In 1981 the Likud repeated its election victory of four years earlier, demonstrating that a significant shift in the Israeli polity had indeed occurred. The year also witnessed events of far-reaching import in the security sphere, notably the air force’s destruction of an Iraqi nuclear reactor and a “mini-war” waged across the Lebanese border which was terminated by a fragile cease-fire. In Judea and Samaria, Jewish settlement activity continued unabated, and plans were announced for a “civilian administration.” Israeli law was applied to the Golan Heights. Israel’s efforts to achieve harmonious relations with the new administration in Washington were set back by its actions in Iraq, Lebanon, and with respect to the Golan Heights. Relations with Western Europe, however, were a bit smoother. Normalization with Egypt went on uninterrupted, though the autonomy talks remained largely moribund. The inflation rate, while still among the world’s highest, fell by nearly one-third. In an Independence Day interview, President Yitzhak Navon perhaps summed up what many Israelis felt when he asserted that the quality of life in the country would have to improve if Israel wished to attract Western immigrants and prevent its own citizens from leaving. “I can’t predict if it will improve,” he said, “but it must—and it must start tomorrow.”

The Elections

Throughout 1980 the government of Menachem Begin had sustained a series of political blows, and as that year ended it had reached a point where it could barely carry on. (For the background, see AJYB, Vol. 82, 1982, pp. 255–256.) On January 11, 1981 the catalytic act occurred—the resignation of Finance Minister Yigael Hurvitz. He was protesting the cabinet’s decision to implement the recommendations of a public committee on the status of the teaching profession. Hurvitz argued that the salary increases called for in the report would encourage a spate of similar demands from other sectors, thus generating even higher inflation. Late in January, Yoram Aridor (Herut)—who had been appointed communication minister after Yitzhak Modai, minister of energy and communications, relinquished the latter portfolio in December 1980—was named to succeed Hurvitz as finance minister.

As Hurvitz resigned not only from the cabinet but also from the Likud, taking two of his Rafi colleagues with him, the Likud was now left with only 39 members in the Knesset and the coalition with 58, though it managed to scrape through
several votes of confidence with the aid of some of the defectors. For some time the opposition had been calling for fresh elections, with signs of response even from coalition quarters. Prime Minister Begin now took the initiative and the cabinet sponsored a bill for the holding of a general election on July 7. The parties ultimately agreed on June 30, four-and-a-half months before the statutory date, and the Knesset passed the necessary legislation early in February.

Meanwhile there had been other shifts on the political scene. Deputy Prime Minister Yigael Yadin announced on February 18 that he would be leaving political life when the term of the Knesset expired, and that his party, the Democratic Movement—which had aroused such great hopes upon its formation four years earlier (see AJYB, Vol. 78, 1978, p. 474; Vol. 79, 1979, pp. 261-268)—was to be officially dissolved. The formal act of dissolution followed two weeks later.

This apparent vacuum at the center of the Israeli political spectrum did not remain empty for long. On April 4 Moshe Dayan officially announced the formation of a new party, Telem (Hebrew acronym for State Renewal Movement), under his leadership. Early polls indicated that a list headed by Dayan might win as many as 19 seats, thus harming the Labor party, but the new party's prospects soon dwindled to as few as four.

The polls were very flattering to the Labor party in the waning days of the first Begin government. As late as February polls showed Labor winning 58 seats to the Likud's 20, and Labor party chairman Shimon Peres enjoying a personal seven percent lead over Begin as the person best suited to be the country's next prime minister. These polls, however, were conducted soon after Labor's widely covered convention, with its built-in drama of Shimon Peres' election as party leader against the challenge of Yitzhak Rabin (see AJYB, Vol. 82, 1982, pp. 256-257). From that point on—indeed, virtually from the moment new elections moved from the realm of possibility to that of actuality—Labor's fortunes began to decline.

One major cause of the decline was Shimon Peres' evident inability to translate his sweeping convention victory into genuine party and national leadership. Party morale suffered a setback when, in mid-March, Bank Hapoalim chairman Yaacov Levinson, who had been widely touted as Labor's candidate for finance minister, was unable to reach agreement with Peres on the powers that would be granted him to carry out his economic policy. Peres continued to make unfavorable headlines that month in the wake of a report that he had met secretly with Morocco's King Hassan II and with a brother of Jordan's King Hussein. Cabinet ministers charged that Peres had undermined Israel's bargaining position by indicating that a Labor government under his leadership would be more willing than a Likud-led government to make concessions in the peace negotiations. Internal tension in the Labor party intensified when Haim Bar-Lev, the secretary-general, stated that he would choose to stay out of a Labor government altogether if he did not receive the defense portfolio—this in the wake of a mounting campaign by Yitzhak Rabin's supporters to have him named to that post. As Labor's lead in the polls began to shrink (a late
March survey showed it ahead of the Likud by 45 seats to 33) a Jerusalem Post editorial seemed to catch the prevailing mood in the party: "While the polls flash their warning signals, the party bigwigs sit around, happily quarreling over the division of the spoils of an imagined triumph."

Triumph there undoubtedly was in the Histadrut elections, held on April 7, with Labor increasing its share of the vote by about four per cent over 1977 (see below for details). However, the Likud, too, took heart from the results. Its approximately 27 per cent of the vote was virtually the same as its 1977 showing—allaying the Likud leaders' major fear, that it would suffer because of its socio-economic record since taking office. The Likud's traditional grassroots support in the development towns and among the urban disadvantaged was, it appeared, holding fast. It was also pointed out that the turnout had been low—56.7 per cent—and that Histadrut members accounted for only 65 per cent of the general electorate.

Not even Peres' naming of his shadow cabinet immediately after the Histadrut election enabled Labor to regain its momentum. The nominees themselves—among others, Abba Eban as shadow foreign minister, Haim Bar-Lev as candidate for defense minister, and Tel Aviv University president Haim Ben-Shahar for the finance portfolio—failed to generate any great excitement among the public. A similar reaction greeted the Alignment's Knesset list, which was announced in early May. For the most part, the list was comprised of long-familiar names. The only surprise was the appearance of MK Shoshana Arbeli-Almoslino in the number two slot, demoting Abba Eban to third place. Indeed, the chief reasons adduced by observers for Arbeli-Almoslino's preeminent position pointed directly to the areas of Alignment weakness and Likud strength. Iraqi-born, she was a representative of the "oriental" Jews (among whom the Likud was very strong). She was also known as a hawk on foreign affairs—a stance which would enable the party to dispel somewhat its dovish image. The Alignment was to find, however, that it could not play on the Likud's field.

Labor's decline was by no means entirely self-generated. Heartened by the Histadrut poll, the Likud, and Menachem Begin in particular, seemed to take a new lease on life. The Likud ran a three-pronged campaign. Agriculture Minister Ariel Sharon launched a program that eventually brought some 300,000 Israelis to visit Jewish settlements in Judea and Samaria. By stressing its own settlement activities, the Likud was seeking to deprive Labor of its image as the paramount settler and builder of the land. The second thrust of the Likud's campaign was more indirect in nature. Shortly after his appointment as finance minister, Yoram Aridor launched a policy which he termed "proper economics," although others claimed it was "election economics." Its main features were tax reductions on consumer durables, chiefly color television sets and automobiles, along with price freezes, greater government subsidies to prevent price rises, and elements of income tax reform. The results were a buying spree by the public on the one hand and, on the other, a May inflation rate of 3.3 per cent, one of the lowest in months—which, moreover, was announced on June 15, just two weeks before the election.
The third, and most important, element in the Likud’s campaign and subsequent victory was Prime Minister Begin himself. Seemingly downcast, dispirited, and depressed throughout 1980 and the first part of 1981, as his government appeared to have lost favor with the public, Begin soon regained his ebullience and demonstrated that he had lost none of his flair for crowd-pleasing rhetorical flourishes. Formally re-elected Herut leader at the party’s convention on May 11—by which time the polls showed the Alignment and the Likud running neck-and-neck—Begin proceeded to take his campaign to the people.

One of the most contentious aspects of the election campaign was the acute polarization among the Israeli public between Sephardi and Ashkenazi Jews, the former being in the main identified with the Likud and the latter with the Alignment. However, the chief victim of this phenomenon was probably the National Religious party. During the first part of 1981, Religious Affairs Minister Aharon Abuhatzeira of the NRP was on trial in connection with alleged irregularities in his ministry (see also AJYB, Vol. 82, 1982, p. 256). Abuhatzeira, along with his aide at the ministry and two religious leaders in Bnei Brak who were charged with complicity, pleaded not guilty as the court proceedings opened on February 3. During the trial the credibility of the chief prosecution witness, a former Bnei Brak mayor who had been promised immunity for turning state’s evidence, was severely shaken in cross-examination. On May 24 Abuhatzeira and the other defendants were found not guilty on all counts. Two of the judges held, however, that there was a “heavy suspicion” as to the culpability of the minister and his aides on one of the charges, and the court was severely critical of the “extremely low moral standards” revealed, by Abuhatzeira’s own admission, in allocating public funds to religious institutions on the basis of political criteria. While the trial was still in progress, Attorney General Yitzhak Zamir submitted to the Knesset a second set of charges against Abuhatzeira, alleging that he had misappropriated public funds during the period that he was mayor of Ramleh. After a series of delays, the Knesset in mid-May voted to lift his immunity so he could stand trial on the new charges. The actual proceedings, however, were postponed until after the elections. (Following the high court of justice’s rejection of various legal maneuvers by the defense, which sought to have the minister’s immunity restored because he had been re-elected to a new Knesset, the second trial opened on November 22, with Abuhatzeira pleading not guilty.)

Riding the crest of his acquittal and buoyed by the enthusiastic support of the Moroccan community in general and of the NRP’s Sephardi members in particular, Abuhatzeira now demanded that the party revise its Knesset list to include greater Sephardi representation. On May 25, the day after his acquittal and the final day for submitting party slates for the elections, Abuhatzeira announced that he was breaking with the NRP to form his own independent Sephardi party, Tami (Hebrew acronym for Movement for Jewish Tradition). Joining Tami—which gained the blessing and financial support of Nessim Gaon, a resident of Switzerland and the chairman of the World Sephardi Federation—were Aharon Uzan, a former agriculture minister in the last Labor government, and Benzion Rubin, an NRP MK.
As the campaign proceeded, its tone became increasingly rancorous. Violence erupted on an unprecedented scale. With tension in the country already running high because of defense and foreign affairs developments—the missile crisis in Lebanon and the bombing of the Iraqi reactor, as well as Begin’s *ad hominem* attacks on West German Chancellor Helmut Schmidt and on U.S. Secretary of Defense Caspar Weinberger, all of which were played up prominently in the Likud’s campaign, along with events such as the Begin-Sadat summit meeting on June 4 and the ceremony inaugurating the Mediterranean-Dead Sea canal project (see the relevant sections below for details)—and the polls showing new Likud gains after every tough Begin pronouncement, thus encouraging even more outspoken declarations, the crowds at mass election rallies grew increasingly restive. On June 14 Peres was pelted with garbage by groups of vociferous Likud supporters in Petah Tikva. A few days later Peres and Rabin had to be escorted to their cars when they were mobbed following an election assembly in Jerusalem. A Labor party branch office in Tel Aviv was fire-bombed. Cars bearing Alignment stickers had their tires slashed and their windshields shattered. On the other side, an anonymous bomb threat was phoned in to the Herut building in Tel Aviv.

