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Arabs Said To Agree Withdrawal Not Settlement Prerequisite, May Accept Direct Talks

NEW YORK, Sept. 30 (JTA) -- The Arab States have informed the United States and Soviet Union that prior Israeli withdrawal from the occupied territories is no longer a prerequisite for an Arab-Israeli settlement, authoritative U.S. sources said today. There were also reports that the Arabs have indicated that under certain conditions they might agree to meet the Israelis face-toface, but would not abandon their insistence on ultimate withdrawal.

Informed U.S. sources said that Secretary of State William P. Rogers, in his meeting today with Israel's visiting Premier, Mrs. Golda Meir, urged her to adopt a more flexible stand on the question of direct negotiations with the Arabs. Israel has demanded direct talks to negotiate a peace document that would result in secure, recognized and agreed boundaries.

As a result of the Arabs' position on withdrawal, the U.S. - Soviet talks now pursued on two levels have moved forward toward developing a formula for an expanded and strengthened role for United Nations Secretary-General U Thant's special Mideast envoy, Dr. Gunnar V. Jarring, the sources said.

Drafts of a document to implement this projected Jarring initiative have already been exchanged by the U.S. and Soviet Union, it was disclosed. An unresolved problem is whether the Palestinians and their guerrilla groups would accept Israel-Arab direct negotiations. Some form of concession to the Palestinians is being reportedly sought by the Russians and Americans in the context of a viable settlement. This may involve a request to Israel to agree to limited repatriation.

The U.S. is said to see merit in Soviet insistence that Dr. Jarring could shuttle back and forth between the Arabs and Israelis to resolve their differences as well as to present both sides with a compromise formula endorsed by the Big Four as a basis for direct negotiations. The Arabs have indicated that they might, if presented with such a super-power-endorsed formula, agree to meet the Israelis face-to-face to sign what U.S. officials described as an "appropriate instrument." The Big Four are slated to meet in late October. It is believed that any diplomacy involving Dr. Jarring would have to await the outcome of Israel's Oct. 28 national election.

American-Soviet Talks Will Continue Following Rogers-Gromyko Meeting

American-Soviet talks were to continue between Joseph J. Sisco. Assistant Secretary of State for Near Eastern Affairs, and Soviet Ambassador Anatoly F. Dobrynin following tonight's scheduled third meeting between Secretary of State William P. Rogers and Soviet Foreign Minister Andrei A. Gromyko. The lower-level talks will be aimed at narrowing the gap between the two nations' positions.

Mr. Rogers and Mrs. Meir were said to have discussed negotiations -- though not necessarily direct ones -- in their 70-minute talk in Mrs. Meir's hotel suite today. With Mr. Rogers was UN Ambassador Charles W. Yost and Mr. Sisco. Foreign Minister Abba Eban and Ambassador Yitzhak Rabin accompanied Mrs. Meir, Mr. Rogers was scheduled today to confer with Abdul Moneim Rifai, the Foreign Minister of Jordan, and the envoy of Saudi Arabia. Tomorrow he will meet with the Lebanese, He would only characterize today's session with Mrs. Meir--their third since she arrived last week--as "very interesting, pleasant."

Appearing this morning on the National Broadcasting Co.'s "Today" television program before her round of appointments and speeches began, Mrs. Meir maintained that no pressure had been exerted upon her by President Richard M. Nixon or other U.S. Government officials to make an explicit statement on withdrawal from occupied territories. Mrs. Meir said the question of territory was not relevant, asserting that peace hinged upon Arab acceptance of Israel's right to exist.

Questioned following the TV interview about her evaluation of her visit to New York, Mrs. Meir said her reception was "overwhelming," She said, "I have no words to describe it -- it is beyond anything I ever dreamed of." Mrs. Meir met today with New York Congressional leaders, the editors of Time, Life and Fortune magazines, editorial board of the New York Times, the Conference of Presidents of Major American Jewish Organizations, and addressed Jewish youth groups in Madison Square Garden. She attended a dinner tendered in her honor by the City of New York at the Brooklyn Museum.

