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## ISRAELIS GLUM, EGYPTIANS OPTIMISTIC AS KISSINGER CONTINUES HIS EFFORTS

By David Landau

JERUSALEM, March 12 (JTA)--As Secretary of State Henry A. Kissinger took off for Aswan at noon today to begin the second round of his current "shuttle" diplomacy aimed at a second-stage Israeli-Egyptian agreement in Sinai, the mood in Jerusalem was somewhat downbeat while that in Cairo, determinedly optimistic.

Israeli officials were stressing the deep and wide gap that exists between Israel's "cardinal point"--a formal, bilateral, signed non-belligerency accord in exchange for substantial territorial withdrawals--and Egypt's absolute refusal, so far, to even consider such a pact except as part of an overall Middle East peace settlement.

While Egyptian officials were stressing that position to reporters, they also spoke of "elements" Egypt was prepared to offer as part of a second-stage agreement which, they believed, should constitute satisfactory proof to Israel of Egypt's sincere intention not to launch a new war "as long as efforts to secure a final peace continue." President Anwar Sadat was quoted today as saying that he saw an 80-90 percent chance of success for Kissinger's latest peace moves.

Israeli officials were offering no prognostications on the basis of percentage points or any other indices. They seemed to be revivifying the more "modest" of the two scenarios for withdrawal in Sinai--a 30-50 kilometer pull-back which would not include the strategic Mitla and Gidi Passes or the Abu Rodels oil fields and consequently would not require a formal non-belligerency undertaking from Egypt.

### Realism And Historicism

How much of the optimism in Cairo and the slightly pessimistic outlook in Jerusalem represents the realistic viewpoints in those capitals and how much can be written off as bargaining ploys intended for home consumption and world opinion, remains a moot question.

The "elements" referred to by Egyptian officials are modest indeed, from Israel's viewpoint. They are said to include opening the Egyptian-Israeli borders to transit by foreign tourists and passage through the Suez Canal of ships carrying Israeli cargoes, though not Israel flag-ships. The Egyptians would also go about rebuilding the canal-side cities and towns as further evidence of their peaceful intentions.

According to one report, the Egyptians feel that the wording of their 1974 disengagement agreement with Israel should suffice to reassure Israel of their non-belligerent intentions and they are not averse to having them repeated in a second-stage accord. In the 1974 agreement both sides promised to "refrain from all military and paramilitary action" from the moment the document was signed. While no time limit was put on that promise, they stated that the document was not a final peace agreement but a first step toward a durable peace in keeping with UN Security Council

Resolutions 338 and 242 and within the framework of the Geneva peace conference.

Israeli sources have dismissed the offer to allow Israeli cargoes through the Suez Canal and the restoration of normal civilian life along the waterway as an Egyptian attempt to sell the same goods twice. The Israelis maintain that those matters were already agreed to implicitly in the January, 1974 disengagement agreements. The tourism offer was admittedly new and obviously calculated to impress the Israelis, Secretary Kissinger and world opinion.

Israel, however, was in no mood this week to be satisfied or mollified merely by the tourism component. What it still hopes for is a much broader and politically significant accord. The gulf separating the two sides on the central issue of "non-belligerency" remained deep and wide, well-placed officials stressed here last night and this morning.

## SPECIAL HOUSE SUBCOMMITTEE ON MIDEAST TELLS CONGRESS TO EXAMINE ANY ISRAELI ARMS REQUESTS, AND DELAY IN PROVIDING SOME ITEMS

By Joseph Polakoff

WASHINGTON, March 12 (JTA)--A special subcommittee on the Middle East of the House of Representatives has recommended to Congress that mainly for economic reasons it scrutinize "any Israeli request" for arms and suggested delay in providing "some items." The group also expressed its belief that "at some time in the near future the Egyptians may ask to buy military equipment from the United States to test American even-handedness in dealing with both sides in the Middle East dispute."