About two weeks before the election Prime Minister Begin appealed to all to show tolerance and “refrain from disrupting election meetings for any reason, regardless of the provocation.” For his part, Peres accused Begin of “inciting” the violence that was marring Labor election rallies by his “inflammatory” rhetoric against the opposition and by intimating that anyone who did not back Begin to the hilt was a subversive. By election eve the police had arrested 157 persons suspected of having committed 171 election-related offenses.

The small parties, which made efforts to run on substantive issues, were overwhelmed by the intensity of the Likud-Alignment struggle. The National Religious party found itself with a greatly reduced constituency, not only due to the Abuhatzeira affair, but also because its evident vacillation on the issue of the administered areas led many of its former backers to turn to the Likud or to Tehiya (Renaissance). The latter party, formed by Likud dissidents in the wake of the Camp David accords (see AJYB, Vol. 81, 1981, p. 266), had as its main plank a call to retain all the territories; it opposed Israel’s withdrawal from Sinai as stipulated in the peace treaty with Egypt. On the other side of the political spectrum, Hadash (Front for Democracy, Peace, and Equality), whose main support came from the Arab population, and Sheli (Peace and Equality for Israel) urged the establishment of a Palestinian state and called for withdrawal to the 1967 lines within the framework of a peace settlement. The left-of-center Citizens’ Rights Movement, joined by a large bloc from the Peace Now group, advocated reforms in various spheres, urging particularly a total separation of religion and state. Ideologically not far removed from them was the Shinui (Change) party, composed of former members of Yigael Yadin’s Democratic Movement for Change; indeed, their identification by the public with Yadin’s fragmented party was to hurt them in the election. Dayan’s Telem list advocated the unilateral implementation of autonomy in the administered areas, though its campaign concentrated largely on the figure of the party’s leader. One
non-candidate was Samuel Flatto-Sharon, who had conducted a successful one-man campaign in the 1977 Knesset elections. In mid-May he was sentenced to nine months in prison, with a 27-month suspended sentence, on two counts of election bribery, although execution of the sentence was postponed pending appeal. The trial had lasted over a year. (See also AJYB, Vol. 81, 1981, p. 271; Vol. 78, 1978, p. 478.)

All told, 31 parties contested the election, including a pensioners' list and a group advocating repeal of the income tax.

The two large parties seemed to spend more time attacking each other's past records than in explaining their policies for the future. The campaign was capped by a Begin-Peres television debate on June 25 in which the Labor party appeared to make the better showing. Immediately afterward Peres announced that Yitzhak Rabin had been named shadow defense minister in place of Haim Bar-Lev. Dismissing his recent years of bitter feuding with Peres, Rabin, who had been outpolling the party leader as Labor's top vote-getter, said he and Peres would henceforth "work together." In the few days remaining before the vote, the Likud, apprehensive that Rabin's popularity and relatively hawkish stance might hurt it, charged that the move was yet another demonstration of Peres' "non-credibility" and "indecisiveness."

The results of the election, as compared with 1977, are given below. Nearly 80 per cent of the electorate went to the polls. The Alignment, with 36.6 per cent of the popular vote (well above its 1977 figure of 24.6 per cent but still 3 per cent less than it received in 1973), recouped nearly all the seats it had lost to the DMC four years earlier. The Likud also strengthened its popular vote (37.1 per cent in 1981 as compared with 35.4 per cent in 1977) and gained several seats, throwing the two parties into a virtual deadlock.

### ELECTIONS TO 9TH KNESSET (May 17, 1977) AND 10TH KNESSET (June 30, 1981)

<table>
<thead>
<tr>
<th></th>
<th>1977</th>
<th>1981</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible voters</td>
<td>2,236,293</td>
<td>2,490,140</td>
</tr>
<tr>
<td>Jewish</td>
<td>2,030,734</td>
<td>2,224,840</td>
</tr>
<tr>
<td>Non-Jewish</td>
<td>205,559</td>
<td>247,300</td>
</tr>
<tr>
<td>Valid votes cast(a)</td>
<td>1,747,820</td>
<td>1,937,366</td>
</tr>
<tr>
<td>Valid votes cast for (a) parties not qualifying</td>
<td>46,969</td>
<td>99,903</td>
</tr>
<tr>
<td>Valid votes counting (a) in allocation of seats</td>
<td>1,700,851</td>
<td>1,837,463</td>
</tr>
<tr>
<td>Quota per Knesset seat(b)</td>
<td>14,173</td>
<td>15,312</td>
</tr>
</tbody>
</table>
### Knesset Seats

<table>
<thead>
<tr>
<th>Party</th>
<th>Popular Vote (%)</th>
<th>Net gain or loss</th>
<th>Knesset Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likud</td>
<td>583,075 (33.4)</td>
<td>718,941 (37.1)</td>
<td>+ (3.7)</td>
</tr>
<tr>
<td>Alignment</td>
<td>430,023 (24.6)</td>
<td>708,536 (36.6)</td>
<td>+ (12.0)</td>
</tr>
<tr>
<td>National Religious</td>
<td>160,787 (9.2)</td>
<td>95,232 (4.9)</td>
<td>- (4.3)</td>
</tr>
<tr>
<td>Agudat Israel</td>
<td>58,652 (3.4)</td>
<td>72,312 (3.7)</td>
<td>+ (0.3)</td>
</tr>
<tr>
<td>Democratic Front for Peace &amp; Equality</td>
<td>79,733 (4.6)</td>
<td>64,918 (3.46)</td>
<td>- (1.2)</td>
</tr>
<tr>
<td>Tehiya</td>
<td>—</td>
<td>44,700 (2.3)</td>
<td>—</td>
</tr>
<tr>
<td>Tami</td>
<td>—</td>
<td>44,466 (2.4)</td>
<td>—</td>
</tr>
<tr>
<td>Telia</td>
<td>—</td>
<td>30,600 (1.6)</td>
<td>—</td>
</tr>
<tr>
<td>Shinui</td>
<td>—</td>
<td>29,837 (1.5)</td>
<td>—</td>
</tr>
<tr>
<td>Citizens' Rights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movement</td>
<td>20,621 (1.2)</td>
<td>27,921 (1.4)</td>
<td>+ (0.2)</td>
</tr>
<tr>
<td>Poalei Agudat Yisrael</td>
<td>23,956 (1.4)</td>
<td>17,090 (0.9)</td>
<td>— (0.5)</td>
</tr>
<tr>
<td>Independent Liberals</td>
<td>21,277 (1.2)</td>
<td>11,764 (0.6)</td>
<td>— (0.6)</td>
</tr>
<tr>
<td>United Arab</td>
<td>24,185 (1.4)</td>
<td>11,590 (0.6)</td>
<td>— (0.8)</td>
</tr>
<tr>
<td>Flatto-Sharon</td>
<td>35,049 (2.0)</td>
<td>10,823 (0.6)</td>
<td>— (1.4)</td>
</tr>
<tr>
<td>Sheli</td>
<td>27,281 (1.6)</td>
<td>8,691 (0.5)</td>
<td>— (1.1)</td>
</tr>
<tr>
<td>Arab Brotherhood</td>
<td>—</td>
<td>8,304 (0.4)</td>
<td>—</td>
</tr>
<tr>
<td>Aliya</td>
<td>—</td>
<td>6,992 (0.4)</td>
<td>—</td>
</tr>
<tr>
<td>Kach (Meir Kahane)</td>
<td>4,396 (0.2)</td>
<td>5,128 (0.3)</td>
<td>—</td>
</tr>
<tr>
<td>Atzma</td>
<td>—</td>
<td>4,710 (0.2)</td>
<td>—</td>
</tr>
<tr>
<td>One Israel</td>
<td>—</td>
<td>3,726 (0.2)</td>
<td>—</td>
</tr>
<tr>
<td>Arab Citizens</td>
<td>—</td>
<td>2,596 (0.1)</td>
<td>—</td>
</tr>
<tr>
<td>Pensioners</td>
<td>—</td>
<td>2,404 (0.1)</td>
<td>—</td>
</tr>
<tr>
<td>Ihud</td>
<td>—</td>
<td>1,293 (0.07)</td>
<td>—</td>
</tr>
<tr>
<td>Ya’ad</td>
<td>—</td>
<td>1,228 (0.06)</td>
<td>—</td>
</tr>
<tr>
<td>Otzma</td>
<td>—</td>
<td>839 (0.04)</td>
<td>—</td>
</tr>
<tr>
<td>Ohalim</td>
<td>—</td>
<td>545 (0.03)</td>
<td>—</td>
</tr>
<tr>
<td>Income Tax Repeal</td>
<td>—</td>
<td>503 (0.03)</td>
<td>—</td>
</tr>
<tr>
<td>Amcha</td>
<td>—</td>
<td>460 (0.02)</td>
<td>—</td>
</tr>
<tr>
<td>Youth</td>
<td>—</td>
<td>412 (0.02)</td>
<td>—</td>
</tr>
<tr>
<td>Council for a Changing Society</td>
<td>—</td>
<td>405 (0.02)</td>
<td>—</td>
</tr>
<tr>
<td>Yozma</td>
<td>—</td>
<td>400 (0.02)</td>
<td>—</td>
</tr>
<tr>
<td>Other Lists (1977)</td>
<td></td>
<td>42,573(2.3)</td>
<td>—</td>
</tr>
</tbody>
</table>

*a* Only lists receiving at least one per cent of the valid votes cast—i.e., 19,374 in 1981—are entitled to share in the allocation of seats.

*b* The quota for one Knesset seat is the number of valid votes cast for the lists qualifying—i.e., 1,837,463 in 1981—divided by 120 (the number of Knesset seats).

*c* Shortly after the elections, the Citizens’ Rights Movement formally joined the Alignment.

*d* Shinui (Change) was part of the Democratic Movement for Change in the 1977 elections; at that time the DMC won 202,265 votes (11.6\% of the popular vote) and elected 15 Knesset members.