It was reported today though not confirmed that Mrs. Meir, who had expected to return to Israel at the end of this week, will remain here to address an AFL-CIO convention in Atlantic City, N.J. next week. Mr. Eban is expected to return home this week.

Mrs. Meir told a festive Waldorf-Astoria Hotel dinner sponsored by 55 Jewish organizations and attended by 2,700 last night that Israel wished to meet the Arabs as "equals" and does not want to meet them as victors or to humiliate them. Israel, she said, needs more than mere verbal assurances of peace -- rather real, negotiated peace.

Reports Persist That Israel Has Asked United States For \$1 Billion In Aid

JERUSALEM, Sept. 30 (JTA) -- Reports persisted today that Israel has asked the United States for one billion dollars in economic aid to help offset an expected foreign currency deficit over the next five years. Most Israeli newspapers carried the report despite a disclaimer by the Foreign Ministry vesterday describing it as "bure speculation."

The English-language Jerusalem Post said it had information from "government sources" that the request for economic aid was contained in an official paper communicated to the U.S. Government prior to Premier Golda Meir's current visit to the U.S.

According to the Post, Israel advised the American authorities that it expects an overall deficit in its balance of payments of between \$1 billion and \$1,250 billion in the next five years. It said that the deficit would result from Israel's heavy outlay for defense superimposed on abnormal development costs necessitated by immigrant absorption needs. The Post said the official paper placed Israel's foreign currency expenditures for defense at more than \$500 million per annum in the next five years, or more than double the predicted deficit.

The latter was calculated after both projected borrowing and other sources of capital inflow were taken into consideration, the Post reported. The paper said the Israel, request for economic aid was made on the grounds that Israel's position is similar to that of other countries that have received American aid because their successful defense plays a part in Weggern security.

Israeli newspapers and the State-owned Kol Israel radio reported yesterday that Premier Meir requested economic aid and other items from the U.S. during her talks with President Richard M. Nixon in the White House last week. The Foreign Ministry promptly issued a statement claiming that neither it nor the Prime Minister's office had any knowledge of such requests.

Israelis Say Swiss Government Has Made No Approaches On Alleged Theft Of Jet Plans

JERUSALEM, Sept. 30 (JTA) — Switzerland has not made diplomatic approaches to Israel over the reported sale of secret jet engine plans to Israel by a Swiss engineer, the Foreign Ministry said yesterday. The Ministry spokesman addressed newsmen in connection with foreign press reports that Switzerland might lodge a protest with Israel in the case of alleged industrial espionage. Israeli officials have so far refused to comment on the affair (The Swiss Government has decided against any immediate action against the engineer but will decide what to do when more details are available, it was reported from Bern.)

According to Hans Walder, the Swiss attorney general in Bern, detailed plans, models and tooling instructions for the manufacture of engines for the new French Mirage III "5" jet fighter were stolen from the Sulzer plant at Winterthur last year and smuggled to Israeli agents in West Germany. A 43-year-old technical department head at Sulzer, Alfred Frauenknecht, was arrested for the theft and reportedly confessed. According to Mr. Walder he was paid \$200,000 by the Israelis who began receiving the blueprints in the fall of 1968. The Sulzer plant manufactures the Mirage engines under a license from the French firm of Marcel Dassault.

The Mirage III "S" jet is an improved version of the Mirage III "C" which is the backbone of Israel's combat Air Force. Fifty Mirage V jets which Israel purchased from France for \$200 million two years ago were embargeed by former President Charles de Gaulle and remain undelivered.

Israeli Officials Regard Shelling Of Settlements As Violation Of Jordanian Agreement

TEL AVIV, Sept. 30 (JTA) -- Government quarters have taken a very serious view of last night's shelling by Jordanian forces of two Beisan area settlements. Although the mortar attacks on Maoz Chaim and Tel Katzir caused only minor damage to crops, the attacks were regarded as a violation of a reported agreement by Jordan to refrain from shooting in that area if Israel permitted repairs to be made on the East Ghor irrigation canal. The canal was damaged by Israeli aircraft last month in reprisal for the shelling of Israeli border settlements.