These were among observations in a 24-page printed report released yesterday by the special group made up of 18 members of the House Armed Services Committee which visited Israel, Iran, Saudi Arabia and Egypt Feb. 5-17. It was headed by Rep. Melvin Price (D, Ill.), who is also chairman of the full committee. The special group comprised 11 Democrats and seven Republicans, predominantly conservatives.

"The subcommittee can appreciate the desire of the Israeli government for a high level of military assistance in view of its experience in the October war," the report said. "Israel will be dependent on the United States for arms support this year and for some years to come. The subcommittee recognizes that one of the persuasive points in behalf of aid to Israel, as outlined eloquently by Prime Minister Rabin, is that a strong Israel will convince Arab nations that a war option is not available, that is, that they must negotiate to attain the end they seek because defeating Israel through war is not a realistic expectation."

The report continued: "Having said that, however, the subcommittee would recommend to the full committee and to the Congress that in view of the present strength of the Israeli forces, in view of the effect on the Israeli economy and in view of the limitations on the United States at a time of unprecedented, large-scale budget deficits, any Israeli request be scrutinized carefully and any judgment be made on an item-by-item basis. If the provision of some items can be delayed, it would be economically beneficial to both nations in a year

when both face severe budgetary constraints."

### Suggests Aid To Egypt

Among its comments on Egypt, the subcommittee said that "in line with the aid the United States is providing to help open the Suez Canal, the subcommittee believes the U.S. might make a further contribution towards the search for peace by considering economic and technical aid in the rebuilding of the devastated cities in the Suez area that were destroyed during the long period of conflict between Israel and Egypt."

The Price report also pointed out that while the Israel Defense Forces have "traditionally lived with an imbalance of 3-1 in weapons and personnel in its wars with the Arab armies," the Israelis "see special problems in the future, however, because the wealth of the Arab nations allows them to acquire a quantity of weapons of the highest quality which could eventually provide a far greater advantage than the 3-1 ratio of the past."

"The Israelis are concerned," the report said, "about Russian influence in the Middle East and consider the estrangement between Egypt and Moscow as a charade designed to impress U.S. public opinion."

The report added that "although the Israelis were in direct conflict with Syria and Egypt in the October war, eight other Arab nations sent aid or expeditionary forces to the conflict. The Israelis, therefore, see themselves as having to be prepared to face the combined forces of the Arab world. The Israelis claim that the Arab nations have purchased \$15.5 billion in military procurements since the October war."

The Price subcommittee said that Israeli Defense Forces have "more than made up their losses" in the Yom Kippur War while "the Arab forces on the borders of Israel have, as a whole, increased their strength but they have not improved their posture to the extent of the IDF."

Because of their limited manpower, the report noted, the Israelis "are convinced they need a greater inventory of aircraft and other systems and a backlog of trained pilots" and "are particularly anxious to receive weapons systems which would reduce casualties in a future war such as standoff missiles, guided bombers and remotely piloted vehicles."

### Attempt To Aid Kissinger's Diplomacy

The new foreign aid budget for fiscal 1976 which begins July 1 is expected to be unveiled to Congress after Kissinger returns from his present Middle East trip. Israel is understood to have asked for \$1.5 billion in military assistance for the new year.

Noting that neither the Price nor the previous special House committee led by Samuel S. Stratton (D.NY) had visited Syria and Jordan, the Price group said that visits to those two countries and "to the Palestinians of the West Bank would contribute to the (Price) Committee's knowledge of alternatives in this important area." The committee led by Stratton visited Egypt and Israel in November 1973.

Analysts examining the Price Committee report saw in it an attempt at this particular time to assist Kissinger's diplomacy to help move Egypt towards an agreement with Israel by indicating a favorable outlook in Congress towards the Cairo government. (See additional Price Committee story this page.)

### HUNDREDS RALLY TO PROTEST AGAINST PENDING TRIAL FOR TWO SOVIET JEWS

TEL AVIV, March 12 (JTA)--Several hundred students and faculty members of Tel Aviv and Bar Ilan Universities, joined by many immigrants from the Soviet Union, demonstrated yesterday to protest the pending trial on unspecified charges of two Jewish activists in Moscow--Mark Nashpitz and Boris Tsitilonok.