The most stunning result was the halving of the NRP’s strength and the overall decline in seats for the religious parties, although it soon became apparent that their political clout was in inverse proportion to their electoral fortunes. The hopes of the left-of-center parties of all shades were severely dashed, although there was no mass swing in the other direction either, as Tehiya had counted on. Abuhatzeira’s Tami
party did less well than had been expected; indeed, none of the overtly ethnic lists fared well. The Communists (DFPE) suffered a decline, with Labor tripling its vote among the Arab population, while Sheli was wiped off the Knesset map altogether. The greatest disappointment was probably that of Moshe Dayan, whose vaunted charisma appeared to have faded away. The decline of the Independent Liberals continued apace and they failed to elect a single candidate. Overall, the public swung sharply away from small parties, although it was unclear whether this was the start of a long-term trend (a backlash, perhaps, following the DMC's atomization) or, as some observers suggested, a one-time phenomenon due to the intense Begin-Peres struggle.

Subsequent analyses of voting patterns only confirmed what had been strikingly apparent during the campaign: the Likud, under Menachem Begin, retained its populist support among voters of the “oriental” communities, while Labor, belying its name, was strong among the more affluent, largely “occidental” sections of the public. Many commentators attributed Labor’s lack of success in regaining power to its failure, in the four years since the 1977 elections, to reform and recast itself, or to divest itself of its establishment image. The children of the early 1950’s mass immigration from Arabic-speaking lands, now come of age, were evidently repaying the current Labor leaders for the mistakes their predecessors had made in the absorption of those immigrants. These children of the ma’abarot—the transit camps that were their initial experience of Israel and which they identified with Mapai, now the Labor party—turned to the Likud not only because their origins in Muslim countries led them to perceive the Arab world in much the same way as Menachem Begin (his own extraction notwithstanding), but because they saw themselves and Herut as having overcome, together, the Mapai machine which they believed had sought to relegate them to a perpetual second-class status.

The Histadrut Elections

The election of delegates to the 14th convention of the Histadrut, Israel’s General Federation of Labor, on April 7 was widely regarded as a significant prelude to the Knesset elections. Eleven lists were submitted (three of them for the first time) representing the major political parties (except for the religious parties, which had their own labor federations). The Alignment’s list was headed by MK Yeruham Meshel, who had already served two terms as secretary-general, and the Likud’s list by Housing and Immigration Absorption Minister David Levy. The Likud presented Levy as the “strong man” needed by the Histadrut, while the Alignment countered by seeking to build Meshel’s image as a “responsible and resolute” leader who had proved himself.

Both chief parties had some reason to be satisfied with the outcome of the election. Meshel, pointing out that the Alignment’s 63 per cent of the vote had reversed Labor’s downward trend in the labor federation for the first time since Herut’s appearance there in 1965, termed the result a “great victory for the Labor Alignment.” The Likud, however, was satisfied (and relieved) to have retained its
ELECTIONS TO THE 13TH AND 14TH CONVENTIONS OF THE HISTADRUT, 1977 AND 1981 (Percentages)

<table>
<thead>
<tr>
<th>Party</th>
<th>1977</th>
<th>1981</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alignment</td>
<td>58.35</td>
<td>61.96</td>
</tr>
<tr>
<td>Likud</td>
<td>28.18</td>
<td>26.86</td>
</tr>
<tr>
<td>Shinui</td>
<td>8.02</td>
<td>2.20</td>
</tr>
<tr>
<td>Hadash (Communists)</td>
<td>3.03</td>
<td>3.58</td>
</tr>
<tr>
<td>Religious Workers</td>
<td>1.80</td>
<td>1.78</td>
</tr>
<tr>
<td>Independent Liberals</td>
<td>1.27</td>
<td>1.21</td>
</tr>
<tr>
<td>Sheli</td>
<td>1.11</td>
<td>1.36</td>
</tr>
<tr>
<td>Rafi</td>
<td>—</td>
<td>1.05</td>
</tr>
<tr>
<td>Others</td>
<td>1.28</td>
<td>1.05</td>
</tr>
<tr>
<td>Votes cast as percentage of eligible voters</td>
<td>68.47</td>
<td>56.72</td>
</tr>
</tbody>
</table>

*In 1981 the Alignment list included the Religious Workers and the Civil Rights Movement.

In 1977 the Likud included Rafi.

*In 1977 Shinui was part of the Democratic Movement for Change.

*In 1977 the Independent Liberals ran on a joint list with the Civil Rights Movement.

strength virtually undiminished. The Alignment maintained its majority in Na'amat (Women Workers and Volunteers) and in all but four of the 71 local labor councils, for which elections were held simultaneously.

The Histadrut convention, (September 8–10), which followed the violent Knesset election campaign by just two months, was marred by brawling between Likud and Alignment delegates over a change in the federation’s constitution. Police had to be summoned to break up the fighting. The convention, which was attended by 1,501 delegates, elected Yeruham Meshel to a third term as secretary-general.

**The New Government**

Talks on the formation of a new coalition to a large extent followed the pattern set in 1977. Although the Alignment and the Likud were virtually stalemated numerically—indeed, after the Citizens’ Rights Movement joined the Alignment following the elections, both major parties had 48 seats and the Alignment actually had a larger share of the popular vote—it was clear from the outset that only the Likud would be able to put together a coalition capable of mustering a Knesset majority. Both religious parties, the NRP and Agudat Israel, asserted their readiness to join a Likud-led coalition, thus assuring Begin of 58 seats. An initial stumbling block—the NRP’s refusal to serve in a government with Aharon Abuhatzeira’s breakaway Tami faction—was soon overcome, though Abuhatzeira’s demand to retain the religious affairs portfolio he had held in the previous cabinet presented another obstacle. Negotiations between the Likud and Moshe Dayan’s Telem list quickly proved fruitless, as the two found it impossible to bridge their differences on the autonomy issue. Likud feelers to Tehiya also produced no results. The
Alignment on July 7 turned down the idea of joining a national unity government under Menachem Begin, a plan broached by the NRP.

Following the publication of the official election results and the statutory consultations with the representatives of the parties, President Navon on July 15 formally charged Menachem Begin with the task of forming a government. As he had done four years earlier, Begin went from his meeting with President Navon to the Western Wall to utter a prayer. He set a three-week deadline for forming a new government, asserting that if he failed he would not ask for an extension but would return his mandate to the president. He also ruled out a minority government.

The coalition talks were conducted against the backdrop of a “mini-war” fought across Israel’s northern border (see Lebanon, below). Begin cited the unstable situation in the North as well as his forthcoming meetings with presidents Sadat and Reagan as the reasons why a new government was needed urgently. The main problems were 120 listed demands on religious, social, and economic issues put forward by the NRP, and Agudat Israel’s insistence that the government undertake to amend the law of return by making it mandatory for a proselyte to have been converted “according to the halacha” (Jewish religious law), thus effectively disqualifying conversions performed by Conservative or Reform rabbis. In the meantime, the Tenth Knesset convened on July 20 and by a vote of 61–56 (3 abstentions) elected Menahem Savidor (Likud-Liberals) as speaker.

Just one day before Begin’s self-imposed deadline, on August 4, the coalition agreement was signed by the Likud, NRP, Agudat Israel, and Tami, representing 61 members in the 120-seat House. Fifty of the agreement’s 83 clauses dealt with religious matters, the others largely with socio-economic reforms and plans. A good many of the religious clauses concerned means to minimize work on the Sabbath and on Jewish holidays (a particularly controversial clause asserted that all El Al flights were to be grounded on the Sabbath and on the Jewish holy days) and the allocation of funds to religious educational institutions. The thorny “who is a Jew” issue was resolved in the agreement’s final clause, with the prime minister pledging to “make every effort possible to assemble a Knesset majority” to legislate the amendment to the law of return.

Begin presented his 18-man cabinet to the Knesset on August 5. The main innovation was the creation of the post of chief economic coordinator expressly for Begin’s long-time associate—and the man he replaced as commander of the Irgun underground—Yaacov Meridor. (It was only in November that the cabinet institutionalized the new post when it decided to create an office for economic and interministerial coordination, to be headed by Meridor. The new department was to deal with long-range economic forecasting and with projects for efficiency and saving.) Tourism was once again made a separate portfolio. The NRP retained the religious affairs portfolio, but as compensation Tami’s Aharon Abuhatzeira was given two ministries, social betterment and immigration absorption. David Levy, a leading Herut figure who had held the latter portfolio in the outgoing government, threatened not to serve in the new cabinet, but was finally mollified by being named deputy prime minister. As in 1977, the Agudat Israel faction did not join the cabinet—this
THE BEGIN CABINET
(installed on August 5, 1981)

Prime Minister
Deputy Prime Minister &
   Minister of Agriculture
Deputy Prime Minister &
   Minister of Housing
Communications
Defense
Economic Coordination
Education & Culture
Energy
Finance
Foreign Affairs
Health
Labor and Social Betterment &
   Immigrant Absorption
Industry & Commerce
Interior, Police, Religious Affairs
Justice
Tourism
Transport
Without Portfolio

Menachem Begin (Likud-Herut)
Simcha Ehrlich (Likud-Liberals)
David Levy (Likud-Herut)
Mordechai Zippori (Likud-Herut)
Ariel Sharon (Likud-Herut)
Yaacov Meridor (Likud-Herut)
Zevulun Hammer (NRP)
Yitzhak Berman (Likud-Liberals)
Yoram Aridor (Likud-Herut)
Yitzhak Shamir (Likud-Herut)
Eliezer Shostak (Likud-La'am)
Aharon Abuhatzeira (Tami)
Gideon Pat (Likud-Liberals)
Yosef Burg (NRP)
Moshe Nissim (Likud-Liberals)
Avraham Sharir (Likud-Liberals)
Haim Corfu (Likud-Herut)
Yitzhak Modai (Likud-Liberals)

at the directive of the Council of Torah Sages, a group of rabbinic authorities whose rulings were binding on Agudat Israel in all spheres.

Among the new government’s basic policy guidelines presented to the Knesset for approval (together with the ministerial list) was the assertion of the “right of the Jewish people to the Land of Israel, an eternal, unassailable right which is intertwined with the right to security and peace.” The guidelines promised that the government would “act to strengthen, expand, and develop settlement” throughout the Land of Israel, and that it would “decide on the appropriate timing for the application of Israeli law, jurisdiction, and administration on the Golan Heights” (see also The Administered Areas, below). A series of socio-economic guidelines followed, as well as the assertion that “the status quo in matters of religion will be preserved” and, finally, a declaration that “Jerusalem is the eternal capital of Israel, indivisible, entirely under Israeli sovereignty.” Following a ten-hour debate, Menachem Begin’s second Likud-led government won a 61-58 vote of confidence from the Knesset.

The Election Aftermath

In its first session the new cabinet approved the appointment of ten deputy ministers (another was added two weeks later). Observers charged that this was designed solely to solve various coalition personnel problems and was a wasteful
Among the appointees were Dov Shilansky (Likud-Herut) as deputy minister for parliamentary affairs in the prime minister's office, Yehuda Ben-Meir (NRP) as deputy foreign minister, and two Tami appointments: Aharon Uzan as deputy minister of immigrant absorption and Benzion Rubin as deputy minister of labor and social betterment.

