not inferior to the role of the man, for, behold, she is a factory for the production of men, and her role is decisive in directing the generations and in their education. The enemies have understood the role of the Muslim woman well, and they think that they can divert her development far away from Islam through educational systems and Zionist organizations, such as rotary clubs. They have significant financial means that enable them to achieve the Zionist goals and to develop manifestos for purposes that serve the enemy. These organizations operate in the absence of Islam in the arena. On the day that Islam governs the course of life, these institutions will be ruined, for they are hostile to humanity and Islam.

"The woman in the house of a fighter of a holy war—mother or daughter—has an important role in the care of the home, in raising the children with moral values taken from Islam, and in educating her children in the fulfillment of the religious obligations as a preparation for the holy war role that they are said to fulfill...she must be discerning and able to manage the household with intelligence.

"The enemies have amassed abundant wealth and much property with the goal of realizing their dream. Through their wealth, they have controlled the international media. Through their wealth, they have instigated revolutions throughout the world in order to realize their interests. They are behind the French revolution, the communist revolution, and most of the revolutions that we hear of in the news from time to time...."

Al-Asad, Jewish Leaders Meeting Reportedly Propaganda

TA1504171092 Tel Aviv YEDI'OT AHARONOT in Hebrew 15 Apr 92 p 11

[Text] According to Yosef Kalash, secretary of the Syrian Jewry Association in Israel: "The meeting that the heads of the Jewish community in Syria held with President al-Asad at his palace was Syrian propaganda." Kalash said that there has been no change in the situation of the Jews in Syria.

Yesterday, Kalash said that there has been a custom in Syria—for 50 years—by which delegations from all Syrian communities come to congratulate the president after his election. "I, too, participated in delegations such as these in the 1940's," Kalash said.

Kalash said: "There has been no change in the difficult situation of the Jewish community, which today numbers about 4,500 people. Nowhere in the world is there a community that has been living in quarantine for 45 years already. The Syrian authorities blatantly violate the Geneva Convention on the protection of human rights—which Syria has signed. The human rights of the Jews in Syria are not safeguarded.

Religious Figures Call For Jihad for Jerusalem

TA1504085292 Tel Aviv HADASHOT in Hebrew 15 Apr 92 p 8

[Text] Prominent religious figures in Saudi Arabia have called for the beginning of a holy war against Israel in order to liberate Jerusalem and the al-Aqsa mosque. The call for Jihad was publicized in the Saudi daily AL-MADINAH, in an article marking the holiday month of Ramadan. The religious sages drew the inspiration for their declaration from the conquest of the prophet Muhammad—a conquest that took place in the month of Ramadan, in the year 630. "The conquest took place in the month of Ramadan," the sages said, "which must cause us to reexamine the conquest of Jerusalem and the return of our Islamic holy places being held in captivity."

They also noted that the liberation of the al-Aqsa mosque is not an impossible operation—if there are sincere intentions, the Muslims will unite, their decision will be resolute, and they will abandon the divisions and internal conflicts between them. Shaykh 'Abdullah al-'Aql, Deputy Secretary-General of the Supreme World Council of Mosques, emphasized that the liberation of al-Aqsa is precious to Allah—only if the intentions are sincere and if there is a determined decision. "The month of Ramadan has been and will always be a month of Islamic conquests, such as the conquests of Mecca, Hittin, and 'Ayn Jalut ('En Harod of today). We

hope that these will be the beginnings that will push the Muslims to stand against the enemies of Islam, the killers of the prophets, and the burglars of Palestine."

MK Begin on Rabin, Levi, Arabs

92AE0290A Tel Aviv HA'ARETZ in Hebrew
25 Mar 92 p B2

[Interview with MK Beni Begin by 'Urit Galili; place and date not given: "I Am Not Going To Put My Neck on the Chopping Block"]

[Text] [Galili] Will you, at some point, resolve for us the unexplained mysteries regarding your father? For example, why did he close himself off for eight years?

[Begin] I do not know.

[Galili] Would you be ready to do that now?

[Begin] No. As a matter of principle I do not think that everything a person knows has to be open to everyone. There are people who know a whole lot of things, but they do not make everything public knowledge.

[Galili] In his last days, did your father try to pass on anything through you that would be of interest to the public?

[Begin] Had he wanted say something in public, he would have said it. I will not give you details of personal conversations.

[Galili] Does a leader, as you have pretensions to be, have the responsibility, in your opinion, to share what he knows with the country?

[Begin] Leaders have to share the information they have as they understand it. In this connection I want to say that I have never kept a diary, I do not keep one now, I do not keep notes and I do not intend to write an autobiography.

[Galili] As a candidate for Prime Minister you favor the most radical approach with regard to not exposing the family. Your father involved your mother in everything. She was also always by his side in pictures. Your wife Ruti was hidden even at the funeral.

[Begin] The fact you mentioned is true. I try to expose them as little as possible. But my children are free, my wife is free, and they do as they see fit. If someone wants, as, for example, a presidential candidate in America, to have his wife clap her hands at every pearl that escapes his mouth, then let him. No one knows Sonia Peres either, nor Muriel Arens. I am not the only one.

[Galili] In the explanations you were able to supply after the death of your father, were you able to assuage the anger that some of the people felt toward him. Is that not important to you?

[Begin] No.

[Galili] Does not anger, as a destructive feeling, frighten you?

[Begin] Anger is a part of the world, a part of life, a natural part of us. I would not want, for example, to get into an argument with grieving families.

[Galili] There are those who say you are out of touch.

[Begin] I do not know if those who say I am out of touch are themselves in touch with the people. But is a person who gets up in the morning, goes to the grocery store, sends his kids to school, hangs out the laundry, rides the bus to the Knesset, goes shopping once or twice a week in the Mahane Yehuda market, leaves his basket with the fishmonger, and goes to the adjoining synagogue for his afternoon prayers with the laborers—can such a person be called out of touch? What exactly do they mean?

[Galili] When people listen to your political arguments, there is the impression that an awful lot of your energy is directed at exposing the intentions of the Arabs? What are your dreams and aspirations?

[Begin] Our dreams can be summed up in two or three lines. We want peace, we crave peace. We want to raise our children in an unthreatened society. Nothing has to be made up here. But would that I could see only the positive things. I see a part of my job as being the exposure to the international community and also among our own community, the fact that there is a significant amount of delusion and error with regard to what the Arabs want. I have to set forth reality as it is.

[Galili] So, therefore, you constantly lie in ambush for radical pronouncements on the part of the Arabs and use terrorist strikes to show in your articles why it is impossible to get anywhere with the enemy?

[Begin] I do not have to lie in ambush. But it is important that we be sharp. Sometimes you have to invest labor in getting rid of rubbish, in exposing the Arab threat. I would be happy were it possible to do otherwise, but when they accuse Israel of not doing enough for peace, I have to reply.

[Galili] Is Israel doing enough?

[Begin] In my estimation we are doing everything we can to reach an agreement that will not endanger the State of Israel. We are extending our hand but are also standing firm. But is reality nice? It is not nice. We could not do more than we have done, and what we have done has not borne fruit as we had hoped. Likud is contributing to the advancement of peace by demonstrating firmness, as well. Unfortunately, the Arabs came to the negotiations only after their hopes were shattered. But even when someone's hopes are shattered, a whole lot of work is still needed. Besides that, even my friends on the radical left do not talk about an agreement at any price.

[Galili] Maybe they are talking about preventing war at any price?

[Begin] Knowledge of where we live is a necessary precondition that allows us to defend ourselves, and, therefore, the people who are in charge of that have to prepare for war. Whoever does not want to prepare for war should take the next boat out to Iceland.

[Galili] Would you support retaliation for the latest strikes?

[Begin] We must do everything possible to prevent the terrorists from hitting the Jews. That means continuous

intelligence activity to frustrate them, and it also means an active response because we cannot make do with just defense. They are constantly plotting, and any time is the right time for antiterrorist action.

[Galili] By your description the people of Israel must occupy themselves nonstop with the issue of how to defend themselves.

[Begin] Not all the energy has to be channeled into the question of self-defense. Despite the existing threat and the wars, we are succeeding in directing our energy to social and spiritual issues, as well.

If I am now 40 years old, then we have accomplished something splendid. We have defended ourselves. We have built a society. We have built an economy within our limitations. What more do I have to do for things to be good? I am not ready to place my head on the chopping block when I know who holds the ax.

[Galili] What is your vision of the next 40 years, during some of which you may be Prime Minister?

[Begin] It is my desire that in 40 years or in 10 we will see a flourishing State of Israel, living in peace with its neighbors. That desire is so clear that I do not have to waste words on it.

[Galili] What is your opinion of Yitzhaq Rabin's assertion that he could get an autonomy agreement in six months?

[Begin] There certainly has to be a balance between dreams and illusions. Knowing that it takes two to tango, I do not understand how he came to that conclusion. If I may make an analysis, then either it is an illusion or he is prepared to give up a great deal, indeed, in order to get an agreement. Our perception of reality will prove to be more correct than theirs.

[Galili] Were you to become Prime Minister on 23 June, what would you do right away on the political issue?

[Begin] I prefer not to answer that question.

[Galili] You presented your candidacy, after all, and in the kind of political ferment we have here, that kind of situation is also possible.

[Begin] Even in crazy politics I try to be levelheaded. On 24 June we can assume that I will be a member of the Knesset, and I will recommend to the Likud Government that we continue on the course we have been taking to reach an interim agreement in accordance with Camp David. Likewise, we will continue the talks with Jordan and Syria to reach a peace treaty with them. By way of a forecast, that is not bad at all. That would be great progress. After the elections I will support a unity government because I think it very important for the public here in Israel and abroad to feel that there is a joint policy on the hard issues. Because we have not yet applied the Camp David agreements, it is preferable that the negotiations be conducted by one broad constituency. That way it will be impossible to drive a wedge into the Israeli public.

[Galili] Does your insistence on the Camp David agreements imply that as a candidate for Prime Minister you are not offering the people of Israel anything new? Is that your father's heritage?

[Begin] You do not always need something new. I had good sources from which to learn. The policy is solid and I feel no need to be original. Maybe that is one of my limitations, but when I announced my candidacy early I explained, among other things, that I wanted the public to scrutinize me and expose my limitations. I do not believe one has to get to be Prime Minister by stealth.

[Galili] When you went to calm the agitated Levi camp on the eve of the seventh rounds, did you do so as a candidate for Prime Minister?

[Begin] I came as a member. I have known some of the people for many years and appreciate some of them for maintaining the strength of the Likud movement. I am certainly not one of those who tend to forget things like that. I went because I thought I had to contribute with my presence in soothing passions and to signal that even from the camp known as Shamir-Arens, it was necessary to extend the hand. I think that my good intention was taken at face value, but in the end people on both sides got mad at me.

[Galili] Did the outbreak of emotion on the part of members of the Oriental community during your father's funeral surprise you?

[Begin] I would not attribute the warm attitude toward my father just to the Oriental community. What I can testify about myself is that during the last 30 years I have been surrounded by the love of a large portion of the public for him. In physical terms I could describe it by saying that I was thus in the middle, between him and the public, and in this middle, over the course of many years, there was a great outpouring of energy, of positive feelings, of love. And while I stood in the middle, a portion of that warmth also bathed me. Two weeks ago that phenomenon, which has persisted for a long time, was expressed in the course of a few hours. We in the family know that is the attitude.

[Galili] The pictures from the grave site clearly showed that it was the Orientals who expressed particular fervor.

[Begin] That may be. Every community has its own way of expressing grief and emotion. It may be that this was a particular mode of expression, but the basic feeling is common to all the communities.

[Galili] Are you comfortable that, as Benin Begin, you are using the mantles of warmth that were given to you because of your father?

[Begin] That is the situation. That mantle is very comfortable and heartwarming. My father is a part of it, and I cannot isolate out my part of it. I cannot make the separation. All that I have to do is not use that attitude toward me for bad purpose. And I am continually trying to do that.