The demonstration, which was attended by the mothers of the two men, took place outside the Embassy of Finland which handles Soviet affairs in Israel. A note was presented to a Finnish representative urging his government to use its good offices with the Soviet government to secure the release of Nashpitz and Tsitilonok or to publish the charges against them and assure them of a fair trial. A copy of the note was sent to the International Federation of Jurists.

Nashpitz and Tsitilonok were part of a group of seven Jewish activists arrested Feb. 24 while demonstrating for exit visas outside the Lenin Library in Moscow. They alone have been held for trial.

The demonstrators here, among them Silva Zaimanson, who came to Israel last year after serving a 3 1/2-year prison sentence, said that the charges against Nashpitz and Tsitilonok--if there are any charges--should be made public or else the men should be released. They also demanded that if a trial takes place, neutral lawyers be permitted to attend as observers.

### 100 Soviet Jews Sign Appeal

According to reports yesterday from Moscow, more than 100 Soviet Jews in 14 cities signed an appeal for their release. The appeal, handed to Western newsmen, claimed that Nashpitz and Tsitilonok face trial only because they demanded exit visas and sought to focus world attention on the plight of other Soviet Jews imprisoned for the same reason. According to the Moscow report, they are being held in Butyrka jail.

### NAZI DEATH CAMP SURVIVORS TO TESTIFY AT TRIAL OF ZABATSKY

TEL AVIV, March 12 (JTA)--A group of Nazi death camp survivors left for Frankfurt to testify at the trial of former SS Sgt. Willy Zabatsky who is charged with the wholesale extermination of Jews at the Birkenau section of the Auschwitz death camp. His alleged crimes include throwing live children onto piles of burning corpses in order to save the cost of gassing them. Tuvia Friedman, who heads the war crimes research and documentation center in Haifa, will also leave for Frankfurt shortly to attend the trial. According to Friedman, Zabatsky was in charge of the extermination of Jews at Birkenau.

In the spring of 1944 he received a transport of Jews from Hungary, including 400 children, who were selected to die by the notorious death camp doctor, Joseph Mengele. Zabatsky decided on his own that it was too expensive to send the children to the gas chambers and simply threw them on to the pyres where the corpses of previously gassed Jews were being burned. Zabatsky, who is 56, does not deny that children were thrown alive into the flames but claims that he was off duty on that day. The witnesses will testify to the contrary.

### ISRAEL'S DETERMINATION TO DEFEND ITS LAND IMPRESSES PRICE COMMITTEE

WASHINGTON, March 12 (JTA)--The House of Representatives special subcommittee on the Middle East headed by Rep. Melvin Price (D.Ill.), in its

Feb. 5-17 visit to the Middle East, appeared profoundly impressed by the determination of Israelis to defend their land and survival as a nation.

"One thing that becomes plain from a visit with the Israelis is that their resentment and intense feeling about the history of their people is such that they will never surrender their country without a bitter fight," the subcommittee's report, issued yesterday, said. "Such a conflict risks the involvement of other nations of the world beyond the Middle East."

Discussing the prospect for a settlement in the area, the subcommittee said "it is important to recognize" that "the official Israeli position does not claim that the land held as a result of the 1967 war (except for Jerusalem) should belong to Israel. The Israelis feel they need it for the protection of their country or as a bargaining chip for peace."

The Israeli military, the report said, pointed out that Israel would be in "an unacceptable defense position (on the Golan Heights) without the capacity for early adequate warning," if it did not control the high point east of Kuneitra since the Golan Heights form a plateau and are not a mountainous region. Similarly, the Israelis believe they require high points west of the Jordan River "it would seem clear that the bottom line for the Israeli military would be retention of radar warning sites on the high points along the West Bank with adequate defenses" since Israel's narrow belt north of Tel Aviv would otherwise be subject to surface-to-surface missile attack.