The reported promise by Jordan to observe the cease-fire was said to have been obtained by the U.S. ambassadors in Amman and Tel Aviv who served as intermediaries between Jordan and Israel. The Gaor Canal, Jordan's largest irrigation project, was financed by the U.S. Questioned about last night's shelling, a Foreign Ministry spokesman in Jerusalem said that any shots fired across the border violated the cease-fire.

There was no Israeli comment today on claims by an Egyptian commando organization that it had carried out four sabotage forays against Israeli positions in the Sinai desert yesterday. The commandos said they destroyed two observation posts killing or wounding all personnel. They also claimed blowing up a water pipeline 10 miles north of Ismalia and to have destroyed an ammunition depot, a railway lin², telephone lines and power cables and planted mines.

Egyptian spokesmen in Cairo continued today to refer to an alleged airborne attack on Israeli positions deep in the Sinai peninsula Sunday. The Egyptians claimed heavy damage and casualities were inflicted on Israeli forces and said the action proved that the Egyptian Army has regained the initiative. Israel said no such attack occurred and described the Egyptian claims as an attempt to boost sagging morale at home. According to an Israeli spokesman, two Egyptian aircraft fired rockets and dropped incendiary bombs near an abandoned railway station and fled. Israeli spokesmen denied a colamb y El Fatah today that it had launched a heavy attack against Israeli positions along a 50-mile stretch of the Israel-Jordan cease-fire line. The guerrilla spokesman referred to "fierce battles." Israeli sources said there were only minor skirmishes.

Eastern European, Mideast Events Have Increased Migration Needs, Hias Head Says

GENEVA, Sept. 30 (JTA) -- Events in Eastern Europe and the Middle East have increased the migration needs of Jews seeking safety from religious, racial and political persecution, an official of Hias (Hebrew Immigrant Aid Society) said here today. Gaynor I.Jacobson, the agency's executive director, said its facilities were being taxed by rising appeals for migration aid.

Mr. Jacobson, speaking at Hias's 14th overseas migration conference, cited the invasion of Czechoslovakia, the anti-Jewish campaign conducted by the Polish Government and continuing unrest in the Middle East as the major factors forcing Jewish families to emigrate. He said that if Jewish minorities in the Arab countries were permitted to leave, his agency was confident that it could find resettlement opportunities for them in Europe and North and South America. He said many governments were cooperating in providing resettlement opportunities for Jewish refugees. He cited the Scandinavian countries, notably Denmark and Sweden, for their assistance in this

Carl Glick, Hias treasurer, reported that the agency would be required to spend \$2.8 million this year to meet mounting refugee needs, a 15 percent increase over its 1968 expenditure.

New Terrorist Threat Of Worldwide Reprisals Reported To British Government

LONDON, Sept. 30 (JTA) -- A new Arab terrorist threat against the lives of persons using Israeli transportation facilities or doing business at Israeli embassies or offices anywhere in the world was brought to the attention of the British Government, police authorities and the Universal Postal Union in Berne, Switzerland by the World Jewish Congress today. The Postal Union was alerted because the published threat was mailed from Bernut, Lebanon to the offices here of "World Jewry," a review published by the WiCongress, The organization urged the British Government to ask Lebanon to prevent the dissemination from its territory of threats against life and property in other countries.

The latest threat came from the Popular Front for the Liberation of Palestine. Titled, "A Statement to World Public Opinion," it said that the Front considered Israeli embassies, El Al airliners and offices, Zim Lines ships and offices and all other "Zionist commercial or tourist centers as organic extensions of the Zionist expansionist racial state of Israel." It said that "any collaboration, cooperation or patronage of these centers, whether in Israel or outside, is considered an act of aggression against the Palestinian Arab people... We would like to express in advance to all peoples of the world the deep sorrow we would feel if some foreign individuals do not comply with this warning. The Popular Front will not be responsible for any harm which might be inflicted on them. The Front is determined to translate this warning into action."