Although the government's Knesset majority appeared fragile on paper, it proved remarkably durable throughout the remainder of 1981. While the government did lose a few parliamentary votes, they were not on key issues; when it came to major legislation or votes of confidence, the government was able to muster a majority.

The Labor party, meanwhile, was wracked by feuding in the wake of its election loss. Its internal campaign for the post of party secretary-general brought to the surface all of the party's discords and divisions. In the event, Haim Bar-Lev won the late November vote by a large majority. Late in December several left-wing Labor MKs, along with "doves" from Mapam and other parties, formed their own political group, a move which was assailed by Labor's "hawks."

On November 26 Prime Minister Begin slipped and fell in his bathroom, breaking a hip joint. He underwent 90-minute surgery during which a metal pin was inserted into the fractured joint. Three days later the cabinet met for its regular weekly session at Begin's hospital bedside. He was released from the hospital on December 14 and ordered to continue his convalescence at home. Deputy Prime Minister Simcha Ehrlich was appointed acting prime minister and chaired the remaining cabinet meetings of 1981.

Foreign Relations

The first ranking member of the new U.S. administration to visit Israel was Secretary of State Alexander Haig, who was in Jerusalem for one day early in April as part of a Middle East fact-finding tour. The talks, Haig said afterward, had produced "a convergence of outlook on important Middle East strategic issues." Speaking of Washington's desire to forge a unified anti-Soviet bloc in the Middle East, Haig asserted: "A strong Israel can play a central role against the threat of the Soviet Union and many of its surrogates." Israel, he declared, "is an ally whose strength and prosperity are in America's interest."

Haig's notion of a regional alliance notwithstanding, Israel came out strongly against the intention of the United States to conclude a major arms deal with Saudi Arabia. Israel, Haig was told, was particularly concerned about the planned sale of AWACS surveillance planes to the Saudis.

It was these two issues—the U.S. concept of a regional strategic bloc directed against the Soviet Union, and the U.S.-Saudi arms deal and its implications—that dominated Israeli-U.S. relations in 1981. Throughout the year the Israeli government made clear its stand on the AWACS issue; late in April the cabinet expressed its "profound regret and unreserved opposition" to the deal, but to no avail. The issue continued to simmer during the Israeli election campaign, and came to a boil when the U.S. administration formally notified Congress late in August of its
intention to consummate the $8.5 billion deal. The matter was raised during Begin's official visit to Washington in the second week of September. Following the Senate's approval of the deal at the end of October—besides the AWACS planes, the package also included sophisticated offensive weaponry—the cabinet met in extraordinary session and issued a statement expressing "regret" at the deal and underscoring Israel's determination to "overcome" the threat it posed. President Reagan, in a letter to the prime minister, gave his "reassurance that America remains committed to help Israel retain its military and technological advantage." Noting that the "security of Israel" was an "essential factor" in U.S. strategic decision-making regarding the region, Reagan added, "This administration has a continued interest in working with Israel on a wide dimension of strategic issues, efforts which serve our mutual interests."

The notion of Israeli-U.S. strategic cooperation, the concept iterated by Haig in his April visit to Jerusalem, was itself the center of another controversy. Defense Minister Ariel Sharon, who accompanied Begin on his Washington visit in September, declared upon his return home that intensive consultations were to be held in the weeks ahead with the aim of concluding a "memorandum of understanding" on strategic cooperation between the two countries. After delaying a visit to the United States following the Senate's passage of the AWACS deal, and because of his perception of a tilt toward Saudi Arabia in U.S. foreign policy (see also Israel and the Middle East, below), at the beginning of December, Sharon went to Washington where he and Secretary of Defense Caspar Weinberger signed a "Memorandum of Understanding Between the Government of the United States and the Government of Israel on Strategic Cooperation." The accord, as its first article explained, was "designed against the threat to peace and security of the region caused by the Soviet Union or Soviet-controlled forces from outside the region introduced into the region." The rest of the brief agreement outlined the bilateral framework within which this purpose was to be achieved.

Four no-confidence motions against the agreement were introduced in the Knesset. The opposition speakers argued that the pact had been conceived in haste and actually jeopardized Israel's security by explicitly mentioning the Soviet Union and by making the Israeli army subservient to U.S. global interests. Defense Minister Sharon countered by declaring that the Israeli army would never be used "for a war that is not connected with Israel's survival or security." The coalition defeated the motions by a vote of 57-53.

However, just two weeks later (December 18) the United States announced that it was "suspending" the memorandum in the wake of Israel's passage of the Golan Heights law (see The Administered Areas, below). Prime Minister Begin reacted to this two days later by informing U.S. ambassador to Israel Samuel Lewis that he regarded the suspension announcement as tantamount to U.S. "abrogation" of the memorandum.

Begin took the unusual step of having the government secretary read out to the press the text of his remarks to Lewis, which effectively summed up the rocky course of Israeli-U.S. relations in 1981. He noted that this was the third time within six
months that the United States had punished Israel. The first two instances had involved temporary suspensions of the delivery of U.S. warplanes to Israel—once following Israel's destruction of the Iraqi nuclear reactor in June, and again after Israeli planes leveled PLO headquarters in Beirut. "What kind of expression is this 'punishing Israel'?" Begin asked. "Are we a vassal state of yours? Are we a banana republic?" Assailing the U.S. for its infliction of civilian casualties in World War II and in Vietnam and for "an ugly campaign of antisemitism" around the AWACS controversy, invoking the Inquisition, the Holocaust, and the Jewish resistance movements, the prime minister concluded by making it clear that "no force on earth" could bring about the Golan law's rescission.

Israel's relations with Western Europe were somewhat smoother in 1981 than in the previous years, as the EEC member-states virtually abandoned the "Middle East initiative" which had irked Israel. (See AJYB, Vol. 81, 1981, p. 258; Vol. 82, 1982, p. 249.) Nonetheless, the Knesset in November again rejected the Venice declaration which formed the basis of that initiative when it adopted the government's general policy statement at the opening of the Knesset's winter session.

In May Prime Minister Begin welcomed François Mitterrand's victory in the French presidential elections. Early in December French foreign minister Claude Cheysson paid a one-day visit to Jerusalem, meeting with his Israeli counterpart Yitzhak Shamir. Upon Cheysson's departure, Shamir said that "a new era" in Israeli-French relations had begun.

Relations with West Germany were not so cordial. Following a statement made by Chancellor Helmut Schmidt, after he had visited Saudi Arabia, to the effect that Germany had a moral commitment to the Palestinians, Prime Minister Begin early in May denounced Schmidt fiercely, accusing him of "callous" disregard of the Holocaust, of "unbridled greed and avarice," and of indifference to whether Israel was annihilated by the Arabs. Begin added that Schmidt had remained "a loyal officer to Hitler until the last moment of World War II."

Following an August 29 terrorist attack on a Vienna synagogue, killing two persons and wounding 19, foreign ministry officials charged that the Kreisky regime's lenient policy toward the PLO facilitated that organization's activities in Austria.

Foreign Minister Shamir met with his Soviet counterpart, Andrei Gromyko, when both were in New York in late September for the UN general assembly session. In an interview, Shamir explained that the meeting was important, even though it produced no concrete results. It was the first encounter between the two countries at this level in six years.

Israel's relations with most of the Latin American countries continued on a firm footing; Shamir visited several countries in that region during the year.

Foreign press reports of a secret visit to a number of African countries by Defense Minister Ariel Sharon were confirmed by Israel early in December. The apparent breakthrough in relations with some countries in black Africa was linked to the fact that Israel was about to sign a strategic cooperation accord with the United States,
an act which, according to Jerusalem officials, placed Israel “on a higher plane” in the perception of these pro-Western African nations. Zaire president Mobutu Sese Seko stated that there were no longer any obstacles to his country’s resumption of diplomatic ties with Israel. At year’s end, however, it was unclear what effect the passage of the Golan Heights law would have on this new African opening.

Lebanon

The situation in Lebanon deteriorated seriously in the first half of 1981, nearly precipitating a major eruption of hostilities. Early in the year the terrorists intensified their sporadic katyusha rocket attacks from Lebanese territory against Israel’s northern settlements. In Lebanon itself, the Syrian army fiercely bombarded Christian strongholds, with the heaviest attacks coming against the town of Zahleh, on the Beirut-Damascus road. Israel expressed its deep concern about this Syrian military activity. Foreign Minister Shamir declared on April 5, “Israel cannot sit idly by, with arms folded, and watch Syrian troops massacre Lebanese Christians.” After a large-scale Israeli army strike against terrorist targets a week later, Shamir said the attack had also been directed at the Syrians “because these terrorist organizations are all supported by Syria.” The subject was raised with U.S. Secretary of State Haig during his visit to Israel in April.

As the Syrians continued their offensive, senior Israeli military sources in mid-April revealed publicly for the first time that Israel was “supplying the Lebanese Christians with means and equipment to protect themselves,” but denied that Israel had military advisers in northern Lebanon or ran training bases there.

Tensions reached a new peak on April 28, when Israel shot down two helicopters that were enroute to reinforce a heavy Syrian offensive against Lebanese Christian troops on Mount Lebanon. Syria immediately responded by moving mobile Soviet-made SAM ground-to-air missiles into Lebanon’s Bek’a valley, posing a threat to Israeli aircraft. As intensive diplomatic activity began to defuse the crisis, Prime Minister Begin explained that Israel’s more “direct” action in Lebanon had been taken only after diplomatic efforts had failed to deter the Syrians. “We will not tolerate a Syrian takeover in Lebanon,” he asserted, “and we will not let Syria wipe out the Christians there.” Nonetheless, Israel, he said, had no desire to go to war with Syria. In an Independence Day interview—broadcast the same day, May 7, that Philip Habib, the special envoy appointed by President Reagan to try to resolve the crisis, began his mission in Beirut—Begin said Israel was demanding a return to the status quo ante and would not give up its right to make reconnaissance flights over Lebanon. Against the backdrop of a cabinet vote to give Habib more time to find a solution to the crisis and the Syrians’ downing of an Israeli pilotless drone over Lebanon (they were to down three more such unmanned craft in the coming month), Begin touched off a public furor when he revealed in the Knesset that he had ordered the chief of staff to have the air force destroy the Syrian missile batteries in Lebanon on April 30, but the strike had been called off three times that day due
to adverse weather conditions. Various civilian and military circles charged that Begin had given away military secrets by making public the conditions in which the Israeli air force could not operate.

As Habib continued to shuttle between Jerusalem, Beirut, Damascus, and Riyadh, the cabinet rejected a call by Labor party chairman Peres that the government hold informal consultations with the opposition on the Lebanese crisis. Labor's criticism of the government's handling of the crisis was excoriated by a number of ministers, who, as the election campaign entered its crucial stage, charged that Labor was being "unpatriotic" and "shameless" in "exploiting a national emergency for its own narrow political ends." At the beginning of June Yitzhak Rabin presented an Alignment motion for the agenda in the Knesset criticizing Israel's undertaking to provide the Lebanese Christians with air cover against attack by Syrian planes. During the debate it emerged that in 1978 Begin, along with Foreign Minister Moshe Dayan and Defense Minister Ezer Weizman, had given such a commitment to the Christians in Lebanon, and that Israel had reaffirmed its guarantee in April 1981. Rabin argued that the government had in effect given a foreign party the power to determine when and how the Israeli air force would be employed. The motion was defeated by a vote of 52-36.