Agudat Yisra'el Seeks To Absorb Degel Hatorah

92AE0290B Tel Aviv HA'ARETZ in Hebrew
22 Mar 92 p B3

[Article by Shahar 'Ilan: "Choosing Between Peace and Representation"]

[Text] After a prolonged absence, former MK [Knesset member] Shlomo Lorentz has returned to the Knesset corridors. That was last Monday, and the official reason was the memorial service for Begin. But Lorentz used the opportunity to tell about progress in the unification talks between Agudat Yisra'el and Degel Hatorah and that he was optimistic.

Clearly there was a foundation for that optimism. That same Monday the two senior rabbis in Agudat Yisra'el, the Admor from Vizhnitz, Rabbi Moshe Yehoshua Hagar and the brother of the Admor from Gur, Rabbi Pinhas Menahem Alter, announced that the agreement reached between Agudat Yisra'el and Degel Hatorah for unifying the Councils of Torah Sages of the two parties was acceptable to them and they were authorizing the continuation of contacts.

After the ideological problem of the unification of the Councils of Torah Sages was resolved, there remained the matter of honorary titles and positions, in this case, the division of seats on the list for the Knesset. But despite the progress, the road to peace is still long, and breakdowns are still expected along the way. On the Orthodox streets, the talk is not of contacts for unification, but contacts for peace.

People still remember the war that spread in the previous elections, accompanied by violence, mud-slinging, denunciations to the police and, what is worst of all in the eyes of the Orthodox, deprecation of the Torah Sages. Orthodox children, who are raised to believe that nothing is more important than honoring the Torah Sages, were harmed by the war between the parties, and, therefore, no Orthodox rabbi or politician will allow himself to express opposition to peace. Those who are opposed will pay lip service to unification of the camp but will try to throw a monkey wrench in the works by means of exaggerated demands. In Agudat Yisra'el there are many who speak of peace but really intend to eliminate Degel Hatorah and have the Lithuanians come crawling back to the Agudah fold.

It is estimated that the real strength of Agudat Yisra'el is about two and a half seats and that of Degel, about a seat and a half. The increase in the closing percentage has given Agudat Yisra'el a big advantage, and it can go to the Knesset alone, while for Degel Hatorah to go it alone would be an act of suicide. By the way, there are those in Agudat Yisra'el who want to forsake Degel Hatorah in the hope that it will fail in the elections and be wiped off the political map.

When the Agudat Yisra'el Council of Torah Sages decided to appoint a negotiating committee for unification of the two parties, it appeared to be an attempt to prove that it was doing everything for peace before deciding to go it alone for the elections. Contributing to that feeling was the ultimatum for full unification of the two parties, called for by almost all

members of the Council, while Degel Hatorah proclaimed that it would agree only to a technical bloc.

The Agudah Council sent a seven-man delegation to the negotiations—three rabbis and four party workers. The leader of Degel Hatorah, Rabbi 'Eli'ezer Menahem Shakh, sent just two rabbis and two party workers. The two sides took care not to appoint acting MK's, apparently out of the realization that the unification would reduce those MK's prospects of being included on the list, and, in general, their motivation was negative.

The discussions began four weeks ago. In the first two sessions the two sides reported a good atmosphere, which actually was a cover for the lack of any progress. It was actually the practical Agudah people who realized that full unification of the parties was not realistic in the three months remaining, and made do with the partial, but very symbolic, demand for the unification of the Councils of Torah Sages of the two parties.

From the Degel point of view, that is a problematic demand because the Agudah Council of Torah Sages brought in, after the split, many rabbis not from the senior echelon, and Rabbi Shakh does not want to be a member of such a Council. The Degel people suggested making do with the establishment of a coordinating committee between the two councils, which would be the faction's spiritual authority in the Knesset.

It was clear to both sides that the real test of the contacts was the question of Habad. A day before the second meeting of the Councils, Rabbi Shakh lectured at the Funivezh yeshiva in Bney Braq and proclaimed the Admor from Lubavitch, Rabbi Menahem Mendel Schneerson, to be a false messiah and abnormal. The next day a member of the Agudat Yisra'el council, Rabbi Avraham Ya'akov Fridman, protested the words of Rabbi Shakh, but the day before the third session of the Councils, Rabbi Shakh again attacked Habad. This time his words were interpreted as an attack on the institution of Hasidic conferences ("Tisches") in general and not only on Habad. In reaction, the Agudat Yisra'el rabbis decided to suspend the contacts. They even considered publicizing an announcement in support of Habad, which would have meant the collapse of the talks.

Instead of that, the presidency of the Agudat Yisra'el Council of Torah Sages decided to send a delegation, headed by Rabbi Pinhas Menahem Alter, to meetings with Rabbi Shakh and the Admor from Lubavitch. The main goal was to find out if the Lubavitcher Rabbi was prepared to again support the Agudat Yisra'el in the coming elections. In that case, the Agudah would remove the idea of unification from its agenda. What brought about a continuation of the peace talks was the illness of the Lubavitcher Rabbi. The planned meeting was frozen, and, for the sake of balance, so was the meeting with Rabbi Shakh. In the Agudah, the feeling is that active support by Habad in the elections is not practical today.

The illness of the Admor from Lubavitch also made it possible for the Agudah to lend support to Habad without angering Rabbi Shakh. In the Agudat Yisra'el newspaper,

HAMODIA, large ads were run every day calling on the Council of Torah Sages to pray for the health of the Lubavitcher Rabbi.

The suspension of contacts continued a week and a half. When the Agudat Yisra'el people returned to the discussions, they announced that the Admor from Vizhnitz was conditioning the continuation of contacts on the agreement by Degel Hatorah to a unification of the Councils of Torah Sages. This was the turning point in the contacts, when the Degel Hatorah people prevented a collapse by announcing that if the Councils would come to full agreement, Degel Hatorah would agree to unification of the Councils. They conditioned that on approval by the Degel Hatorah Council of Torah Sages. But it was clear to everyone that it was a formality, since two of the Degel leaders, Rabbi Shakh and the religious judge, Rabbi Yosef Shalom Eliashiv, concurred with that course of action.

It seems that what contributed to the success of the talks thus far was the true despair of the negotiating committees, which included mostly people who really want peace. The two salient figures in the contacts are the former MK's Avraham Shapira and Shlomo Lorentz, both of whom have good ties to both parties. Both of them returned to the political arena with the help of the unification issue. Lorentz apparently is not a candidate to return to the Knesset, and Shapira apparently promised his return, which is additional evidence of the desire of the Gur Hasidic rabbis for unification. Within Degel, the opposition to the talks has weakened somewhat. The main opponents are the deputy ministers Avraham Ravitz and Moshe Gafni, who understand that their prospects of being included on the unified list are relatively slight, and are apparently prepared to risk going it alone into the elections.

Ravitz says that he is for unification, but in the framework of a technical bloc because there is no prospect for full unification. On the other hand, in Agudat Yisra'el there are two hard-liners within the peace committee—the acting mayor of Bney Braq, Moshe Arenshteyn of the Gur Hasidim, and a member of the municipal administration of Bney Braq, Nisan Tzviv, of the 'Arloi Hasidim. Arenshteyn believes that Degel only wants a life line for the upcoming elections and afterward will continue to act separately. Nevertheless within Degel they claim that those two are making disparaging remarks, hinting that the Agudah is doing a favor for Degel in agreeing to accept them back.

Despite the progress, the contacts did not continue last week. The Degel people demanded that Rabbis Hagar and Alter announce whether the conclusion of the Councils of Torah Sages was acceptable to them. Last Monday the two answered positively, and a meeting of the Committees was set for Rabbi Fridman's house last Tuesday. But that very day the Rabbi was suddenly asked to fly to the funeral of an important Hasid in the U.S. Transferring the meeting to another location would have been interpreted as an insult to Fridman's honor, and therefore peace will wait a week. Then, one after another, there were the holidays of the Fast of Esther, Purim, Shushan Purim and the Sabbath. Today a member of the Degel Committee, Deputy Mayor of Jerusalem Uri Lupolianski, has a meeting of the City Council,

and tomorrow, Monday, the son of the secretary of the Agudat Yisra'el Council of Torah Sages, Rabbi Avishai Shtokhamer, celebrates his Bar Mitzvah. Against this backdrop, three marathon sessions are planned for Tuesday, Wednesday, and Thursday, since the conclusion of the talks was fixed for Sunday two weeks hence.

It seems that the matter of Habad will no longer be raised in the discussions. Degel has no intention of asking HAMODIA to stop publishing the Lubavitcher Rabbi's talks, and in the Agudah, apparently, they will not ask for a shutdown of the Degel journal YATED NE'EMAN. Nevertheless, there is a difference of opinions on the matter of the unification of the Council of Torah Sages. Degel agreed to unification on the supposition that the united Council, with about 25 members, would not succeed in functioning. Therefore Degel proposes establishing a cabinet of Torah Sages, to be called the Acting Committee, made up of Rabbis Hagar and Alter from Agudat Yisra'el and Rabbi Shakh and another rabbi from Degel—perhaps Shakh's intended successor, Rabbi Aharon Leib Shteynman. That would be the body that would actually lead the new party. The Agudah people, for their part, will ask for the establishment of clear rules for the frequency and activity of the Council of Torah Sages and for a way of making decisions within the Council.

There is also no certainty that they will agree to the appointment of an Acting Committee that does not include some of the members of the current presidency of their council. The Agudah will also ask for assurance of unified activity on the part of the faction in the Knesset for the entire duration of the coming term. This demand means that the Agudah wants to assure that the Lithuanian members of the Knesset will listen to the entire Council of Torah Sages and not just to Rabbi Shakh. It seems that the real difficulties will arise around the makeup of the list.

The Agudah today has four seats and the Degel, two. Against that background, the Agudah people are prepared to give Degel only two places in the first six: second place and the nonexistent fifth place. Degel claims that the real strength of Agudat Yisra'el, without the support of Habad, is two seats, and is asking for two spots in the first four. Alternatively, it is apparently prepared to make do with the fourth and seventh positions on the list, on condition that the Absorption Minister, Rabbi Yitzhaq Peretz, be added as an additional faction on the new list and be put in the number two spot.

Who will give in? Apparently Degel again. There is a hint of that in an article recently published by a representative of Degel in the negotiations, Shlomo Lorentz, who wrote that if he has to choose between peace and Orthodox representation in the Knesset, he will choose peace. Lorentz also claimed that half a seat here or there is no reason for war. A possible compromise: Degel will get the second and fifth spots, with a rotation agreement between the fourth and fifth positions.

The Degel people say that they will be ready for large concessions, so long as they do not feel disparagement and an attempt to swallow them up. They ask that Agudah

recognize the fact that the Lithuanian public has a different political path and outlook, and that has to be reflected in the unified party. Among other things, the Degel people are asking that the unified party have a new name in place of "Agudat Yisra'el."

'Kahane Hay' Party Seeks Knesset Seat

92AE0279A Tel Aviv HA'ARETZ in Hebrew
12 Mar 92 p B3

[Article by N. Shargay: "Kahane Lives and He is a Candidate for Election"]

[Text] In the campaign for elections to the 11th Knesset, Arye Luba Eli'av ran on the independent slate. He won almost 13,000 votes but did not succeed in passing the cut-off rate. In the elections for the 12th Knesset, this was the Bible of the dovish religious party, Meymad: to cast 15,873 votes into the basket, so that the Labor Party would be able to use them in its portfolio opposite the Likud.

In anticipation of the 13th Knesset, it appears that, this time, the Right bloc is going to lose thousands of votes because of the prevailing split between the various parties and movements in this bend of the political rainbow. Hatehiya, Tzomet, and Moledet can only be envious of their competition from the Left, which has found formula for the establishment of a joint bloc and, apart from them, three new slates—Kakh, Kahane Hay, and Temple Mount Faithful—have already joined the race. Although these announcements must be received with certain reservations, these slates are liable to gnaw away at the power of the factions that are represented in the current Knesset.