The report affirmed that the U.S. cannot "cast aside" or turn over its responsibility in the search for peace to another power "because only the United States has the trust and confidence of the Israelis" and "the United States has developed trust and confidence on the Arab side by attempting to follow an even-handed policy." (By Joseph Polakoff)

#### DUTCH FOREIGN MINISTER CANCELS SAUDI ARABIAN TRIP BECAUSE JEWISH JOURNALIST COULD NOT GET A VISA

AMSTERDAM, March 12 (JTA)--Dutch Foreign Minister Max van der Stoep has cancelled his planned visit to Saudi Arabia because that country refused to approve a visa request for a Jewish journalist. The decision, made by the Foreign Minister and the Parliamentary Foreign Affairs Committee, was announced here this evening.

The journalist, Jaap van Wesel, is the Israeli correspondent for the Dutch weekly, "Vrij Nederland." He has both Israeli and Dutch citizenship and has been living in Israel for several years. The Dutch Foreign Minister as well as Dutch Premier Johan den Uyl, both warned earlier in the week that they would not tolerate any anti-Jewish discrimination against Dutch citizens.

Van Wesel's visa request was refused twice by Saudi Arabia. The first application was made by van Wesel himself, declaring his residence as Jerusalem. This request was refused officially because only eight journalists were to be included in van der Stoep's official party.

When "Vrij Nederland" applied subsequently for a visa for its correspondent, no mention was made of his domicile and van Wesel was to travel independently to Riyadh. The second request was also refused, after which the newspaper made its official protest to the Netherlands' highest officials.

#### TAX REFORMS GIVEN TO RABINOWITZ

By Gil Sedan

JERUSALEM, March 12 (JTA)--Recommendations for far-reaching tax reforms including a sharp reduction in the income tax rate and the elimination of special "allowance benefits" and exemptions, was presented to Finance Minister Yehoshua Rabinowitz in a ceremony at the Treasury offices today. Rabinowitz, obviously aware of its contents before the 150-page document was formally presented to him, praised the recommendations and expressed hope that Histadrut would join the government and business in implementing the reforms "without delay."

The initial reaction from the Israel Manufacturers Association and Histadrut was favorable, indicating that they would support the proposed measures. But many economists and financial experts have expressed fear that they would dangerously reduce the government's income and create a mammoth deficit.

The tax reform report was prepared by a special committee headed by Tel Aviv University economics professor, Haim Ben Shazar. Rabinowitz appointed the committee following the devaluation of the Israeli Pound last October and other economic austerity measures undertaken by the government at that time.

#### Could Be Implemented By July 1

Rabinowitz said today that if understandings were reached with the principal economic institutions of the country--the government, Histadrut and employers--the reform measures could be implemented by July 1. He conceded that the proposed added value tax, one of several indirect taxes that are supposed to compensate the Treasury for the reduced income tax rate, "will not be ready by then." However, he said, "we hope to implement that (added value) tax by next October."

A spokesman for the Manufacturers Association said the businessmen would have been happier had the Ben Shazar committee recommended a maximum tax rate of 40 percent of income rather than 60 percent, compared to the present 87.5 percent. He said the proposed reductions did not encourage investments. But altogether, the report's concepts were acceptable, he said, adding that "it should be stressed that the success of the reform measures depend on implementing them as a package deal with no exceptions."

Yeruham Meshel, secretary-general of Histadrut, also welcomed the recommendations but insisted that workers' take-home pay should be larger and that tax collection procedures should be made more efficient to avoid evasion.

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PARIS (JTA)--A concert planned to be held in Tunis by French singers Johnny Hallyday and his wife, Sylvie Vartan, has been cancelled because of the singers' "pro-Zionist attitude." The news was reported by Paris International Herald Tribune, which quoted the Tunis newspaper "Bilalot."

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GENEVA (JTA)--A delegation of women from committees of support for Soviet Jews demonstrated Wednesday at the European Security Conference. The women, representatives of committees from 12 European countries, are campaigning for the right for Soviet Jews to emigrate, the liberation of political prisoners, the respect of cultural rights, and the end of anti-Semitic activity in the Soviet Union. The women's demonstration was declared to be a part of the International Women's Year.