Habib's first round of talks concluded on May 27. When he returned to the region two weeks later, Prime Minister Begin told him he would be given "ample time" to resolve the crisis. However, the prime minister noted, he had also told Habib, "and not for the first time," that his mission could not go on indefinitely: "There is a national consensus in Israel that if the diplomatic way does not bring positive results, Israel . . . will use military means to get rid of these missiles."

Israel resumed its attacks on terrorist targets in Lebanon on Friday, July 10—its first such attack since June 2 and the first since the Knesset elections. Habib was at this time back in Beirut on his third round of talks. Several hours after the Israeli strike, a barrage of katyusha rockets hit Kiryat Shemona, destroying a synagogue and other buildings and wounding 14 persons in the northern development town. This, it soon turned out, was but the prelude to a two-week flareup of violence across the northern border of sufficient scale and intensity to be dubbed a "mini-war." On July 12 Israeli aircraft attacked terrorist positions south of Beirut. Two days later Israeli pilots downed a Syrian fighter when it tried to interfere in an Israeli operation over Lebanon. On July 15 the terrorists pounded the entire north of Israel, killing three people and wounding 25 in the coastal resort town of Nahariya. The following day the Israeli air force destroyed five bridges in southern Lebanon to block the terrorists' ability to move arms into the area.

On July 17 Israeli planes bombed Palestinian terrorist headquarters located in a Beirut residential area. The terrorist targets were leveled, but heavy civilian casualties also resulted. Air force commander David Ivri said later that the pilots had made every effort to hit only the highrise buildings in which the terrorists had their command posts, and to spare the surrounding buildings. In reaction to the Beirut attack, the United States postponed the delivery to Israel of six F-16 fighter planes.
In Israel's north, sporadic shelling continued after the Beirut attack. Throughout the area residents slept in shelters, resort sites were deserted, children were evacuated to the country's center, and commercial life came to a virtual standstill.

It was to take another five days of violence, during which another three Israeli civilians were killed, before Philip Habib was able to negotiate a cease-fire. The July 24 announcement heralding the end of the violence was carefully worded to prevent the impression that any Israeli-PLO negotiations had taken place. "At 13:30 hours local time," the statement read, "all hostile military action between Lebanese and Israeli territory in either direction will cease."

The cease-fire held throughout the rest of the year, although Israeli spokesmen charged from time to time that the PLO was violating it by undertaking a major arms buildup in southern Lebanon, by attacking positions in Major Saad Haddad's Israeli-supported enclave in southern Lebanon, and by perpetrating terrorist acts inside Israel and against Jewish targets abroad. Speaking in the Knesset in mid-December, Defense Minister Sharon said that if Israel's northern settlements were again shelled by the terrorists, Israel would "react differently" than it had in July.

**Terrorism**

In 1981, 17 persons were killed, including 11 civilians, and 157 wounded in Arab terrorist attacks in Israel and abroad, and in Israeli army actions in Lebanon. About 205 terrorists were killed and 250 wounded in Israeli operations.

Following a raid by Israeli forces on an Arab Liberation Front base in southern Lebanon in February, the chief of staff stated that the attack was in retaliation for the terrorist outrage in April 1980 at Kibbutz Misgav Am (see AJYB, Vol. 82, 1982, p. 252). "In this operation," Lieutenant General Rafael Eitan said, "we settled our account with the group that attacked Misgav Am. They set out from this point and we returned to kill all the terrorists there." In 1981 there were no instances in which terrorists seized hostages in Israel.

Vigilance by the security forces and alertness by the public succeeded in foiling numerous terrorist attempts to set off explosives in public places. Buses were the targets of two grenade attacks in the Jerusalem area during the year; tourists in East Jerusalem were the victims in two other instances. In July the military governor of Gaza was killed when an explosive charge went off. The following month one soldier was killed and eight others were wounded when two military vehicles hit landmines which had been laid by infiltrators from Jordan south of Beit She'ann.

Israeli security forces had several successes in uncovering terrorist cells in the administered areas, notably a Fatah "liquidators squad" responsible for a series of violent acts in the Ramallah area. Terrorist activity in the Gaza Strip declined sharply after Israeli forces killed "the most wanted terrorist" there in a firefight.

Trials of captured terrorists continued throughout the year. One of the most closely followed trials was that of the four perpetrators of the outrage on the Jewish worshippers in Hebron in May 1980 (see AJYB, Vol. 81, 1981, p. 264; Vol. 82, 1982,
In November they were convicted and sentenced to life imprisonment. The presiding judge noted that two of the three judges wished to impose the death penalty, but this required a unanimous ruling.

In September three Arab residents of the western Galilee village of Shfaram became the first persons to be convicted under a 1980 amendment to the Prevention of Terrorism ordinance (see AJYB, Vol. 82, 1982, p. 253). They had been detained for distributing leaflets of the outlawed “Sons of the Village” movement. Later that month two Arab students at the Hebrew University were sentenced to three months in prison for producing and distributing a booklet supporting the PLO’s struggle against the “Zionist entity.”

Abroad the worst incident occurred in Vienna, where a synagogue was attacked (see Foreign Relations, above). In September an Israeli-owned shipping firm in Cyprus came under grenade attack by a youth who said he was a Palestinian, and in late December a Palestinian terrorist organization claimed responsibility for a fire that broke out aboard a Greek passenger liner as it was about to enter Haifa port. A ship’s officer died in the blaze.

The Administered Areas

In the waning days of the first Begin government, efforts by Deputy Prime Minister Yigael Yadin to reverse government decisions on the establishment of new settlements by appeal to the Knesset’s defense and foreign affairs committee were unsuccessful—notably in the case of three new settlements which, Yadin told the committee in January, were “designed to close off political options to any future solution of the problem of Judea and Samaria, and are superfluous from any other aspect.”

In March Matityahu Drobless, the co-director (on behalf of Herut, along with Labor’s Raanan Weitz) of the WZO’s and the Jewish Agency’s land settlement departments, told reporters that there were 18,500 Jews living in Judea and Samaria, as compared with 5,000 when the Likud took office in 1977. A senior defense establishment source told the press that 24,000 dunams (6,000 acres) had been seized in the preceding four months for settlement purposes. These moves were part of a plan to bring the Jewish population of Judea and Samaria to 25,000 by the end of 1981. According to figures released in April by the Israel Information Center, a total of 200,000 dunams (50,000 acres) had been allocated for Jewish settlement in Judea and Samaria. In the pre-election period, with the polls indicating a close vote, Ariel Sharon, then agriculture minister, launched a drive to complete work on a series of new settlements before the new government took office.Termed “unprecedented” in its intensity by a WZO official, the project was financed by a special allocation of IS50 million.

Speaking to a crowd of 35,000 people at the Samaria settlement of Ariel on Independence Day (May 7), Prime Minister Begin took a vow: “I, Menachem, the son of Ze’ev and Hasia Begin, do solemnly swear that as long as I serve the nation
as prime minister, we will not leave any part of Judea, Samaria, the Gaza Strip, or the Golan Heights."

On May 22 the new Jewish quarter of Hebron was officially dedicated as two Jewish families moved into a restored building and 30 yeshiva students took up residence in the adjacent Avraham Avinu synagogue. Late in June the first municipal court in Judea and Samaria with special jurisdiction over Israeli settlers—and applying Israeli law in its rulings—opened in Kiryat Arba, the urban center bordering Hebron.

Shortly after the formation of the new Begin government in August, Ariel Sharon, now defense minister and as such responsible for the administered areas, launched what was touted by defense establishment officials as a liberalization program in the areas designed to end various restrictions on the local population and get local leaders to join the autonomy talks. As Sharon held a series of meetings with leading figures in the areas, the defense ministry in September announced a plan for the separation of civilian and military authority in Judea and Samaria. Following the cabinet's approval of the plan, Professor Menachem Milson, lecturer in modern Arabic literature at the Hebrew University and a former adviser on Arab affairs to the military government, was appointed head of the civilian administration in Judea and Samaria. Milson's appointment was effective from November 1, one month before the official commencement of the reorganized governing apparatus in the areas. The Sharon-Milson concept was based on the cultivation of the village leagues in the areas. The rural districts, it was pointed out, accounted for 70 per cent of the population there, and their inhabitants were considered less radical in outlook than their urban counterparts. The defense establishment also let it be known that while the Israeli authorities would cooperate with those Palestinians who sought to lead quiet, peaceful lives, they would react harshly to any attempts to disrupt order.

Following widespread disturbances in Judea and Samaria on the 64th anniversary of the Balfour Declaration (November 2)—intensified by the inhabitants' opposition to the civilian administration, which they believed to be a prelude to Israeli annexation of the territories—the military government closed down Bir Zeit University. A spate of protest demonstrations followed. In contrast to past years, however, the violence did not abate. Late in November the PLO claimed responsibility for the ambush murder of the chairman of the Ramallah district village league and his son. The military government demolished the homes of three families in Beit Sahur, a Christian village near Jerusalem, after the sons of the families had reportedly admitted hurling firebombs at Israeli patrols. (The bombs did not explode.) Two more houses were leveled elsewhere. Major General Danny Matt, coordinator of activities in the administered areas, who was reported to be displeased with recent actions taken under the aegis of the incipient civilian administration, told Defense Minister Sharon that he was resigning at the end of the year.

At the funeral of the murdered Ramallah district village league head, his counterpart in the Hebron district, Mustapha Dudin, castigated the PLO for having committed the deed: "The murderers will never represent the Palestinian nation." The
defense ministry revealed in December that it had issued arms to the Arab village leagues for self-defense against PLO assassination attempts.

Some observers believed the Israeli moves were being taken with an eye to April 26, 1982—the date of the final withdrawal from Sinai—after which, according to the prevailing view in Israel, intense pressure would be exerted to get Jerusalem to agree to a compromise solution in the territories. According to this theory, Israel wished to have moderate Palestinians, beholden to the civilian administration, installed in the areas so that they could negotiate on behalf of the inhabitants there.

At the very end of the year an event electrified the nation and the world—the application of "Israeli law, jurisdiction, and administration" on the Golan Heights. In mid-March the Knesset had defeated a bill to extend Israeli sovereignty to the area (see AJYB, Vol. 82, 1982, p. 255). During the year heavy pressure by Druze religious leaders on the Golan and by Syria led most Golan Druze who had opted for Israeli citizenship to return their identity cards to the interior ministry.