In order to evaluate the chances of the Right bloc in the upcoming elections, its electoral potential must be understood. In the 1988 elections, Hatehiya, Tzomet, and Moledet collected a number of votes equal to nine Knesset seats, but, in reality, won only seven. If the distribution of votes among them had been slightly different, the previous elections could have had a better outcome from the aspect of these three factions. But Rehav'am Ze'evi is willing neither to fold up the transfer flag nor to lower it, and Hatehiya, on its part, is not willing to stand behind this flag.

Unofficial probing regarding the possible composition of a joint slate arose because Hatehiya wants to perpetuate the existing ratio in the current Knesset—60 percent to 40 percent, to its advantage. Moledet, in contrast, wants to rely on the surveys that anticipate that the number of votes it will receive will equal that of Hatehiya, and demands a 50-50 slate composition.

Different calculations regarding the possibility of unifying the Right do not take into consideration that Tzomet will be part of it. In the three parties, many hold the opinion that independent candidacy of Tzomet cannot damage the Right camp. The evaluation is that Tzomet is nibbling away at the traditional voter potential of the Labor Movement and that its supporters are also spread throughout the moshavs, kibbutzim, among the 'En Vered circle and the long-time members of Hatenu'a Lema'an Eretz Yisra'el Hashlema. These, so they tend to assume, will not vote for Tzomet if it joins up with Moledet or Hatehiya. Even among the voters

who are thought of as floating votes and among those who wish to give their vote to a "nice party" with ethical principles, there is likely to be support for Refa'el Eytan and his friends. In the eyes of many—even those who are divided on their positions—Tzomet is portrayed as a clean party, with no deceit and corruption, but it is portrayed as such only when it is not part of a bloc whose members are also Hatehiya and Moledet.

But the division is also the inheritance of right-wing and extra-parliamentary movements. Two factions of Kakh, which was disqualified from participating in the elections in 1988, have declared in recent months that they intend to attempt to run again, despite the attempts of the big parties to shut them out again. The chances for unification between the two factions appear meager at this stage, although, among their leaders there are those who have not given up on the idea.

Barukh Marzal, No'am Friedman, and Tiran Pollack—each of whom has been arrested dozens of times in recent years on suspicion of committing various crimes (attacking Arabs, damaging Arab property, belonging to the Sicarii underground, shooting across water tanks, and more)—form the skeleton around which the faction bearing the original name of the movement is built. At the disposal of this faction is a five-room apartment on Ussishkin Street in Jerusalem, but a significant part of its operation is centered in Qiryat Arba'.

Most of Kakh's budget, until recently, was based on the donations of Attorney Sol Margolis, a renowned lawyer from Washington, DC, who holds the title "International President of Kakh." Margolis financed the movement even during Meir Kahane's lifetime. The faction, headed by Marzal, Friedman, and Pollack, continues to maintain a close attachment with the residence of the "Jewish idea," located in the Jerusalem neighborhood, Shmu'el Hanavil', which has yielded from its midst most of the movement activists.

At the beginning of this week, the Kakh secretariat was to meet in order to discuss the composition of the Knesset slate. Among the men whose names were raised as candidates to be included on the slate are Rabbi Yehuda Kreuzer, head of the yeshiva of Mitzpe Jericho; Rabbi Mikha'el Ben-Ari, of Makhon Hamiqdash in Jerusalem; and Attorney Rehamim Kohen, past legal advisor of Meqorot. Attorney Kohen is currently laboring, with other lawyers, to try to find the legal formula that will enable Kakh to participate in the elections, despite the attempts to disqualify it.

The movement leaders assume that, in any case, the matter will reach the Supreme Court, for, even if the central election committee does not disqualify them, one of the left-wing factions will ask for the help of the High Court of Justice to do so. Rabbi Avraham Toledano, who was chosen as chairman of the Kakh secretariat immediately following the murder of Kahane, asked for a little restraint of the movement's method of expressing itself and its mode of operations, but the present leadership did not enable him to do this, and a few months ago, Toledano announced his departure.

Opposite Friedman, Pollack, and Marzal stand the heads of the Kahane Hay movement, Yequti'el Ben-Ya'aqov and Benjamin Kahane, the son of the late leader. The official reason for the division in Kakh is a difference of opinion surrounding the national referendum that Kahane wanted to conduct prior to his murder. The referendum was to deal with a number of issues, headed by the disqualification of Kakh from participation in the elections, annexation of the territories, and Kahane's program to expel Arabs from the land of Israel.

Benjamin Kahane, the young son of the leader, asked that his father's will be upheld, but most of his friends thought that a national referendum was no longer relevant, and that the movement must prepare itself for a different type of action. In the first phase, the son Kahane suggested choosing Ben-Ya'aqov as chairman of the movement's secretariat. But Ben-Ya'aqov, who was already entangled with Marzal, Pollack, and Friedman, was not chosen for the job. Ben-Ya'aqov had already been active in the Jewish Defense League in the United States in the previous decade. Since he immigrated to Israel, he has been arrested dozens of times, and among other sentences, served 15 months for possession of a weapon.

A few weeks after Ben-Ya'aqov's failed bid for the movement's secretariat, an announcement came from the Tapu'ah settlement in Samaria—where Ben-Ya'aqov and David Axelrod, who is also among the movement's leadership, live—telling of the establishment of Kahane Hay.

The leaders of Kahane Hay set up their central headquarters in one of the branches of the former Kakh offices on Agripas Street, next to the Mahane Yehuda market in Jerusalem. The primary financier of this faction is Izi Katz, a wealthy man from New York.

Barukh Marzal is convinced that the great potential of the Kakh voters—on the eve on the disqualification of the slate in 1988, the surveys predicted seven mandates for it—will prefer the source and will leave Kahane Hay far behind. David Axelrod, in contrast, is convinced that Kahane Hay is the source. Most likely, whoever wants to disqualify Kakh would also want to see Kahane Hay out of the race.

The idea of turning the Pentateuch into the movement's platform has, indeed, made headlines, but there is no guarantee that this gimmick will help them pass the test of the High Court of Justice. In a discussion of the disqualification of the movement in 1988, the Supreme Court, which sat in a special formation of five judges, related primarily to the goals and deeds of Kakh. The movement's platform earned merely secondary treatment.

"A systematic inflammation of passions on a national, ethnic basis, which brings hostility and contention and deepens the chasm," is how the president of the Supreme Court, Judge Me'ir Shamgar defined Kakh's character. "A call for a violent denial of rights, for a systematic and intentional degradation of delineated portions of the population, who are discriminated against on a national ethnic basis, and for their humiliation in a manner similar to the worst examples of terror that the Jewish people have experienced, all of these are enough, in light of the vast material

that was presented to us, to come to a conclusion in the matter of the instigation of racism," wrote Shamgar in his judgment.

Both factions openly declare that they are continuing the path of Me'ir Kahane and that they are sticking to Kakh's old legacy, and, therefore it appears that they will have great difficulty in clearing the hurdle of the High Court of Justice this time, as well. Only a few days ago, after it was published that among the four suspects in the murder of the soldiers in Gal'ed, two were found among the residents of Umm-al-Fahm, the Kahane Hay movement published a proclamation bearing the headline "Bomb Umm-al-Fahm," in which it was stated: "Why, after Arabs left Umm-al-Fahm and slaughtered three soldiers did the government direct the bombing of the Hizballah in Lebanon, instead of bombing the hornet's nest of Umm-al-Fahm? Why, every time a Jew is murdered, do they shell Lebanon and not the hostile villages within the state of Israel?" In the Kakh movement, they continue to print proclamations of a similar vein.

Despite an ideological closeness, the two movements continue to exchange blows with one another. The latest chapter in the wrestling match has occurred within the walls of the rabbinical court in Jerusalem, after Kakh sued Kahane Hay following the use of the term "Jewish idea." In response, Benjamin Kahane sued Kakh for holding assets that his father left behind him. The reference was to a building at 11 Shemariya Street, valued at \$1 million; a five-room apartment on Ussishkin Street, and funds in various bank accounts. The rabbinical court already issued an attachment on the Ussishkin Street apartment in order to prevent the Kakh men from being allowed to sell the asset to finance their operations, and the proceeding is only at the beginning.

The third slate among the new right-wing candidates is Gershon Salomon's movement, Temple Mount Faithful. In the past, Salomon announced the establishment of a slate that would contend in the Knesset elections, but, at the last moment he withdrew. It is not unlikely that this time, too, such an incident will repeat itself and, as in the past, this time, too, the excuse for leaving the race could be budgetary or organizational. Several thousand members are registered in the movement, but in the seasonal pilgrimages to the Temple Mount, usually a few dozen of them participate, and, in unusual circumstances, a few hundred.

Solomon and his group want to enable Jews to pray at the Temple Mount, to build a temple on it, and renew religious sacrifices, but, above all, they demand the establishment there of the Jewish Statehood Center—the Knesset and the Supreme Court. The motivators of the group are religious-nationalists, and they are careful to operate legally and with police coordination. Salomon was a member of Herut and left it with MK Ge'ula Kohen when the Hatehiya movement was established. A few years ago he also left Hatehiya, because, in his opinion, the problem of the Temple Mount is not placed high enough of the movement's priority list. However, even among the broad public there is not wide support for the issue of the Temple Mount, and it is difficult to assume that the picture will change just for the elections.

Comparison of Likud, Labor Party Lists

TA0204155892 Tel Aviv YEDI'OT AHARONOT
in Hebrew 3 Apr 92 p 3

[Text] A comparison between the first 42 candidates of the Likud and the first 42 candidates of Labor reveals a tendency in the sociological profile of the Labor list to approximate that of the Likud's list: The door has opened to younger politicians and those of Oriental communities, and to a mixture of the two. In both parties those elected are professional politicians—people of the system, members of the middle class. There are no poor people.

Of the 15 new candidates in the first 42 places in Labor, seven are from Oriental ethnic groups. Of the Likud's 12 new candidates, seven are from Oriental ethnic groups. In contrast, both parties completely refrained from the option of electing a representative to the quarter of a million voters among the new immigrants. A Russian immigrant ran in the Likud but failed. Sopha Landwer ran in Labor as a representative of immigrants—and also failed. There are no generals (reserve) in Likud except for one, Ari'el Sharon. The charm of uniform did not work for Bril and MK [Knesset Member] Yehoshu'a Sagi and they were pushed out. Labor has six: Old timers Rabin, Ben-Eli'ezer, Moti Gur, and the new Or, Sne, and Kahalani.

There is an abundance of princes in Likud—in Labor as well. In addition to Rabin himself, Uzi Bar'am, Beige Shohat (Levi Eshkol's son-in-law), and Avraham Burg (who was actually born a prince to a different political kingdom), Efrayim Sne, also an imported prince, Ya'el Dayan, a princess whose father's memory did not necessarily work to her benefit. There are four women in Labor, as opposed to two in the Likud. The gap does not stem from the voters' wishes, but from securing places. There is a long way ahead for women in both parties before they reach true equal representation. The middle generation in Labor has been dropped out and others pushed to the back. If Labor forms the government, or part of it, this will affect the selection of ministers and the struggle for inheritance after Rabin. Ya'aqobi is out, Katz-Oz and Arad are out, Gur and Shahal are weakened. Burg, Ramon, Namir, and Libay will push them out of line for an appropriate seat. In Likud, on the other hand, everything seems sewn up: If Shamir forms the government, it will be difficult for him to make changes in it.

Arab Homebuyer Used by 'Ateret Kohanim

91AE0226A Tel Aviv YEDIO'T AHARONOT (Weekend Supplement) in Hebrew 14 Feb 92 pp 10-11

[Article by Roni Shaqed: "Every Morning I Say: Thank God I Am Alive"]

[Text] When he wanders the alleyways of the Old City accompanied by boys from the 'Ateret Kohanim yeshiva, he does not arouse suspicion. He wears a black coat with a beret on his head. His special form of walking, with his hands stroking his beard, does not make him an unusual figure among the yeshiva lads. He even has a small book of Psalms permanently installed in his bag.