The Popular Front is an Arab terrorist organization that has claimed responsibility for aerial historiags, armed attacks on Israeli airliners at foreign airports and a rash of bombings at Israeli premises abroad. The Brussels El Al Office was badly damaged by a bomb hurled by a teen-age Arab youth on Sept. 8. The same day grenades were thrown at the Israel embassies in The Hague and in Bad Godesberg, a Bonn suburb. Earlier a small bomb went off in the Zim Lines passenger office in London injuring a clerk,

Hindu Party Challenges Pro-Arab Indian Government, 'Monitor' Reports

BOSTON, Sept. 30 (JTA) -- The Indian Government's pro-Arab policy in the Middle East conflict is being challenged by a militant Hindu party which Moslems in India liken to Hitler's Brownshirts, Christian Science Monitor correspondent Ernest Weatherall reported from New Delhi today.

The challenge posed by the anti-Moslem Jana Sangh Party headed by Balraj Makok has been intensified since an Indian delegation was rebuffed when it tried to attend the all-Moslem summit conference in Rabat, Morocco, a week ago, Mr. Weatherall reported, Hindu feelings have been further inflamed by the warm official welcome accorded a delegation of the Palestine Liberation Organization which is on a fund-raising and propagands tour of India.

"The reason the El Fatah commandos have been given official Government of India approval is because New Delhi has been backing the Arabs in their confrontation with Israel," Mr. Weatherall wrote, "But the Government's decision to east its lot with that of the Soviet Union by supporting the Arabs in the June, 1967 war has not been a popular move, especially with Hindu chauvinistic political parties such as the Jana Sangh, Many feel that India should have maintained the nonaligned policy of Pandit Nehru and remained aloof from taking sides." Mr. Weatherall said that India's pro-Arab stand has lost it many liberal friends in Washington such as Sen, Jacob K. Javits (Republicand Rep. Emanuel Celler (Democrat) of New York, According to Mr. Weatherall, the Jana Sangh Party is blamed by some forthe anti-Moslem riots which have reportedly taken more than a thousand lives in provincial cities.

Constituency Of Mrs. McKay Denounces Alleged Remarks About Jewish Parliamentarians

LONDON, Sept. 30 (JTA) -- The Labor Party constituency in the Clapham area of South London has strongly denounced the alleged remarks of its Member of Parliament impugning the loyalty of her Jewish fellow-members. A statement published by the local constituency in the Clapham Advertiser and News, an independent weekly, said the reported remarks of Mrs. Margaret McKay were "quite disgraceful?" and in no way represented her constituency's views.

Mrs. McKay created a storm in the House of Commons a week ago when news service reports quoted her as telling an off-the-record meeting in New York that pressure exerted by Jewish Labor

MPs on Prime Minister Harold Wilson prevented Britain from taking anything but a pro-Israel stand in the Arab-Israeli conflict.

Mrs. McKay, who was winding up a speaking tour of the U.S., reportedly said there were 62 Jewish members in the Labor Party's parliamentary delegation who were all "150 percent Zionist." She was quoted as having asked rhetorically, "do they represent Israel or Britain?" On her return to Britain, Mrs. McKay, who has belonged to the Labor Party since 1928, denied that she had questioned the loyalty of Jewish MPs and charged that she was quoted out of context. But persons present at the meeting she addressed confirmed that her remarks were substantially as reported.

Dutch-Born Associate Of Canadian Neo-Nazi Fined For Using Telephone Hate Messages

TORONTO, Sept. 30 (JTA) -- A Dutch-born associate of Canadian neo-Nazi leader John Beattie was fined \$50 by a provincial court judge for using taped hate messages over telephone circuits between December, 1968 and June, 1969. The fine imposed on Jacob Prins was the maximum penalty permitted under the Telephone Act.