On the morning of December 14 Prime Minister Begin summoned various ministers to tell them he wished to have the Knesset apply Israeli law on the Golan that very day. In his view, the time had come to implement the clause in the government's policy guidelines referring to the Golan Heights. Begin argued that, given the superpowers' preoccupation with the Polish crisis, Philip Habib's failure to resolve the missile crisis, the blow the United States had dealt Israel in the AWACS sale, and a reported statement made by Syrian president Hafez Assad that his country would never recognize Israel even if the PLO did, the time was propitious for enacting the required legislation.

Begin immediately convened the cabinet plenum, won approval for his plan, and the government submitted the bill to the Knesset that very afternoon. After the House Committee waived the required waiting periods between readings, the bill became law late on the evening of December 14, following a six-hour Knesset session. The vote was 63-21. Supporting the bill were the coalition factions (excluding Agudat Israel, which did not vote), Tehiya, and eight Alignment-Labor members. Opposing it were Shinui, Telem, the DFPE, and 13 Alignment members, seven from Labor and six from Mapam. The debate and vote exposed the divisions within the Alignment on policy vis-à-vis the areas. In fact, all the Alignment members who voted broke ranks, since the faction had decided to boycott the vote.

The legislation drew a furious U.S. response, resulting in the suspension of the just-concluded memorandum of strategic understanding between the two countries. In Israel 10,000 people on December 19 staged a demonstration against the new law under the slogan of "Zionism without annexation." Following fierce Syrian denunciations of the law, Israel stepped up its military deployment on the Golan Heights as a preventive measure. The chief of staff, who was on an official visit to Egypt at the time, was recalled to supervise the military preparations. As the year ended, the Israeli-Syrian border was quiet, legal experts were debating whether the new law was actually tantamount to outright annexation of the Golan Heights, and the Druze
residents there were waiting to see what, if any, practical consequences the new law would have for them.

Israel and the Middle East

Certain Israeli actions and pronouncements during the year pointed to the emergence in Jerusalem of a comprehensive security outlook vis-a-vis the Middle East.

On June 8 Israel stunned the world by announcing that its planes had, the previous day, bombed and destroyed Iraq’s Tammuz 1 nuclear complex situated at Tuwaitha, 17 kilometers south of Baghdad. Explaining the move, Prime Minister Begin said that by July, or September at the latest, the reactor would have been “hot,” meaning that an attack, by unleashing deadly radiation, would have endangered the lives of untold numbers in Baghdad. “No Israel government would have bombed under those circumstances,” Begin stated. Dismissing as “not credible” reports that the Iraqi reactor was being constructed for peaceful purposes, he cited Israeli intelligence information as having determined that the plant would manufacture Hiroshima-type atomic bombs for use against Israel. When those bombs were ready, in four or five years, Iraqi president Saddam Hussein would have had “no hesitation” in dropping them on Israel, causing incalculable loss of life. Given this scenario, the prime minister said, the air force’s attack was “literally a life-saving operation.” Neither the United States nor Egypt had had any advance information about the attack, Begin emphasized. “For the past two years,” he pointed out, Israel had tried to persuade France to withdraw from the Iraqi nuclear project. (See also AJYB, Vol. 82, 1982, p. 249.)

At a subsequent press conference, the prime minister gave public expression to a fundamental tenet of Israeli Middle East policy when he asserted that Israel would “not tolerate” the acquisition of nuclear weapons by any Middle East country. He reiterated that Israel would not be the first country to introduce nuclear weapons into the Middle East and said Israel would sign the nuclear non-proliferation treaty after the Arab states signed a peace treaty with Israel.

Following a ruling by U.S. officials that Israel had violated the arms exports control act by using American-built planes in the attack, the United States announced a suspension of the delivery of four F-16 aircraft to Israel. Speaking at an election rally on June 11, the prime minister charged that U.S. secretary of defense Caspar Weinberger was “the culprit who attempted to deny Israel all military aid” in the wake of the attack. In contrast, he said, Secretary of State Haig had shown himself to be “a true friend of Israel.”

Not only foreign governments were critical of the operation. The Labor party charged it had been timed with a view to the June 30 Knesset elections. (A public opinion poll conducted shortly after the attack showed gains for the Likud at the Alignment’s expense, apparently due to the popularity of the Iraqi operation. A subsequent poll found 82.9 per cent approval of the operation among the Israeli
The party asserted that the Israeli government need not have claimed responsibility for the attack and had done so solely to win votes. Labor party leader Shimon Peres said the reactor would not have been "hot" until September and that Israel could have taken advantage of the change of government in France to persuade Paris to halt its supply of weapons-grade uranium to Baghdad.

On June 19 the United States joined the other members of the UN security council in a resolution "strongly" condemning the Israeli attack which had come "in clear violation of the United Nations charter and the norms of international conduct," and asserting that Iraq was "entitled to appropriate redress for the destruction it has suffered, responsibility for which has been acknowledged by Israel." Two days later the Israeli government, noting with "deep regret" that the United States had "joined in the serious injustice done to Israel," asserted that "Israel, believing in the justice of its cause, will continue with all the means available to it to protect its people and prevent its enemies from developing weapons of mass destruction. That is its sacred duty."

At the end of September the International Atomic Energy Agency voted to deny Israel technological assistance because of the attack. The Israeli foreign ministry termed the decision "arbitrary, discriminatory, and unjustified."

The course of events in 1981—particularly the U.S.-Saudi arms deal—led Israel on a number of occasions to express its attitude toward the regime in Riyadh. At the beginning of August the foreign ministry rejected an eight-point Middle East peace plan put forward by Saudi Arabia which called for Israeli withdrawal from the administered areas and the creation of a Palestinian state with Jerusalem as its capital. The plan was termed a "plot to liquidate Israel by stages." Israeli television, however, quoted certain cabinet ministers as saying that the plan's clause guaranteeing the right of all states in the region to "live in peace" constituted implicit Saudi recognition of Israel's right to exist; as such, they said, the plan, while unacceptable as a whole, might be a turning point in the search for a Middle East peace. Late in October Prime Minister Begin, referring to U.S. administration statements indicating growing support for the Saudi plan, said its adoption would constitute "a great obstacle to the peace process," as it would be a "complete deviation from the Camp David agreements."

Defense Minister Sharon was reported to regard Saudi Arabia as a full-fledged "confrontation state" in view of the immense quantities of arms it was receiving from the United States. Early in November the Knesset rejected the Saudi peace plan when it adopted a government policy statement made by the prime minister at the outset of the winter session. The Alignment and the Likud agreed to send a bipartisan parliamentary delegation to the United States to explain Israel's opposition to the plan.

Israel informed the United States that it would not desist from carrying out reconnaissance flights over Saudi Arabia. The U.S. had raised the matter with Israel following a Saudi complaint that Israel had carried out such a mission on November
9. Israel was particularly concerned about the Saudis' construction of a major military base and airfield at Tabuk, about 200 kilometers from Eilat. At the end of November officials in Jerusalem said Israel was ready to begin negotiations with Saudi Arabia “without preconditions, any time, any place,” if the Saudis were sincere about making peace. Prime Minister Begin told an interviewer he would be willing to meet with Saudi King Khalid only if the monarch made it clear that his peace plan did not entail Israel's destruction.

Late in September Prime Minister Begin proposed an Israeli-Jordanian “confederation.” Begin said he had a “vision” of a time when there would be peace “between us and the ruler of East Transjordan.” Israel would then be able to give Jordan a free port on the Mediterranean, either in Ashdod or in Haifa. . . . We will be able to establish what I may today call a free confederation . . . between the free eastern and western Land of Israel.” Jordan rejected the idea in its Hebrew-language television newscast.

Toward the end of the year Defense Minister Ariel Sharon gave expression to a broad-based Israeli security view. Sharon spoke of “red lines” whose violation by Arab states would bring about an armed Israeli reaction. These included the manufacture or acquisition of nuclear weapons, the movement of Syrian troops into southern Lebanon, the entry of Iraqi forces into Syria or Jordan, or the movement of Egyptian troops into the Sinai demilitarized zone. With respect to Syrian or Iraqi troop movements, “Israel would find itself at war immediately,” Sharon said. Regarding Egypt, he was less specific, though he did note that Israel had “made it very clear” it would not acquiesce in “any violation of the agreement—large or small.”

**Normalization of Relations with Egypt**

In 1981 the process of normalization of relations between Israel and Egypt was put to the test in the wake of President Sadat’s assassination. The year's events until then, which included two summit meetings, indicated that relations were on a solid footing. However, as the second full year of peaceful ties ended, the attitude in Israel was one of wait-and-see.

Toward the end of February, as the second anniversary of the signing of the peace treaty approached (see AJYB, Vol. 80, 1980, p. 262), the foreign ministry summed up the assets and liabilities in the first year of the normalization process. The former included full diplomatic relations, open borders, regular flights between the two countries, and “fairly” complete observance of the treaty’s military provisions. Among the liabilities were an Egyptian “tendency” to slow down the pace of normalization and link it with progress in the autonomy talks, tardiness in ratifying agreements, the small numbers of Egyptians visiting Israel, and continued publication of anti-Israeli, sometimes antisemitic, literature in Egypt. In riposte, Foreign Minister Kamal Hassan Ali declared that, while Egypt was fully honoring its commitments, Israel had been guilty of “many practices which conflict with Egyptian and American efforts to achieve a just and comprehensive Middle East peace
settlement." He was referring, apparently, to the Israeli attitude on Jerusalem and the establishment of Israeli settlements in the West Bank and the Gaza Strip.

In mid-May Agriculture Minister Ariel Sharon paid a six-day visit to Egypt. Following a meeting with President Sadat, it was announced that the Egyptian leader had approved two projects involving Israeli assistance—a cattle-breeding farm and a land cultivation scheme. That same week, Israel's second ambassador to Cairo, Moshe Sasson, presented his credentials to President Sadat. Sasson, a career diplomat fluent in Arabic, replaced Eliahu Ben-Elissar, who had resigned in order to run on the Likud list in the Knesset elections.

On June 4 President Sadat and Prime Minister Begin held a one-day summit meeting at Ofira (Sharm el Sheikh). Coming less than a month before the Knesset elections, the event took senior government officials in both countries by surprise and drew charges of "electioneering" from opposition ranks in Israel. At a joint press conference following a 90-minute meeting, Prime Minister Begin said that he and President Sadat had achieved "important agreements and serious solutions" in their talk, but had agreed not to divulge details. Replying to a question about what effect possible Israeli-Syrian hostilities would have on the peace process—the summit meeting took place at the height of the missile crisis in Lebanon (see Lebanon, above)—Sadat noted that this had been one of the major topics he and Begin had discussed, and added, "We have pledged together that the October war would be the last war, and we have agreed upon this today also." Both Sadat and Begin condemned the Syrian presence in Lebanon and both reaffirmed their commitment to the Camp David process.