In 'Ateret Kohanim they call him "Arye Kohen." But the real name of this 36-year-old Arab resident of the Bethlehem area is not known to many people, even though he has become a familiar figure at the yeshiva over the last 12 years. During that period he has purchased about three dozen homes for the 'Ateret Kohanim fellowship both inside the Old City and outside it.

"Arye Kohen" is one of dozens of Arab land and home middlemen whom the Palestinians call by the derogatory term "simsar" [Arabic: "agent, pimp"].

"I do not dare enter the Old City alone," he says, "I do not even approach my son's school. If the child is sick, I cannot go to take him to an Arab doctor. I have not been in my parents' house for several years. I have not visited my mother-in-law's house since the beginning of the intifadah. As you would say, my life shifts."

Palestinian society treats land salesmen in general and the middlemen in particular with special severity, especially since the beginning of the intifadah. The punishment of the "simsar" is worse than that of the collaborator: he can be killed by anyone. According to the edicts of the mufti and the United National Headquarters, it is a requirement to kill him, and it is forbidden to bury him in a Muslim cemetery. Society is commanded to ban him, and his wife is considered divorced.

"The Arabs have not managed to rub me out. It is a pity that it is actually the Jews who will be the cause of my assassination," "Arye" said last week bitterly. Following an appeal to the High Court of Justice, submitted last week by MK Ha'im 'Oron (Mapam) in the case of the houses in Silwan, his real name was leaked. 'Oron claimed in his appeal that there is suspicion that the written declarations submitted by the Arab middleman, following which the houses were proclaimed to be absentee property, were dishonest.

"I have been arranging deals like this for several years. No Arab has real proof because I do the arranging on behalf of the Jews. But when a Jew, especially a member of the Knesset, publishes the name of a land middleman, it is then accepted by the Arabs as holy fact. 'Oron published the name in order to make political capital for the elections, but what is more serious is that my name and written declaration were also leaked by the Police and Justice Ministries.

My claim is that the state prosecutor and the police thereby wanted to "burn" all the Arabs dealing in purchasing houses and real estate for the Jews. This leak puts me at the mercy of the axes of the masked hoods."

Posters published in East Jerusalem, some of them in the wake of the publication of the appeal to the High Court of Justice, some of them because of the investigation conducted into the sale of the homes in the Old City and in Silwan, mentioned his name. The National Headquarters has already pronounced the death sentence on him.

What is life like with a threat like that?

"Arye": "Every morning I say thanks to God that I am alive. Believe me, if I did not have a responsibility to my

wife and five children, I would have fled long ago. When I leave the house, I do not know if I will come back. I live like a dog: I do not sleep in the day and cannot fall asleep at night. When I am in the street, my head is like a top, constantly turning from side to side to see if they are after me."

Since the beginning of the intifadah several dozen Arabs have been murdered in the territories for allegedly selling real estate or arranging for its sale. The most famous murder of all was that of the mukhtar of the village Bidi', who was murdered from ambush in full view of his children and whose body was then burned.

In East Jerusalem there was one serious attempt to take the life of a middleman. On 18 March 1991, three pistol shots were fired at Muhammad 'Amran Nabulsi from the Ras al 'Amud neighborhood of Jerusalem. He was saved by a miracle. A book of Psalms had been placed in his left shirt pocket. The bullet hit the book, which slowed its flight and prevented it from penetrating the heart.

"'Arye Kohen" began his dealings as middleman for the religious fellowships by accident. One of his friends in the Old City of Jerusalem asked for his assistance in finding a buyer for his home. His Arab neighbors were willing to pay but a paltry sum for it. The two of them made their way to the 'Ateret Kohanim' yeshiva. The friend received a tidy sum, several times what his neighbors had offered. In those days there was not yet such a serious air of fear and terror.

The middleman fee that "'Arye" got from that deal was the beginning of a continuing romance with the yeshiva and with the 'El'ad fellowship, that turned him into a full-fledged professional middleman. At least 20 middlemen like him ply their trade in service of the Jewish fellowships that buy homes in East Jerusalem.

There are three fellowships involved in purchasing homes in Jerusalem, in filling and in maintaining them. The oldest and most active of them is 'Ateret Kohanim', which focuses on homes within the Old City. The fellowship 'Atarah Leyoshnah purchased several homes nine years ago and has been almost dormant since then. 'El'ad is a new, energetic and aggressive fellowship that deals in the purchase and filling of homes in the City of David. Recently, in the wake of the success of the campaign in Silwan, the 'El'ad people's appetites have been whetted, and they have begun to take an interest in deals outside the City of David, as well, a fact that has angered the 'Ateret Kohanim people.

'El'ad has indeed been successful thus far in the purchase of seven houses in the City of David, but according to MK 'Oron, the deals were made in violation of the regular administrative law. In his appeal to the High Court of Justice, he claimed that the declaration of the houses as absentee property was made on the basis of dubious information, and that the Housing Minister and the General Trusteeship transferred public property to the fellowship on the basis of political, nonsubstantive considerations, and gave it the exclusive right to buy, rent, and fill the homes.

"'Arye" absolutely denies the claim. "My declarations were made after thorough checking with the owners of the homes,

with their full coordination and after long discussions. The deals were accomplished easily with their full cooperation, including their appearance before the court.

"Of course they had to make a lot of noise and proclaim themselves lovers of the homeland in order that they not be found guilty of the sale. Believe me, several members of the Palestinian Committee for the Defense of the Lands in Silwan are themselves involved in property sales to Jews."

By the way, in the district courthouse, at the time of the discussions of the Silwan deal, it was revealed that in one of the contracts the buyers were obliged to beat the Arab seller and chase him from his home in order for his neighbors to think that it was an invasion by force on the part of the Jewish settlers.

"'Arye claims that 'El'ad still owes him the sum of 50,000 dollars as a fee for the purchase of the houses in Silwan. Despite that, according to him, he was ready to defend the deal in court.

"I know that they got the money for me from the Housing Ministry. The payment for the middleman is a customary part of every deal. I went to MK Hanan Porat and asked his intervention in getting the money due me. He promised to straighten things out, but thus far I have not gotten the money. I talk to David Be'eri of 'El'ad, and every day he tells me 'tomorrow, do not worry.' I threatened to take him to court, and he answered scornfully that he was ready for that. That is the way it is, when an Arab falls, they do not worry about him, no one cares about him."

At 'Ateret Kohanim they take very seriously any delay in money due a middleman: "At 'El'ad they do not understand that without such middlemen it is impossible to buy houses. The middlemen will run away from them."

David Be'eri of 'El'ad denies the claims. "I am not going to confirm who I work with and who, not. Without going into specific topics, I would stress that we work with an accountant and that our deals are documented. We can cover any promise we make. I can state categorically that we do not owe anyone who worked with us."

Since 1967 about 50 homes and apartments have been purchased in the Muslim quarter of the Old City. Today 40 Jewish families live there and another 250 or so yeshiva boys, in relatively crowded conditions. The previous owners are still living in about 10 other homes. The contract worked out with some of them calls for them to be vacated after the intifadah; with others, the agreement is for them to be vacated in a few years.

How is a house purchased in the Old City?

"'Arye": "We work just the way the police, the Shin Bet, or the Mossad do. We have agents who gather information on people who want to sell homes. They get a monthly salary of about 1,300 shekels—more than a construction worker. We also track the ads in the Arabic press, especially of middleman agencies that are ready to sell anything for money." When information arrives, the deal is put together. We are

interested in the man and his condition. We send him emissaries. They offer him a good price. Afterward I meet with him in a cafe or hotel.

"Sometimes the sellers pretend to be 'stupid': they know it is intended for Jews, but they prefer to behave like ostriches. Afterward we check the papers, go to a lawyer to have him check, and check with the Waqf. The government ministries help us. The Ministry of Justice, as well.

"The lawyers will not take doubtful deals. Therefore, when I turn over a declaration about a house, it is only after careful investigation and checking."

Do the middlemen cooperate among themselves?

"They generally know each other. There are partnerships, and there is also exchange of information and teamwork. But in general each one wants his own deal, his own money."

Why, actually, are there people who are willing to sell to Jews, despite the danger?

"The Jews pay a good price. That creates a strange situation—there are more Arabs who want to sell than there are Jews who want to buy. If the owner of a dilapidated hole in the ground in the Old City can sell it, and use the money to build a villa somewhere else, why should he not sell to the Jews?"

And what about the brokers?

"There are a lot of them. It is no problem to get them. They do not get wealthy from it, but it is easy work and they still want to do it. The brokers buy from the Arabs and immediately afterward sell to the Jews. In the Silwan deal there was no need for brokers. The sellers agreed to sell directly to the Jews."

Do you provide help and assistance to the families?

"There are those for whom 'Ateret Kohanim arranges a flight abroad. For others they find a job. In general the money they get is enough for them to buy a good house outside the walls."

Since the Silwan episode "Arye" has been called in a number of times for police investigation. "They do not

understand the problem there either. In the fraud division I was investigated by Arab policemen, and after three days the whole city knew that I was involved in the deal."

When he felt that the ring was tightening around him, he appealed to MK Mikha'el Eytan (Likud) to ask the police not to reveal his name.

Eytan: "I got in touch with the general commander. He promised that they would do everything to see that the names of the middlemen were not leaked. He also promised that Arab policemen would not participate in that sort of investigation. The matter would likely end in bloodshed."

At the police station they nevertheless claim that no instruction was received not to have the Arab policemen take part in investigations into home purchases in East Jerusalem.

At the Justice Ministry they say they were surprised at the publication of the middleman's name by MK 'Oron. "We take the publication seriously. The judicial advisor made sure to erase the Arab names from the opinion that he presented. We have no idea where 'Oron got the name. We had no correspondence with him."

A week ago a poster was placed at the entrance to "Arye's" house announcing that a death sentence had been issued against him. The poster was not distributed elsewhere and was in a style different from those regularly distributed in the territories. "Arye" suspects that it was written by Jews.

Political use has, meanwhile, already been made of the poster, which made its way into the hands of the Jewish settlers. Their representatives, who met with the country's president, presented it to him as evidence of terror. Copies were sent to the media and members of the Knesset. MK Hanan Porat promised that he would show the poster to the Prime Minister.

Why, then, do you continue.

"I no longer have any way out. I have nowhere to go. I am burned. I now know that the Shin Bet and the Orthodox are the strongest forces in the country. I know, I am familiar with both of them, and I suggest to the Arabs that they help the Shin Bet and not the Orthodox. In the Shin Bet everything is secret, but with the Orthodox everyone is out to screw the other guy, of course at the expense of the Arabs. If they assassinate me, it will be because of the Jews."

Likud Supports Unplanned Economy

92AE0289A Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 27 Mar 92 pp 8, 20

[Article by Sever Plotzker: "In No Mood For Economics"]

[Text] From now until the formation of the new government following the elections, says Dr. Ya'akov Shanen, director general of the forecasting company, Economic Models, no economic policy is anticipated in Israel. A short sentence, reflecting the essence of our economic life from now until next fall. A country without a policy.

It is important to emphasize that Dr. Shanen, who prepares forecasts for clients who pay good money for his comments and predictions, is not saying that no new, other, or different economic policy than that now in force is anticipated. He is determining that in the next six months no economic policy will be conducted. Nothing. The economy will be managed as if there was a government, in which honorable ministers responsible for economic ministries sat, but this would be a mere semblance thereof. Actually, nothing will happen. No additional decisions will be made, and decisions that have already been made will not be implemented. It will be an election economy of a totally new kind: a do nothing economy.

These are the last days of Moda'i. Even at the height of his economic success and struggles, the minister of finance enjoyed very loose backing from the prime minister. There was no love, sympathy, or even real understanding between the two Yitzhaqs. When central economic issues came up for his decision, Yitzhaq Shamir moved aside and Yitzhaq Moda'i charged forward, often with his head against the wall. The wall remained, the head was hurt.