Prins was tried last June on a complaint by the Joint Community Relations Committee but Judge Carl Waisberg reserved judgment until last week. He found that the messages, which were used on behalf of Beattie, were "grossly insulting" to Jews and offensive to society in general in that they used falsehood to disseminate hatred and bring a group of people into disrepute.

In another Toronto development, the bitterness of the Arab-Israeli conflict was brought to the city's downtown area last weekend when Jewish students and pro-Arab youths demonstrated in the streets though on separate days.

On Friday, about 300 Jewish students and others gathered in front of Rochdale College to protest a conference being held by the pro-Arab Canadian Organization for the Liberation of Palestine. They carried placards reading "Israel means Jewish survival" and were addressed by Dr. David Demsen, professor of Christian theology at Emmanuel College, who told them that appeals to liberate Palestine meant "genocide of the Jews." On Saturday, about 100 Arab and New Left students gathered in Nathan Phillips Square, named for the city's late Jewish mayor, to demonstrate on behalf of El Fatah. Later the group marched down the main thoroughfare with placards proclaiming "long live El Fatah" and "A Zionist is a Fascist."

Report 14,000 Arab Refugees Have Entered Brazil, El Fatah Seeks Recruits

RIO DE JANEIRO, Sept. 30 (JTA) -- A leading Rio newspaper, Jornal do Brasil, reports that 14,000 Arab refugees have entered Brazil since the Six-Day War. The paper said the immigration is continuing at the rate of 40-60 persons a month.

The Arab refugees, many illiterate, the paper said, come on tourist visas without the right to work here. They receive no assistance from the many Arab organizations in the country with the exception of El Fatah, the terrorist organization, which seeks to find recruits among them. The newcomers, the paper said, settle in the suburbs of Rio, Sao Paulo, Parana and Rio Grande do Sul.

West Germany Grants Israel \$35 Million For New Development Projects

BONN, Sept. 30 (JTA) -- West Germany agreed to grant Israel \$35 million for development projects this year. The same amount was granted in 1968 after the Bonn-Israel reparations agreement expired.

In another West German development, justice authorities in West Berlin announced the arrest of Franz Koenighaus, 63, a onetime Nazi SS official, on charges that he had ordered the execution of over 1,000 Russian Jews between 1942-1944. He was identified as the head of a Nazi office of Jewish war prisoners. German judges have gone to Moscow to hear witnesses in a case in Hanover against former SS member Franz Friedrich Wirth, accused of helping in the massacre of 40 Minsk Jews in 1941.

The leader of West Germany's National Democratic Party, defeated in its Sunday bid to place members in the Bundestag, denied he would 'resign. He said today that a party congress will be held in six weeks and its chairmanship will be decided then. He had threatened many times in the past to quit if his party lost in the national election. It won only 4.3 percent of the vote; 5 percent was needed to gain lower house seats.

Guatemala's Jewish Community President Says Newspaper Ends Anti-Semitic Articles

NEW YORK, Sept. 30 (JTA) -- The president of the Jewish community of Guatemala reported here that anti-Semitic articles which were published regularly in the daily newspaper La Hora no longer appear. According to Enrique Engel, the newspaper is owned by Guatemala's Wice President, Clemente Marroquin Rokas.

Mr. Engel, who met with leaders of the World Jewish Congress, reported that there are about 1,100 Jews in the Central American republic. Their representative body, the Consejo Central de a Communidad Judia, is an affiliate of the WJCongress. According to Mr. Engel, most Jews live in Guatemala City, the capital, where there is a Hebrew day school and three synagogues.

31 Americans, Canadians Leave For Israel For 6 Months Of Sherut La'am Service

NEW YORK, Sept. 30 (3TA) -- Thirty-one Americans and Canadians left for Israel today for six months voluntary service under the Sherut La'am program, the American Zionist Youth Foundation announced. The group, aged 18-23, will be located at Kibbutz Misgav-Am where they will study Hebrew.