The good taste of the Ofira summit was, as it were, retroactively soured when Israel destroyed the Iraqi nuclear reactor just three days later. President Sadat termed the Israeli action "unlawful" and "provocative," and said such moves could produce "grave consequences." In a special session of the Egyptian parliament, Foreign Minister Ali, amid deputies' cries for a suspension of relations with Israel, described the attack as "shameful and irresponsible" and fraught with "enormous dangers" for the region. The ferocity of the Egyptian reaction was taken in Jerusalem as a reflection of Cairo's embarrassment over the fact that the attack had occurred so soon after the Begin-Sadat summit.

Nonetheless, on June 25 Egypt and Israel were able to reach agreement on the nature of the multinational force which, by the terms of the peace treaty, was to be set up to monitor the security arrangements following Israel's withdrawal from Sinai in April 1982. Initialed in a ceremony in London on July 17 by Israeli, Egyptian, and American representatives, the agreement was ratified by the Knesset later that month. The Multinational Force and Observers (MFO) was to be comprised of 2,000 troops and another 1,000 service and logistics personnel. A diplomatic tangle arose in connection with the MFO's European unit, in the wake of a statement by the Europeans that they would operate within the framework of the EEC's Venice declaration (see also Foreign Relations, above), a position Israel found unacceptable and which led to a lightning one-day visit to Washington by Foreign Minister
Shamir in November for talks with Haig. At the beginning of December, however, Israel and the United States issued a joint statement which was expected to pave the way for European participation in the MFO. The statement, which had Egyptian approval as well, asserted that the “basis for participation in the MFO” was the Israeli-Egyptian peace treaty which “originated in the Camp David accords.”

A second Begin-Sadat summit meeting took place in Alexandria on August 26—the final one, as it turned out, between the two men who had been the partners in the first Arab-Israeli peace agreement. Its main outcome was an agreement that the autonomy talks would be resumed the following month (see below). Significantly, Sadat gave a “no comment” reply when asked at a joint press conference for his reaction to Israel’s destruction of the Iraqi reactor. Begin noted only, “I provided the president with facts and dates.” The two leaders agreed to expand the normalization process, particularly in trade, culture, and tourism. Accompanying Begin was Defense Minister Ariel Sharon, who announced that the two countries had decided to set up several committees to deal with the Sinai withdrawal and various normalization issues.

September saw the resumption of the autonomy talks, meetings between Israeli and Egyptian transport experts, and the first direct transport to Egypt of goods from Israel in semi-trailer trucks (without the goods having to be reloaded onto Egyptian vehicles at the border checkpoint). At the beginning of October a number of agreements were worked out by the Israel-Egypt trade committee, which met in Cairo.

On October 6, following Cairo’s confirmation of the death that day of President Sadat at the hands of assassins during a military parade to mark the eighth anniversary of the 1973 war, Prime Minister Begin said, “I have lost today not only a partner in peace but also a friend.” Recalling Sadat’s Jerusalem visit in 1977 as “one of the great events of our time,” Begin concluded, “The people of Israel share in the mourning of the people of Egypt.” On Friday, October 9 (the day after Yom Kippur) Prime Minister Begin, accompanied by senior cabinet ministers, flew to Cairo to attend the funeral. Shortly after their arrival, Vice President Hosni Mubarak received the prime minister for a 40-minute talk. Upon his return to Israel the following evening, Begin told reporters that “in a very simple, dramatic moment” he and Mubarak had shaken hands “and pledged to each other peace forever.” Begin emphasized that all the meetings on autonomy and normalization would be held as scheduled. Subsequently a Labor party delegation went to Egypt to express condolences, and in mid-November President and Mrs. Navon paid a one-day visit during which they laid a wreath on Sadat’s grave and met with President Mubarak. Navon said the Egyptian president had accepted an invitation to visit Israel, although no date had been set for the visit.

Israel monitored Egyptian policy statements during the rest of the year, to ascertain whether the new administration was introducing any changes in Egypt’s basic positions. Israeli and Egyptian negotiators concluded agreements on tourism in Sinai for the period following the Israeli withdrawal, on communications, and on transport, specifically cooperation between the airport in Eilat and the nearby
Etzion field, which was to be handed over to Egypt. Toward the end of the year it was announced that two of the new Israeli air bases being built in the Negev to replace the Etzion and Eitam sites in Sinai were already operational.

Addressing the World Agudat Israel executive late in December, Foreign Minister Yitzhak Shamir summed up the current Israel posture vis-à-vis Egypt. Israel, he said, required "a few years" to determine whether the peace with Egypt was genuine "and whether our sacrifices were worthwhile." Thus, Israel "must not make any more concessions until this peace is firmly established." Jerusalem, he added, was also concerned over a perceptible "change of mood" in Cairo, President Mubarak's assurances notwithstanding.

The Autonomy Negotiations

Following some 18 months of near-total inactivity (see AJYB, Vol. 81, 1981, pp. 255-256; Vol. 82, 1982, p. 251), the autonomy negotiations were resumed at the ministerial level in Cairo on September 23, in the wake of an agreement reached at the Begin-Sadat summit the previous month. A joint communique issued after the two-day session stated that the parties—Israel, Egypt, and the United States—had pledged themselves "to move as rapidly as possible toward agreement . . . on understandings and principles." However, foreign ministry director-general David Kimche told the press that "approximately fifteen major issues" still remained unresolved.

A nine-day round of talks was held in Tel Aviv toward the end of October. Prime Minister Begin said afterward that he believed a "breakthrough" could be achieved in the next session if the negotiators concentrated on certain key issues. Specifically, he suggested, they should focus on "the composition, authority, and manner of election to the administrative council" which was to be created in the areas. Foreign Minister Shamir said that both Israel and Egypt wished to have the autonomy talks wrapped up by the end of April 1982, consonant with Israel's final withdrawal from Sinai.

The two-day round of talks held in Cairo on November 11-12 failed to produce a "breakthrough." An effort to reach agreement on elements of a "declaration of principles" failed. A joint statement which "instructed the working team to . . . present a draft agreement on understandings and principles for the ministers' consideration" indicated that little progress was being made. Egyptian foreign minister Kamal Hassan Ali said pointedly that no "target date" existed for concluding the talks.

Addressing a Young Herut gathering at year's end, Foreign Minister Shamir said he thought the United States would make a "special effort" in the immediate future to achieve progress in the autonomy talks. As for Israel, it would "make no compromises." Shamir elaborated, "At Camp David we reached the final and absolute limit. We will honor the Camp David commitments, but the world had better know that we will take no more risks."
Economic Developments

The "proper economy" of Finance Minister Yoram Aridor, who late in January was named to succeed Yigael Hurvitz, dominated events on the economic front. Shortly after he took office, Aridor reduced prices on various durable goods (notably color televisions and small cars), instituted a policy of moderate price increases in government-controlled commodities and services (in some cases their prices were actually reduced), and introduced a "mini-tax reform" in which tax brackets were adjusted to lower the income tax rates of most Israelis and a number of taxes were eliminated altogether. Since Aridor took office virtually at the end of the Israeli fiscal year (March 31), he was compelled to work with a budget his predecessor had drawn up. The cabinet approved a third budget for the current fiscal year early in February, in order to adjust for inflation outlays, and the Knesset on March 30 passed the government's IS206 billion budget for 1981/82.

The new finance minister narrowly missed his self-proclaimed goal of reducing the inflation rate from triple- to double-digit inflation by the end of 1981. The annual inflation rate was 101.5 per cent, down from 132.9 per cent the previous year and 114 per cent in 1979.

The devaluation of the shekel against the U.S. dollar continued to outstrip the inflation rate. The shekel was devalued by 106.7 per cent against the dollar in 1981, though only by 82 per cent against a basket of other major foreign currencies. During the four years of the Likud government's tenure, the shekel had been devalued by 914 per cent relative to the dollar and by 868 per cent relative to other foreign currencies.

The gross national product rose by five per cent in 1981, due largely to intensified commercial activity. Real wages were up by ten per cent, and per capita private consumption rose by nine per cent after a decline the previous year. Industrial output grew by seven per cent and agriculture by four per cent, while construction fell by three per cent. The average weekly unemployment rate for the year stood at 5.1 per cent, or about 68,000 persons, the highest rate in a decade. The civilian balance of payments debt decreased by $102 million, but still stood at $2,017 million. The overall deficit, including defense imports, totalled $4,364 million. The country's external debt stood at $22,153 million, while its foreign currency reserves totalled $8,517 million. Exports increased by 5.5 per cent but were more than offset by a 10.2 per cent jump in imports. For the first time in a single year, exports to the United States exceeded $1 billion, with state-of-the-art technological products accounting for much of this figure.

There was friction during the year between the governor of the Bank of Israel, Arnon Gafny, and the treasury. Gafny, who was informed by Aridor that his five-year tenure would not be renewed when it expired at the end of the year—because of their conflicting views on the Bank of Israel's role in the economy—said that there had been no reduction in government spending during his term. He noted that on many occasions he had made known to the government his view that Israel's
economic problems could be solved if state spending were cut. This, however, had remained steady at about one-third of the GNP since 1973. Gafny said that the annual inflation rate had been achieved by increasing subsidies and allowing the state deficit to grow. Particularly worrisome in 1981, he added, were the growth in government spending and the massive printing of money.

El Al, the national airline, was in the headlines again in November (see also AJYB, Vol. 82, 1982, p. 258). In reaction to a management decision to make 18 flight engineers "redundant," the company's workers launched a wildcat strike. It was only after Deputy Prime Minister David Levy assured the workers that the original redundancy letter was null and void that the strike was called off. El Al's chairman of the board Avraham Shavit resigned to protest what he termed Levy's intervention and his undercutting of management's authority. The 12-day strike cost the company $12 million in immediate losses and an incalculable amount in long-term damage. Nahman Perl, a diamond dealer and a member of the Herut secretariat, was named acting El Al board chairman.

Other Domestic Matters

Israel's population stood at 3,977,000 as the year ended—3,320,000 Jews (83.5 per cent) and 657,000 non-Jews (16.5 per cent)—an overall increase of 1.4 per cent over the previous year. In the decade ending in 1981 Israel's population grew by about 900,000 persons, of whom 700,000 were Jews.

The country was shocked when Sheikh Hamad Abu Rabia, a Bedouin Knesset member, was shot to death on January 12 in front of the Jerusalem hotel in which he was staying. He had stood for election in 1977 as a candidate in the United Arab List—which had won only one seat—on the understanding that he would resign in favor of the Druze Sheikh Jabar Muaddi, the next on the list, in the middle of the Knesset term. He had refused to resign, however, citing the urgent problems facing the Bedouin in the Negev. Muaddi's three sons were arrested and charged with the murder. Their motive, according to the police charge sheet, was to enable their father to enter the Knesset. (Sheikh Muaddi was sworn in as an MK shortly after the murder.) The three sons pleaded not guilty when they appeared in court early in April. Despite fears of reprisal in accordance with the Bedouin tradition of the blood feud, and Druze resentment at the arrests, both sides were persuaded to let justice take its course. The trial was in its final stages as the year ended.