This is what happened recently with the Mortgage Law, the Moshav Law, and the Guarantors Law—three legislative initiatives to which the Ministry of Finance was adamantly opposed. Professional economists hated and rejected them, but the respectable silence of the Office of the Prime Minister facilitated their passage in the Knesset.

It was the Office of the Prime Minister that decided, unequivocally, that the minister of finance and his senior representatives would not be involved in the economic talks with the U.S. Administration. Shamir's office listened here to the feelings of the leaders of the Jewish lobby in the United States, and gave great consideration to the reservations of politicians in the Likud, who opposed giving "an American stage to Moda'i." It was not Moda'i who imposed a boycott on the United States, it was the prime minister who imposed a boycott on Moda'i.

The minister of finance is neutralized, and at one of the most critical times for the Israeli economy. Is this good or bad for the economy? Dr. Shanen, for example, is not particularly sorry about this. He maintains that in its current state, any governmental economic policy could only hurt, or mainly hurt.

But Dr. Shanen is a known optimist, and there is almost no political or national event in which he does not find a positive element. In contrast, Professor Ya'akov Frankel, the Governor of the Bank of Israel, sees the idea of a "sit and

do nothing" economic policy as a serious mistake, scheming against the burning exigencies of the economy.

Two months ago, even before the U.S. guarantees had come to an end (and the end is for now, not forever), Frankel spoke of the need to "make a break with routine," "to undertake the necessary reforms with courage." In other words, to begin to fight for the future of the Israeli economy, because we are "with our backs to the wall." Now, Professor Frankel warns of an unplanned slide into a recession and of budget deficits, and of losing control over the economy. He demands that the government budget, as well as the policy deriving from it, be reevaluated. Many are party to the fears of the governor of the Bank of Israel: the entire business sector thinks and feels and rages as he does. We are already in a recession, they say, and nobody in the government cares.

"The change that took place this month in the external economic conditions in which Israel functions," said a senior economic-political figure (and not from the opposition) this week, "is of revolutionary proportions. This is the first time in our history that the United States has refused to grant us the requested economic aid and even pressured other countries to refrain from [extending] economic aid to Israel. And this is also the first time in history that the United States has announced openly that it would create obstacles for Israeli export."

To this, of course, it is necessary to add the slowdown in the immigration from the former Soviet Union to a rate of 5,000 immigrants per month, a third of the forecast. These are not minute fluctuations, requiring only marginal amendments in the overall outline of economic policy. This is a change in the entire climate: for over two years, the Israeli economy has been living, breathing, and running forward on the basis of two fundamental assumptions. One, that at least a quarter of a million Jews will immigrate to Israel each year; and two, that the United States would find a way to assist us in their absorption. The government budget relies strongly upon these assumptions. The high prices of shares in the stock market have taken the immigration and the guarantees into account. The investors have computed their profits on the basis of these certain forecasts. Almost all of the actors on the stage of the Israeli economy danced to this double beat: immigration plus guarantees.

And here, suddenly, we have neither. All at once, the steam evaporated. The rate of immigration went down to 50,000 a year, instead of the planned 200,000. The certain credit from abroad that was expected to finance approximately 5 billion NIS [new Israeli shekels] (2 billion dollars) in the government budget for the current year, will not be received. "We are not even dreaming of inquiring of bankers abroad whether we have a chance of receiving the billions," said an Israeli international banker. "We are not willing to have them laugh in our faces."

Without immigration and without guarantees, the Israeli economy is likened to a funny cartoon figure who runs in the air, as if there was still solid ground beneath his feet; he does not fall, only because he forgot to look down.

Is anyone in the economic government ministries at least sitting down to think about what must be done and what will be? No, nobody is.

Minister of Finance Moda'i, who formed a new list for the elections, is making contradictory statements and becoming entangled in sudden declarations. Rejected by the ruling party, he is incapable of conducting clear economic policy now, even if he wanted to. Not even election economy. For all intents and purposes, Israel does not have a minister of finance. The seat is transparent.

Minister of Housing Sharon shows only a small interest in what is happening in the construction industry in Israel. From his perspective, all of the "housing solutions" required by the immigrants have been provided, and now the main thing is to push construction in the territories and the Sharon faction in the Likud. The fact that the government will be forced to buy thousands of apartments from the builders, which were built without any logical planning, does not cause him to lose any sleep. For all intents and purposes, Israel does not have a minister of housing.

There is no minister of agriculture. Israel's agriculture is undergoing a severe crisis, but Minister of Agriculture Refa'el Eytan resigned, and he has no successor.

Minister of Industry Nisim was appointed to manage the Likud's election campaign. A full time-and-a-half job. Of course, he will not have the mind and time to take care of such negligible problems as the ebb in the industrial exports of the State of Israel. Last year, exports decreased. This year, apparently, it will recover by only minute percentages, if at all. Even the few foreign investors who are willing to inquire about what is happening in our economy will not find an available minister. For all intents and purposes, Israel does not have a minister of industry.

Is there unemployment in Israel? No. Fact: 200,000 unemployed people in Israel are not in need of a minister of labor, just a deputy minister who devotes great energy to appointing his people to representational positions. Deputy Minister Porush spends his free time searching for plants that desecrate the Sabbath. Poverty? Welfare? Professional training? Who has the patience for such things. For all intents and purposes, Israel has no minister of labor.

Minister of Absorption Peretz is not engaging in the formation of a new absorption policy, in light of the fall in immigration, but in the formation of a new-old ultra-orthodox election list. He also makes sure to celebrate the arrival of the 250,000, 300,000, and 400,000 immigrants, although the latter has not yet immigrated.

The ministry of the interior is clearly an economic ministry, but it comes as no surprise that the minister of the interior, Arye Der'i, has personal worries more important than the policy of his office, for he is in the midst of a police investigation.

Nevertheless, the readers will ask, how does the public system function in Israel? Mainly by virtue of several hundred professional clerks, who maintain current activity.

But they cannot take the place of the ministers in charge, certainly not when the economy is at a crossroads, exposed to accidents.

There was a time, during Aridor's candidacy, when the minister of finance initiated artificial price reductions and distributed benefits to the public immediately prior to the elections. There was a time, during Sapir's candidacy, when the government concentrated all of the opening ceremonies of plants, roads, and hospitals in the period immediately prior to the elections. There were periods, during Begin's candidacy, when the prime minister himself, immediately prior to the elections, declared a grandiose plan for abolishing poverty-stricken neighborhoods. There were periods, during Rabinowitz's and Nisim's candidacies, when the election economy was actually characterized by strict adherence to budget frameworks and adamant objection to any move likely to be interpreted as a gesture or sucking up to the voters.

This country has already known many types and varieties of election economy. But we have never known preelection economic policy as it now exists: a policy of no policy. Doing zero, particularly at a critical time, when the economy is begging for action.

The 1992-style election economy is one of default.

[box] "Foregoing Immigration"

Just six weeks ago, the two volumes containing the amended official Israeli request for loan guarantees in the amount of 10 billion dollars were sent from Jerusalem to Washington. The work was written by the former director general of the Ministry of Finance, Ya'akov Lipshitz. Printed on thick, fine paper, like an invitation to a prestigious wedding, it was accompanied by a wealth of forecasts, charts, and squares.

The Israeli request says approximately the following: Dear Americans, you are our only support. Give us guarantees for 10 billion dollars. Give them to us, because the Israeli economy is in need of 40 billion dollars in order to absorb a million immigrants. And if you do not give them to us, we are in terrible trouble. Your guarantees are not the entire solution, but they are the key to the solution: they are a necessary condition.

And here, there are no guarantees, and it is as if nothing has happened. The sun is still shining, the stock market is still prosperous, and the government is still messing up. Were the warnings excessive and the fears exaggerated? Will we manage even without the guarantees, without any real need to take any far-reaching economic steps, such as reevaluating the budget, as Minister of Finance Moda'i calmly stated?

The answer is: it depends what kind of State of Israel we want to live in. If we want to live in Israel with another 700,000 Jews who will immigrate from the former Soviet Union, then the U.S. guarantees are vital and there is no substitute for them. But if we forego these hundreds of thousands of Jews, and we do not mind if they remain in the "Commonwealth" or go anywhere else in the world, then the U.S. guarantees are not important to us. They are even harmful.

Immigration to Israel now depends primarily upon the economic conditions that exist in Israel. When the absorption funds made available to the immigrants are cut, when (modest) discounts and benefits for immigrants are cancelled, when there is no money for professional training, for Hebrew language courses, for career retraining, for employment, and not even for temporary employment—then Jews who are considering immigration to Israel continue to consider it. In the interim, they remain where they are, unpacking their suitcases, postponing their departure, and attempting to fit into the new economic regime throughout the "Commonwealth of Independent States."

1992 is not 1990. Whoever wishes to attract mass immigration to Israel from the former Soviet Union must persuade the immigrants to come here. Eight months ago, I wrote that Israel could manage for at least a year without the guarantees if the government exercised economic policy directed toward investment, savings, and growth—similar to the policy exercised by Pinhas Sapir in the early 1970's. But the government was wiser. Instead of making an effort to prepare the economy for absorbing the anticipated immigration, even without the guarantees, it succeeded in doing the opposite: decreasing the dimensions of the anticipated immigration. And without making any effort.

This was the essence of the economic policy—not for immigration, but against it. Explicitly against it. And after we succeeded in lowering the rate of immigration to 50,000 per year, the minister of finance will finally be able to release a deep sigh of relief. Now, the guarantees truly are not needed.

Gloomy Economic Forecast, Slowdown in 'Aliya
92AE0279B Tel Aviv HA'ARETZ in Hebrew 18 Mar 92 p 4

[Article by Tz. Zerahiya: "Economic Factors: Gloomy Forecast for the Israeli Economy Without the Guarantees. Anticipating Moderation and Slowdown in Immigration"]

[Text] The failure to receive the American guarantees and obtain alternate financial sources to absorb immigration are liable to bring a halt to immigration. So fear executives in the Treasury, after the United States announced yesterday that it will not grant Israel the guarantees this year, totalling \$10 billion for five years, if it does not accept their terms for receipt of the guarantees.

The economic bureaus are predicting a gloomy forecast for the economy in the upcoming period following this. Senior officials in the Treasury said yesterday that Israel is in an economic snare, since it will not be able to absorb the immigrants without the guarantees.

In their opinion, it is the immigrants who will pay the price for the failure to receive the guarantees. A failure to obtain them will lead the economy, from 1993 on, into a policy of economic moderation and slowdown that will result in a significant increase in unemployment.

No country is able to absorb thousands of immigrants in a state of high unemployment, and, thus, a situation where Russian Jews will prefer to remain in their land and immigrate to Israel is likely to be created.

Economists have pointed out that, without receiving the guarantees, Israel will find it difficult to present solutions for construction, employment and an absorption package for immigrants.

The economic sources pointed out that the state budget for the year 1992 was built upon the assumption that \$2 billion from it would be financed through loans to be taken out after receipt of the guarantees from the United States. Now, it will probably be necessary to find a source to finance the budget deficit of this scope.

The Rise of Inflation and an Economic Slowdown

Some of the possibilities considered: alternate, outside sources, increased sales in bonds on the Israeli capital market, accelerating the process of selling banks and government companies.

Sources in the Bank of Israel and the Treasury estimate that it will be possible to mobilize more capital than planned, among other ways, through loans and bonds from the Bonds project, although that would be characterized by an increase in the cost of the mobilization.

Nevertheless, they emphasized that without the guarantees, Israel will find it difficult to mobilize capital from foreign sources since Israel's failure to obtain the guarantees is a signal for international financial sources not to rush and grant loans to Israel.

Regarding the increased mobilization of capital in the domestic capital market, economic sources expressed a fear that this would cause a rise in interest, increased inflation, and an economic slowdown in the economy. Such a situation would cause a reduction in the state's tax revenues.

In the Treasury, it was estimated that it will be necessary to implement a cut in the state budget. In addition, the economic sources emphasized that it would do nothing to raise taxes now, or to impose new taxes. In their opinion, this would not solve the problem of financing with foreign currency.

In addition, as a result of not receiving the guarantees, a shortage in foreign currency balances is likely to result. The 1992 surplus is \$6.4 million, and they can grant Israel some breathing room this year alone. In 1993 a severe problem of foreign sources is likely to develop, and Israel will find it difficult to finance its needs abroad. As a result of this, it will have to activate a policy of moderation, which will result in a reduction of imports and will increase unemployment.

Senior officials in the economic bureaus say that Israel will be compelled to consolidate alternate programs to contend with the situation. According to them, no contingency plan was consolidated in the divisions of the Treasury Bureau that accommodates the economic reality without the guarantees.

Sources in the Treasury expressed surprise, albeit after the fact, that Israel did not hasten to present the United States with a request to receive the guarantees.

According to them, it was the treatment of the request, including the "media festival," in their words, surrounding the Lipschitz report, that was the basis for the Israeli request.

According to senior sources, after the possibility was raised that Israel would not need, to a great extent, loans in the amount of \$2 billion this year, it was better to try and defer presentation of the request.

"It Would Have Been Better To Defer the Request for Guarantees From the United States"

However, from the moment the request was presented, it became necessary to receive a positive answer that would create trust in the Israeli economy and in Israel's ability to repay the loans with the financial sources in the world capital market.

Receipt of a negative answer to the request for guarantees will make it difficult for Israel to mobilize capital for the long term.

Senior officials in the prime minister's office claimed yesterday that the episode of the guarantees has been turned into a political subject by the Americans, through which they have attempted to pressure Israel into determining its policies in the territories.

According to them, the Israeli economy can survive even without the guarantees. "It would have been preferable for us to receive the guarantees, but if there is no choice, we will be able to absorb up to 100,000 immigrants this year, even without the guarantees."

Finance Minister Yitzhak Moda'i stated yesterday in a radio interview that the existence of the State of Israel and immigration are not solely—nor even significantly—dependent on "the willingness of our friends, the Americans, to give us guarantees for significant amounts."

Moda'i pointed out that, in the past, he even proposed that the United States grant Israel guarantees, and they would refrain from their regular, annual aid requests, so that "finally, it would be possible to reach the only possible state for the State of Israel: economic independence."

According to the treasury minister, "there is no doubt that it will be harder for us to obtain such guarantees or funds from abroad since we did not get the guarantees that we requested from the United States. But, for the needs that we set for ourselves, according to the time table and programs that we set for ourselves, we will be able to get along if the United States does not grant us any guarantees."

Moda'i further stated it must be remembered that only loan guarantees are being discussed. "These are not loans, and certainly not grants. After all of this, we still have to go to the financial institutions."

Moda'i said that immigration must be absorbed "economically and socially. When this phase passes, the State of Israel, its society, its economy, and, perhaps, even its security will be much stronger than they were when immigration from the Soviet Union began."

According to him, "the fact that the wave of immigration has recently moderated slightly makes it easier on us." However, he added that he hopes that the moderation is temporary, and that the wave of immigration will strengthen and renew itself.

Frenkel Calls For Widespread Budgetary Cuts

92AE0290C Tel Aviv HA'ARETZ in Hebrew 25 Mar 92 p 1

[Article by Tzvi Zarhia: "Frenkel: Extensive Cuts Have To Be Made in State Budget"]

[Text] The Governor of the Bank of Israel, Professor Ya'akov Frenkel, said yesterday that there has been a significant economic slowdown of late. In his appearance before the Commercial Economic Club in Jerusalem, Frenkel said that the growth rates are like those that were prevalent in the past, exports are down, and imports have recently gone up.

According to the governor, most troublesome is the fact that the import of components that could point to a future increase in growth, such as investment properties, raw materials and manufacturing pledges, has declined.

Frenkel added that inflation in recent months is lower than it was a half year ago, and the interest rates are also lower than they have been for many years. Therefore the main challenges should be a revival of the growth process and absorption of the immigration. He explained that the Israeli economy is now at the turning point, and we have to decide which path to take.

According to the governor, the government has to reconcile itself to not getting the American guarantees and to discuss extensive cuts within the framework of a renewed examination of the state budget. As to the suggestions to increase the mobilization of capital from Jews abroad, Frenkel said that "if we can get money from well-to-do Jews, fine, but we have to remember that the guarantees mean long-term loans of 25-30 years. I trust the generosity of the Jewish communities, but we need funds in very large orders of magnitude, and that has to be gotten on the market. Let us not delude ourselves."

Privatization Is Just a Slogan

Frenkel repeated his proposals for encouraging the manufacturing sector, increasing the scope of investments and speeding up reforms and privatization. In his view, the economy must be brought to a situation in which it will be able to create capital and exploit the immigration correctly by accelerating the process of reforms, opening up the economy and getting the government out of the business sector.

On the matter of privatization, the governor said that it has become just a slogan. In his opinion there is no reason for the public sector to be so large. "Privatization is not just musical chairs. It requires a functional change and a transition to considerations of real profitability," he said. He added that receipts from the sale of government companies should not be used for regular government expenses.

The finance minister, Yitzhaq Moda'i, said yesterday that it is inconceivable that Israel is interested in sharpening or worsening its relations with the United States. In his appearance before students at Hod Hasharon, Moda'i added that only someone without all his marbles would suggest a contest with the United States. He denied that it was his intention to boycott the economic talks that will be held in the United States.

According to Moda'i, in the talks to be held in Washington on the subject of the guarantees, they will deal at this stage with economic reforms. He said that those taking part in the talks will be the Israeli ambassador in the United States, the Governor of the Bank of Israel, and the representative of the Treasury in Washington.

On the issue of unemployment the Finance Minister said that it does not derive from a lack of resources but from the process of creating workplaces. "Creating work on an economic basis is a protracted process, unless the government is interested in employing immigrants in jobs of an emergency-work nature. In that case they can be realized more quickly," he said.

Association To Monitor Investment in Territories
91AE0226B Tel Aviv YEDIO'T AHARONOT (Weekend Supplement) in Hebrew 14 Feb 92 p 7

[Article by Ya'el Gevirtz: "Now They Will Have Scientific Proof"]

[Text] Sitting around the table today will be 'Aharon Davrat, professors Efrayim Tzedaga, 'Asaf Razin, Na'omi Hazan, Ruth Qlinov and 'Ehud Toledano, Brigadier Generals (Res.) Giora Forman, Avrasha Tamir, and Efrayim Sne, 'Aqiva Me'ir, General Chairman of the Electronic Industries, Yonatan Qolber of Charles Bronfman Enterprises, Ya'ir Rotlof of "Rotex," Yosi 'Alpert, the deputy director of the Institute for Strategic Studies, Efrayim Reiner, Yosi Ginosar, the journalist 'Amnon 'Abramovitz and MK's [Knesset members] Dadi Tzuqer, Hayim Ramon and Hayim Oron.

A new board of directors for a new body, named "Of Course," being set up by the "Peace Camp" for PR purposes. A new mobilization of business people, economists, former army people, and politicians, the goal of which is to strengthen the moral and ethical claims that are so characteristic of the Israeli left, with economic arguments, to attach a price tag to the concepts of peace, settlements, political and military agreements.

What this means is a fellowship, an office for military and economic information that would initiate academic research and surveys to provide the public with information on sources of financing in which government invests in furthering its political and ideological goals. How much it costs us. How much it costs you. What the State of Israel pays for the Land of Israel. What the price of the alternatives is.

The "fellowship," says Efrayim Reiner, chairman of the board, "seeks to represent an Israeli race that is disappearing. Smart, pragmatic people who do not buy attractive,

seductive merchandise before asking how much it costs. Beni Begin, for example, tells the public in his persuasive way that we have a right to all parts of the Land of Israel. We say: OK, but we want to know not only what it gives us but also how much it will cost us.

"The fellowship, by way of paradox, may actually supply informational material to the MK's from Likud. Yosi Sarid, after all, is ready to travel to Hebron with a visa, but Dan Tikhon, a brilliant, aggressive parliamentarian, a liberal who supports the Herut movement, was ready to allocate money to examine the economic price of the policy he supports. I would expect him to ask for public disclosure—for the opinion of the taxpayer—of the cost of investment and the expenditure for the Greater Israel adventure; a task that the Likud government is avoiding.

"It is true that the members of the fellowship have a political preference and belong in their views to the leftist camp, but that will show up in our work only in the choice of topics and questions asked. We will take upon ourselves in advance the obligation that the results of the research are to be conducted according to all the rules of academic stringency. Let the chips fall where they may."

Dadi Tzuqer and Hayim Ramon began tossing around the idea about half a year ago. "Every social-democratic movement in Europe," says Tzuqer, "has superb tools of this sort for its work, and our camp does not. We lack professional, academic backing for the facts that you report.

"One of the resources that our camp has not used even once to make politics pragmatic is that of the prestige of the economists, academicians, and army people who have proven themselves. When you speak with a Likud, Tehiya, or Mafdal voter on the pragmatic level, you can reach agreement relatively easily. Nevertheless, that does not get translated into a change in his voting pattern. You have not only to persuade him, but also to prove things, to lean on reliable data."

Hayim Ramon mobilized 'Aharon Davrat, who also immediately took upon himself the obligation to mobilize a part of the financing for the first year's work. The office was established entirely with private funding. The first year's budget stands at \$150,000, mostly raised from private sources in the United States: from Allen Kahane, the Brazilian Jewish steel industrialist who lives in the United States, from Joseph Luo, the diamond merchant, and from Karen Beadle in Washington.

The budget includes expenses for setting up the fellowship's office on Bugrashov Street in Tel Aviv and financing the work of the research teams. The board of directors will not be salaried and will serve as lecturers who explain the results of the research and the surveys. The general manager of "Of Course" is 'Avner Taburi, formerly a Qol Israel person, who returned after a five-year stay in the United States. The deputy general manager is Vered Libna, a sociologist.

'Aharon Davrat, it is surprising to see your name among the activists.

"True, I have no clear political affiliation with one party or another, but I have never hidden my beliefs on the issue of

peace. I have been identified on that question since the Six Day War. All the way back then I was for a unilateral return of the territories, and I had a lot of disagreements with Sapir on that issue, because I was closer to the views of Yitzhaq ben 'Aharon.

"My position is based on the fact that I want to live in a Jewish state, and I do not believe in a country containing two nations and creating confrontation for generations. My attitude to the entire issue is not just political but also economic. Just as I thought, immediately after the war, that holding onto the territories with their large Arab population would have an adverse effect on the quality of life of the Jewish population and was right, I believe that peace would have more than a little effect, not only on the basic quality of our lives, but that it would also mean the crystallization of great economic potential."

Is this the beginning of a political career?

"Absolutely not. Were they to invite me for political activity within a party framework, I would definitely refuse, just as I refused in the past and will refuse in the future. I agreed to work in this framework because the office has a basically scientific character that provides data and investigates in equal measure both the damage and the enormous possibilities of the area, if we can arrive at true peace. I agreed because the form of activity is not political and, at the same time, is directed at something of which I always dreamed: a scientific, purposeful institution that supplies reliable data for the use of the politicians."

Nevertheless, it is a body that is identified with the leftist camp.

"It is not the leftist camp, but rather the peace camp. After all, nobody would suspect me of being on the left in my social and economic views. If it were possible to speak here of a large liberal camp, that would be the ideal definition for me."

People in the administration, as I understand it, will supervise the research teams and appear before the public with the results. Is there any prospect that we will see you being interviewed on these issues and lecturing in home clubs?

"I suppose I will not deal with that. I intend to contribute more on the organizational end and hope that I will also be able to help with the content."