Violence erupted a number of times on the new road to the Ramot suburb on Jerusalem's western outskirts, when residents of the religious neighborhood overlooking the road, joined by other ultra-Orthodox groups, sought to prevent its use on the Sabbath. The construction of a bypass (see AJYB, Vol. 81, 1981, pp. 271–272) failed to solve the problem, as the road was not a top-grade one and, moreover, many Ramot residents refused to use it on principle, holding that it was the duty of the authorities to ensure their safety and free passage on the main highway. The issue led to a major riot in March in Jerusalem's Orthodox Me'a She'arim quarter. The
demonstrations peaked on the Sabbath following the riot when 15,000 ultra-Orthodox Jews gathered on the Ramot road to protest its use by motorists on the day of rest.

Notable legislation passed by the outgoing ninth Knesset in 1981 included the protection of privacy law, which was voted through despite press protestations that it would restrict freedom of expression; the equal employment opportunities law, banning discriminatory hiring practices due to an applicant's sex, marital or parental status; and a law enabling the prime minister to dismiss a cabinet minister without the entire government dissolving as a result.

The Israeli merchant marine suffered the worst disaster in its history when the MS Mezada sank in a storm off Bermuda on March 8, resulting in the death of 26 crew members. A board of inquiry found that the cause of the tragedy was "accumulated human errors combined with rough seas."

In April Prime Minister Begin, as defense minister, cited the 1945 defense (emergency) regulations in a proclamation banning the National Coordinating Committee which, according to the prime minister's adviser on Arab affairs, represented about a hundred Israeli Arab activists who had "set as a goal war against the State of Israel and Zionism" and aimed to create "in the Land of Israel a Palestinian state under the leadership of the PLO." An all-Arab congress had been banned four months earlier (see AJYB, Vol. 82, 1982, p. 261).

Happier events included the official dedication, late in June, of the Hebrew University's restored Mount Scopus grounds, site of its original campus which opened in 1925 but had been in Jordanian hands from 1948 until the Six Day War of 1967. The 11th Maccabiah Games—the "Jewish olympics"—were held in July, with the participation of 3,500 athletes from 35 countries.

A major dispute broke out in July between archaeological authorities and ultra-Orthodox elements concerning a site in Jerusalem's City of David. As a fourth season of excavations got underway, Orthodox Jews overran the area, protesting that it was in fact an ancient Jewish cemetery. Work was suspended while the chief rabbis investigated the matter; they ruled that the site was indeed a burial ground, and therefore barred from excavation work. Early in September the supreme court ruled that work at the site could be resumed, since the rabbinate could not interfere in state policy. The attorney general also decreed that the rabbinate had no standing in the matter. In reaction, the supreme rabbinical council issued a proclamation affirming the "eternal nature of Jewish religious law and its primacy in the State of Israel over civil law."

On June 26, virtually the eve of the Knesset elections, Yaacov Meridor, slated for a senior cabinet post if the Likud won (he was subsequently named chief economic coordinator), announced that scientists working for him had discovered a previously unknown energy source which could solve Israel's, and the world's, energy problems. Thanks to this discovery, Meridor asserted, Israel would become an "economic power" and would have "the world's strongest currency, eliminating all its debts within five to seven years." In subsequent interviews he refused to divulge
details of the device, although on June 29 he promised that “within six or seven months” a power station would be constructed based on the new invention. By the end of the year the new energy source was still a secret, but Meridor vowed to reveal it by mid-March 1982.

As the date approached for Israel’s final withdrawal from Sinai (April 26, 1982), tension rose in the northern Sinai agricultural settlements and in the urban center of Yamit. Despite the government’s proclaimed readiness to compensate the settlers with what many thought a lavish hand, no compensation agreement had been worked out with most of them. Tension in the area was heightened by the presence of members of the Movement to Stop the Sinai Withdrawal—in the main, settlers from Judea and Samaria or students from religious academies—who had moved into empty houses in the various settlements, saying they would not budge. As the settlers received letters from the Prime Minister’s office stating that they would have to vacate the area by March 31, 1982, there were scenes of hysteria and violence in Yamit, with the residents shutting the town in a self-imposed siege. Compensation talks with the government had resumed by the end of the year, but the situation remained explosive.

Following the elections, Project Renewal, which the first Likud government had set in motion with the aim of rehabilitating slum areas in the country, was transferred to the housing ministry under the charge of the deputy minister, Moshe Katzav (Herut). At Katzav’s initiative, the Jewish Agency agreed to eliminate the duplication of functions between it and the government, a factor which had mired the project in bureaucratic red tape. In a cabinet discussion of Project Renewal late in October, Katzav reported that the government had contributed IS 1.2 billion to the project, whereas the Jewish Agency—which was responsible for collecting contributions from Diaspora Jewry—had paid in just IS300 million. The Agency responded by saying that the funds had been collected but would be handed over only after specific neighborhood schemes had been formally approved.

**Israel and World Jewry**

Jewish immigration to Israel in 1981 totalled 12,300, the lowest figure since the establishment of the state, with the exception of 1953. The main reasons for this poor record were, on the one hand, a drop in the number of Jews allowed to leave the Soviet Union (9,451) and, on the other, a rise in the “dropout” rate: only 1,808 of the Jews who left the USSR chose to go on to Israel; the rest proceeded to other destinations, chiefly the United States, from the Vienna transit center. Efforts by the Jewish Agency to reach an agreement with the Hebrew Immigrant Aid Society (HIAS) whereby the latter would assist only Soviet Jewish emigrants with close relatives in the United States, proved largely unsuccessful. The problem was at least partially mired in the morass of Israeli politics; late in the year the coalition and the Alignment were unable to agree on a draft resolution following a Knesset debate on immigration and emigration.
The emigration problem continued to generate public debate. Emigrants outnum-
bered immigrants by about 10,000 persons in 1981. The total number of emigrants
since 1948 was authoritatively estimated at approximately 300,000. Early in the year
the director-general of the Jewish Agency, Shmuel Lahis, whose report on emigra-
tion had caused a furor in 1980 (see AJYB, Vol. 82, 1982, p. 261), had resigned his
post, explaining that he had not received backing from Jewish Agency chairman
Arye Dulzin in his efforts to combat emigration. Lahis subsequently established a
group called Citizens for the Prevention of Emigration. The government also
seemed to feel that the issue called for more intensive handling. In August MK Dov
Shilansky, a deputy minister in the prime minister's office, was named to head the
fight against emigration.

Early in 1981 over 500 delegates gathered in Jerusalem for the seventh plenary
session of the World Jewish Congress. A report prepared for the WJC and released
at the Jerusalem meeting asserted that Diaspora Jews should have the right to be
critical of Israel. The report, whose authors included the newly-elected WJC presi-
dent, Edgar Bronfman of Montreal, as well as some leading Israeli academic and
business figures, took its own advice and offered a list of "differences and doubts"
that Diaspora Jews had vis-à-vis certain Israeli policies and ideologies. Among these
were Israeli settlement policy in the territories, the country's atomized political
structure, and its "growing materialism."

Following a three-day closed retreat in Caesarea in February, the "non-Zionist"
members of the Jewish Agency's board of governors joined with the board's Zionist
members to affirm the centrality of Israel in Jewish life and the importance of aliyah
(immigration). "We are all Zionists," the group declared. The tenth annual Jewish
Agency assembly opened in Jerusalem on August 29. President Yitzhak Navon told
the 340 delegates that world Jewry must give top priority to aliyah and to Jewish
education in the Diaspora.

The 30th anniversary conference of the Israel Bonds Organization took place in
Israel in August. The highlight of the gathering was a one-day seminar, devoted to
Israel's energy problems, held in the Negev development town of Arad. Those
among the conference's 600 participants who had committed themselves to purchas-
ing at least $100,000 in bonds in 1981 as "founders" of the Mediterranean-Dead Sea
canal (see AJYB, Vol. 82, 1982, p. 258) signed a parchment scroll to be sealed in
a time capsule and embedded in the power station planned for construction near
Arad as part of the canal's energy-producing capability.

A unique and moving event took place in Jerusalem in June when over 10,000
Jews from around the world attended a four-day World Gathering of Jewish Holo-
caust Survivors. There were emotional scenes as friends and relatives who had not
seen each other in decades—who had not, in some cases, even known that persons
dear to them had survived the Holocaust—were reunited. The climax of the event
occurred when all the participants assembled at the Western Wall to reaffirm their
belief in life, Israel, and the Jewish people, and to take a solemn oath "never to let
the memory of the six million be erased."
Justice Haim Cohen retired from the supreme court in March after 21 years, having reached the mandatory retirement age of 70. Major General Amir Drori succeeded Major General Avigdor Ben-Gal as O.C. northern command, in September. Major General Uri Orr took over in November as O.C. central command, replacing Major General Moshe Levy; Levy was appointed deputy chief of staff. Moshe Arens was appointed by the cabinet as Israel's ambassador to the United States, on November 29; he was to replace Ephraim Evron early in 1982. The cabinet also extended the term of the chief of staff, Lieutenant General Rafael Eitan, for another year, his fifth. Major General Haim Erez was named to succeed Dan Shomron as O.C. southern command, effective January 1, 1982. Yitzhak Nebenzahl, 75, retired at the end of 1981 after serving 15 years as state comptroller.

Personalities who died during the year included: Cecil Hyman, former diplomat and journalist, on January 21, aged 80; MK Hanna Mwais, a veteran member of the Communist party in Israel, on February 13, aged 68; Lea Ben Dor, former editor of the Jerusalem Post, on March 12, aged 68; Yonatan Ratosh, poet and leader of the "Canaanite" movement, on March 24, aged 73; Uri Zvi Greenberg, poet and man of letters, on May 8, aged 87; Yitzhak "Antek" Zuckerman, a leader of the Warsaw Ghetto revolt in 1943, on June 17, aged 66; Meyer Levin, American-Israeli novelist, on July 9, aged 75; Josef Goldschmidt, former MK and deputy interior minister, on July 25, aged 74; Rabbi Yitzhak Nissim, former Sephardi chief rabbi, on August 9, aged 85; Rivka Aharonson, member of the Nili spy ring in World War I, on August 22, aged 89; Faye Schenk, head of the WZO's organization department and former president of Hadassah, on August 17, aged 72; Avraham Regelson, prize-winning poet, on August 21, aged 84; Rivka Guber, noted educator and social worker, on September 10, aged 79; Haim Landau, former cabinet minister and Irgun leader, on October 6, aged 65; Moshe Dayan, soldier and statesman, on October 16, aged 66; Eliahu Eliachar, Sephardi communal leader and worker for peace, on October 30, aged 82; Yosef Kremerman, industrialist and former Herut MK, on November 12, aged 56; and Avraham Zabarsky, a builder of the cooperative economic system, on November 27, aged 84.

Ralph Mandel