Professor Efrayim Tzedaga, together with Professor 'Asaf Razin, is now finishing up the writing of a book for an American publishing house on the Israeli economy over the last few years. The book concludes with the statement that just as every wave of immigration in the past brought on a wave of economic prosperity, this immigration will, too—if it gets the benefit of a necessary stimulus like headway in the peace process.

"Me," says Tzedaga, "they had no problem convincing to join. I certainly identify myself with the peace camp and oppose those who carry the name of peace in vain, declaring peace with their mouths while at the same time investing in the settlements."

Is there not an ethical problem when a person heading a public firm is drafted for the PR activity of a certain political camp?

"I did not come to this activity as chairman of Workers Housing. I am not only the chairman, I am also a professor of economics, a man, and a citizen. I see enormous importance in encouraging research that will prove to me how much investment in the settlements, for example, will cost me, or what the cost and gain will be of stopping the settlements in exchange for an end to the Arab boycott. I am interested in the facts."

Will you take upon yourself the explanation of the findings to the public?

"Certainly I will. I never hid my political views, even in my pronouncements at the university, in those instances in which there is a strong connection between political policy and economics. Even if I had not been a member of the office and had obtained economic information with application and implications, I would certainly have cited it."

Ya'ir Rotloi, "Rotex," has already made a political sortie, as representative of Shinui in the municipality of Tel Aviv. He says about himself that he was never afraid to express his positions against investment in the territories. "We were always a completely independent plant. I never took loans or grants from the government so as not to be obligated to it or dependent upon it."

"A tool is being created here that will permit a scientific examination with the possibility for surprise and for examination by people who do not exactly deal in the academic realm but have proven themselves, as well, in economic achievement. A group of concerned people who are used to doing and not waiting for others to do instead."

The military sphere will be handled by 'Avrasha Tamir, Efrayim Sneh, and Yosi Ginosar, along with Giora Forman, one of the former Air Force seniors and today secretary of the National Kibbutz. "Of Course" is set to cooperate with the Council for Peace and Defense, established by Forman with several hundred officers at the rank of Colonel and above.

Professor 'Asaf Razin will apparently deal with views of the profits of peace, such as the use of the natural treasures of the region and the question of water. Razin, president of the Israeli League for Economics and the director of the Sapir Center, a dove who refrains from party activity, has repeatedly stressed in the preparatory sessions the need for professional reliability, for building steering and supervisory teams.

The advancement of the elections was an unpleasant surprise to the initiators of the office. Research takes time. 'Avner Taburi notes that, nevertheless, four research projects will soon be completed. The first, apparently to be supervised by Professor Tzedaga, will deal with the question of mortgages.

This morning, as we said, they will sit for the first time in plenary session. They will cut the ribbon. Efrayim Reiner, the chairman, will present the members with the suggested list of research topics. The members will rank them and vote. They will begin affixing the price tags.

Analysis of Military Cooperation With U.S.

92AE0275B Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 20 Mar 92 p 3

[Article by Maj. Gen Avihu Bin-Nun: "Washington Opens Fire"]

[Text] Israelis will want to blot out what happened last week from the history books with regard to our relations with the United States. A cold wind is blowing from Washington, and someone there is stoking the fire that is likely to burn relations between the two countries that were very special—and are no more. The reports that are blackening Israel's image in the United States are not incidental, and these reports are affecting our relations even more, especially between the defense systems, which always enjoyed extraordinary relations. If we are not careful, we will find ourselves back on square one, and for us that would be disastrous.

The reports about Israel's arms sales are raising the following questions: Who is behind these reports? Is there any foundation for the reports? Whom do they harm? What will become of the special ties between the defense systems of the United States and Israel?

Who is behind these reports? Even with the untrained eye, as they say in the infantry, it is possible to understand and to discern that there is a guiding hand behind these adverse reports, that are being published in Washington, about everything concerning violations of promises by Israel regarding its arms sales. One can point explicitly to administration circles as the source of these reports, that were meant to create hostile public opinion and put pressure on us within the framework of the peace process. The war over the guarantees by the United States is only part of the picture. The other part is the blackening of the good name of the state.

However, beyond the hostility of the administration, it is definitely possible that the American defense industry is behind these reports. The situation in that country's defense industry is very grave: the defense budgets were slashed by 25 percent given the atmosphere of peace in the world. Tens of thousands of workers were fired from their jobs. Some of the big industries, which were always based on supplying the American army, are now on the verge of collapse. There were never any feelings in the business world, now even less. The American defense industries are on the lookout for game—and there is no game. Worse than that: the attempts of the defense industries to find game all over the world frequently run up against an answer like: we are sorry, the Israelis have already beat you to it.

In only one place in the world is the American defense industry having an almost unrestrained celebration: in the Middle East. American arms exports to this region of our world have gone up dramatically—tens of billions of dollars—in recent years. Until not so long ago, it was the Soviet Union that served as an armaments factory for Syria and Egypt, Iraq and Libya. Today, it may be stated with certainty that the United States has become the main arms supplier to the states that are hostile to Israel.

I will take a gamble and say that 75 percent of the most advanced weaponry that the Arab armies have today in the Middle East are American weapons. In contrast to the past, we are unable today to prevent these sales through Israel's friends in Congress. They, too, who had prevented so much until now, are unable to substantiate the argument that the arms sales provide jobs for Americans.

For us, this is a bad situation: the American weapons were light years ahead of the Arab armies from the technological viewpoint. This is quality weaponry of the first order. How do I know? This is the weaponry that we, too, have. We introduced improvements and changes that made it even more advanced—and they, too, are sold to Arab countries.

And even worse: the Arab armies are exchanging technological and tactical information, as, for example, the Jordanians and Iraqis are doing. Before the Gulf war, joint military exercises were held with the Americans in Jordan. From our viewpoint, this is a new and almost insufferable situation: we are unlikely to lose the technological advantage that we had over the armies of Syria, Egypt, Jordan, Iraq, Saudi Arabia, and others. By any standard, this is a great danger for us.

Is there any foundation for the various reports being printed in the United States? The more I learn about the content of these reports, the more amazed I am: most of these reports published in the United States this week have no foundation. A figment of the imagination, empty nonsense. Who invented these fatuous words? And how is it that serious newspapers and distinguished television networks have swallowed this story?

The Patriot is in the hands of the Air Force and was not transferred to any outside factors. This is an idiocy of the first order, a cheap and evil calumny. The Python 3 air-to-air missile had become operational in the Air Force before we had even received from the Americans the Sidewinder missile which is similar to the Python. In the development of missiles for export, Israeli or European components were used in place of American components.

In the antitank Mapatz missile, which is a laser beam-riding missile, they requested—and received—approval to use American components. The Popeye missile is 100 percent the result of Israeli development. The Americans sought to purchase it, and in cooperation with them—and for them—American components were used. And the Copperhead shell? We have no such shell, and, at any rate, there is nothing for us to copy from it.

Who is harmed by all of these reports? First and foremost, the main harm is done to the IDF [Israel Defense Forces], which incidentally has not been receiving the advanced technologies from the United States for years. While we are defined as a nonsenior ally within the framework of NATO (nonmajor NATO ally), this American definition, which was given to us so graciously by the administration, offers us no advantage. No advantage.

To the extent that our good name in the United States has been blackened, the American officials, senior and junior, tend to interfere with our requests, to refuse them, to make

it difficult for us. It happens and has happened that they have held up spare parts and weapons for us. Today, no one even mentions that we did not receive the U.S. Army surplus equipment, which was promised to us by Congress.

We do not have enough shekels to develop the weapons, so that the IDF comes out a loser from the media brouhaha that is directed from above. The damage is great also for the Israeli defense industries, which are struggling to survive.

In our judgment, the serious harm has been to deterrence: the Arab armies and the rulers of the Arab states always knew that the United States is Israel's support, that it will come to its aid in time of distress, that it will stand—always—by its side, both on the diplomatic and the military aspects.

From the viewpoint of Israel, the situation is worsening. The United States is no longer seen by the leaders of the Arab states as Israel's patron.

There remain the special relations between the two defense systems, between the Pentagon and the Ministry of Defense. Here, according to what I know, the situation is still better than is reflected in the media. There are strong ties between the two sides, which are beneficial for them and for us. But it is impossible that what is going on in the corridors of the White House, Bush's comments, Baker's scolding, the newspaper headlines, will not trickle down to the levels in the field.

We are today in a sensitive and delicate situation, and let us hope that we may have the wisdom and ability to get out of this dilemma, which is a real danger.

Negative Results of Restraint in Gulf War

92AE0275A Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 20 Mar 92 p 18

[Article by Natan Baron: "How We Erred"]

[Text] It is the holiday of Purim, and how is it possible to forget what happened on that day exactly one year ago: we still went out in the morning with the gas masks in satchels and in boxes, and within an hour or two it became clear that the Gulf war had ended, the ABC kits could be put into the closet, and everything would be alright. What a good feeling there was, dancing in the streets, Purim joy at its height.

And little Israel—at the height of its popularity. The entire world came hat in hand, great and worthy persons came to visit, and they all came with that flattering unctiousness: there is no one like you, you were OK, we will never forget this.

We believed them, that is, the majority did. How could one not believe such adulation? How could this sweet talk not be believed?

How we erred! We must not know just how much we erred.

For today it is clear that everything was really one big plot. Not that "the whole world is against us," even though that, too, is true sometimes. It is simply that given the special situation of the Gulf war at the beginning of 1991, Israel was capable of interfering with the big celebration of the coalition against Iraq. We could have interfered a little bit, gone

wild a little, done a bit for ourselves—but, with tremendous restraint, and just like good children, we sat and did nothing. Exactly what they asked of us.

Today, more than ever, it is clear to me that it was a very serious mistake to hold back and sit quietly. I recall that when I wrote this during the war, there was very strong reaction. It was completely clear that the majority of the public supported the position of the government, and agreed to the lack of response. Today, most unfortunately, I am not certain that this is indeed the mood in Israel.

Look what happened after the death of Menahem Begin of blessed memory. On every station, in every newspaper, they extolled precisely the destruction of the atomic reactor in Iraq, emphasizing the importance of the act and the (belated) praise for those who had done it. But we all remember how they condemned the act then, and how they criticized Israeli Prime Minister Begin, both abroad and at home. Had Begin held back and done nothing—he would have received great praises, but the reactor would have operated, and who knows what would have been the results. When the deed was done, a decisive and extraordinary deed—he received criticism and reprimands, but he no doubt saved Israel from a terrible atomic attack.

How is it that the intelligent and wise people of Israel do not understand—and did not understand one year ago—the trap that had been set by George Bush, and Jim Baker, and all the other friends. While there is no assurance that Israel would have succeeded in solving all the problems in Iraq, it is reasonable to assume that something would have occurred, and Israel would have been successful, in one way or another, in obtaining significant results from some operation in Iraq. What would have happened? A simple thing would have happened: it would have very quickly become clear that all the American military genius really was, was a paper tiger, that everything was—as 'Ezer Weizman, a man who understands something about military affairs, had defined it in his graphic language—"the American target practice on Iraq." A real target practice, not a battle, not a war, nothing—and certainly not a victory. And we saved all that for the Americans—and now, we get slapped by them....

And Saddam sits in his seat. Precisely in this place, exactly one year ago, I wrote: "In our crazy world, and a fortiori in the Middle East, there are many who think that it is definitely possible that we will still see Saddam Husayn sitting at an Arab summit conference with Asad and Mubarak." Nu, does it seem fantastic and insane to you today? To me, it seems even more logical today than it did one year ago.

These words are being written at the end of a bitter and difficult week. Whoever lives in Tel Aviv or whoever lives in Argentina—if he is a Jew and an Israeli, his life is really in great danger, and who knows from where the knife will spring out and from where the explosive device will be detonated.

By the way, as it was revealed this week, not only Jews can expect a bitter and brutal fate—something must be said about Karim 'Abd Algany, the Arab from Yaffo who tried to protect Ilanit Ohana of blessed memory, and was murdered

himself. For this is a testimony to the scarcity of our leadership, that only MK Rehavam Ze'evi came to give condolences to the mourning family. How can it be that not one cabinet minister, not one MK, not one mayor—no one came to participate in the funeral and no one expressed condolences in the name of the entire people? Is that how they want to encourage peaceful coexistence? For it is clear that 'Abd ("Ovadia", as he was called) was a working man, an Israeli citizen like the rest of us. So where is the consideration and the expression of participation in the grief of the family?

So we are carried back and forth, just as by a swing, between feelings of euphoria and descents into depths of disappointment and anger. And the most irritating thing is the simple feeling of tremendous frustration, that somehow we always end up guilty, and hit and degraded (and we have not yet spoken about the guarantees and the leaks from Washington).

So what can we wish ourselves on this Purim holiday, a sad, grey, hard Purim? Maybe we should wish that we will somehow know how to get out of our distress, and we all know that it is possible to get out of it, if we have enough strength and enough ability to make a decision.

Because no matter how we look at it, the situation is not encouraging, and the main trials are still ahead of us.

IDF Budget Restraints, Quartermaster System

92AE0270A Tel Aviv BAMAHA in Hebrew
26 Feb 92 pp 10-11

[Article by Yanki Galanti; interview of Lieutenant Colonel M., commander of the brigade training base of the Giv'ati, and Lieutenant Colonel Avi Ezer, head of the Individual Supply Section of the GCC [Ground Corps Command] at Giv'ati Training Base; date of interviews not given]

[Text] Every Saturday night, the picture repeats itself: long lines in front of the army supply stores; the salespeople in those stores up to their necks in work; checkout counters ticking overtime; and everyone connected with production of army supplies for soldiers laughing all the way to the bank. Many soldiers, mainly infantryman, arrive at the stores to buy supplies and instruments that will serve them, so they hope, when they are in the field, and during training—for hikes, and for any other shared tasks that will be required of them.

And the soldiers buy everything, from dog tag camouflage, to cord, plastic handcuffs, unbreakable mirrors, locks, Japanese knives, insulating tape, to medical supplies like poison ivy ointment. The price is paid by the parents, who are forced to handle the expenses, and we can imagine that the burden is not light.

On the last Parents' Day held at the Giv'ati brigade training base, the topic came up again. The base commander, Lieutenant Colonel M., gave a talk before hundreds of parents, who had gathered from every corner of the country, to visit their children and get a picture of the conditions on the base. He referred to this subject several times, saying that there was no need to buy army equipment of any kind.

"It would be a waste," his voice echoed over the loudspeakers. The voices of many mothers who disagreed with him echoed no less strongly. Each of them pointed to a number of items that she had had to pay out of her own pocket, like undershirts, socks, unbreakable mirrors, and ear plugs.

The testimony of the soldiers I spoke to fit the parents' version exactly. "It is true that for most things we could make do 'as is,' but nevertheless, there were times when we had to buy a number of items," says Corporal Yuval Entebbe, of Giv'ati. "The commanders told us over and over not to buy anything, but there were some items we simply could not get along without. Of course, there were also a few people who were too lazy to do things for themselves, and so ended up buying more than the others. In principle, I would say that it is possible to get along without buying, but someone who does buy—has the game in his favor."

From talks with other soldiers, besides Entebbe, it comes out that today, as opposed to a time not so long ago, the IDF [Israel Defense Forces] succeeds in supplying most of the necessary items, and almost all of the supportive equipment, like plastic handcuffs, testers, Japanese knives, and the like. Many soldiers emphasize that there has been a clear improvement in this area. However, they do not hide the fact that sometimes they come to army supply stores and stock up on the various items the stores offer, and that they buy plenty of them. According to the soldiers, the most popular items are plastic handcuffs, shoe polish, unbreakable mirrors, cord, insulating tape, and cleaning sets for the various types of weapons. They claim that most of these devices are not sufficiently supplied by the army, or not supplied at all, which forces them to go to the supply stores and buy the things with their own money.

In the army supply stores, they still do not feel the change the soldiers and the head of the individual supply section of the Ground Corps Command, testify to (see box) on the subject of supplies. Stores of this kind, which have burst up like mushrooms after a rain over the last few years, sell, and sell well. According to Avi Edri, director of the "Shikmeet" in Jerusalem, which sells a great many army items, sales are high. "The army supplies are snatched up," Edri affirms. "Most of the buyers are soldiers in the regular army, but there are also some who have not yet joined, and even some reservists who come to buy. The IDF does not succeed in supplying everything the soldiers want. Some of the things I sell are luxuries, but others are definitely necessary. I know that we serve mainly infantrymen."

Edri is not the only one reaping the rewards. The owners of both the "Camping" chain, which carries army supplies, and of army supply stores, can testify to sales in great quantities, and turnover of tens of thousands of shekels a month.

An additional problem that leads to the buying is created by the items that cannot be reused. These are the articles that cannot be exchanged at the quartermaster's—socks, for example. When he begins service, the soldier receives several pairs of socks. Unlike B-uniforms, for example, the

soldier has no way to exchange a pair of socks when one half of the pair is torn, dirty, or worn out. It is the same with undershirts and underwear. One must remember that the infantrymen, who are out in the field for long periods, have to take along a large supply of underwear, undershirts, and socks. In a case like this, the soldiers need to complete the supply of underwear and socks that they have, and acquire additional items of clothing for a long stay. The IDF supplies, every three months, only one pair of socks and one set of underwear. From the testimony of the soldiers it appears that a number of items of underclothing they have is still low, and that they prefer to supply themselves with extra clothes, even if just for reasons of comfort, and at their parents expense.

Lieutenant Colonel M., commander of the brigade training base of the Giv'ati:

[BAMAHANE] Why do the soldiers need to buy supplies?"

[Lieutenant Colonel M.] The soldiers do not need to buy anything. We supply the soldiers with all the needed equipment, including training materials. It should be emphasized that the situation in the last months has improved. In the not so distant past the soldiers had to buy a number of items, but today the situation is different, and we supply them with everything. We supplied even the shaving razors that the soldiers must use on the plastic personal bandages, after we set aside special budget money for it out of the unit's funds.

[BAMAHANE] Then, actually, you maintain that all the things the soldiers buy are luxuries?

[Lieutenant Colonel M.] There are all kinds of luxury items that the soldiers want. The stores carrying army supplies exploit this situation, and sell many silly items that a soldier does not need. Sometimes the articles help the soldier to look better, but they are really not necessary. The soldiers on their part put their parents into unnecessary hysteria. My recommendation is to stop buying and wasting money. Also, in the case of items that cannot be exchanged, there is no problem. Every three months, the IDF gives out the items that are usually not exchangeable, like socks, and the soldiers can get along on what they receive from the army."

[BAMAHANE] That is, that the problem has not been solved completely?

[Lieutenant Colonel M.] Clearly not everything has been solved, but there is no doubt that awareness has grown. For example, when the November, 1991 recruits of the Giv'ati brigade arrived at the training base, they had no dark or olive undershirts. We have always required the recruits to wear dark undershirts at night, according to orders from "the night watch" and in accordance with the rules of soldiering. When we learned that the recruits had no dark undershirts, we decided in an exceptional step to let them go around the training base at night wearing undershirts. It is true that we gave in here on the subject of rules of soldiering, but in the broader picture, there was no justification to cause the parents unnecessary expense."

[Box, p.11]

Head of the Individual Supply Section of the Ground Corp Command (GCC):

"WE SUPPLY ALL THE VITAL EQUIPMENT AND ACCESSORIES"

Lieutenant Colonel Avi Ezer, head of the Individual Supply Section of the GCC:

[BAMAHANE] Do you agree with the soldiers' complaints?

[Ezer] Over time, the IDF has learned to keep track of the vital needs of the soldiers for supplies. Today, as opposed to the past, we supply the soldier with everything he needs. In the past, the "Association for Soldiers' Welfare" supplied the special needs for the combat soldier. But today the army is the one which supplies all the necessary equipment. In the case of items being needed for exclusive use of individual soldiers, we set aside money for them from the budget for the soldiers of the unit, and distribute the items. We also issued a clear order to ask the soldiers not to buy equipment. The IDF supplies the soldier with cord, plastic handcuffs, and with camouflage. Accordingly, there is no need to go and buy those items in the army supply stores.

[BAMAHANE] Then everything the soldiers buy are luxuries?

[Ezer] The soldiers buy equipment and accessories for reasons of comfort, or so that they will have an extra supply. Sometimes soldiers even lose equipment, and then, instead of reporting this, they buy the lost item in the stores. As a rule, we supply all the necessary equipment and accessories.

[BAMAHANE] What about the claim that there is not enough shoe polish?

[Ezer] The shoe polish we supply is not given directly to individuals. The IDF gives out the polishing brushes in the orientation and classification center, and the polish itself is supplied to a group of soldiers according to the size of the platoon or the company, for the use of all the soldiers in the group. Whoever buys shoe polish does it only for the sake of comfort.

[Cartoon, p.11]

"Daddy bought it for me on a trip to Russia!"

Intelligence Leak Possible in Ambush of Convoy

TA0704162792 Tel Aviv HA'ARETZ in Hebrew
7 Apr 92 p 1

[Analysis by HA'ARETZ Columnist Ze'ev Schiff]

[Text] A major question, which will stand at the center of the investigation on the ambush of an IDF [Israel Defense Forces] convoy in the security zone in Lebanon—in which senior IDF and SLA [South Lebanese Army] officers were wounded, including the commander of the liaison unit in Lebanon—is whether the ambushers, members of Hizballah and Islamic Jihad, had advance information of the convoy and its passengers. Yesterday, the officers in the convoy set out on a trip in order to convey their good wishes to Shiite residents on the occasion of the Muslim 'Id al-Fitr holiday, and it is possible that the ambush was organized with the

goal of capturing them on their return trip. But it is conceivable that the information on the expected visit of the Israeli officers was leaked even before the trip began and, on this basis, the ambush was planned. These details will have to be fundamentally examined with the help of intelligence.

It is clear, given the weapons in the possession of the terrorists, that this ambush was well-planned. The ambushers placed emphasis on fire-power, especially on the first fire barrage. Weapons in their possession included an RPG [rocket-propelled grenade] launcher and a LAW anti-tank missile. The RPG attack during the first, surprising strike apparently caused the casualties. The intention of the terrorists was to cause as many losses as possible, and not to kidnap people. From an operational standpoint, it appears that the total military establishment operated correctly from the moment the attack started. The assistance of combat helicopters, tanks, and armored infantry—which arrived from outside the area—was rapid. These forces were the ones which succeeded in killing some participants in the ambush. The fact that a combat helicopter was capable of arriving at the scene of the battle within minutes is very significant. It is clear that if the number of attackers had

been greater and if the ambush had been staged in a more isolated locale, the battle would have ended with a greater number of IDF losses.

Islamic Jihad was quick to accept responsibility for the attack. Still, it is more reasonable to assume that this was an integrated operation of Islamic Jihad and Hizballah. Generally, the latter has provided assistance to [Islamic] Jihad in southern Lebanon, because Hizballah has a better operational infrastructure in the area.

In any event, it is clear that the cessation in the firing of Katyushas at Israel—which was imposed on Hizballah after the killing of Shaykh 'Abbas al-Musawi—did not put an end to their attempts to strike at the IDF. The ambush yesterday is proof that the capacity of the terrorists for operational inventiveness has not subsided and that they will do everything possible to surprise the IDF. Even though three of the attackers were killed, members of Islamic Jihad will not record the mission as a failure. In their eyes, it is more important to register that they managed to attack the convoy in which senior IDF officers were located, and to cause losses and wounded among the Israelis—even at the cost of casualties to their personnel.

NTIS
ATTN PROCESS 103
5285 PORT ROYAL RD
SPRINGFIELD VA

2

22161

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.