



STATE DEPT. SAYS ISRAEL'S CRITICISM OF U.S. AID PACKAGE WILL NOT CREATE PROBLEM BETWEEN THE TWO COUNTRIES

By Joseph Pelinkoff

WASHINGTON, Nov. 3 (JTA)--Questions raised by Israel over the Ford Administration's proposals for American economic and military assistance to Israel "will not create a problem between the United States and Israel," the State Department said today. "Obviously, the whole thing will be discussed on the Hill," Department spokesman Robert Anderson said. He was referring to Congressional scrutiny of the \$4.7 billion aid program that includes \$2.24 billion for Israel and \$750 million for Egypt.

These questions were raised by Israeli Ambassador Simcha Dinitz with Secretary of State Henry A. Kissinger, the State Department said. Anderson said "those questions are in the process of being resolved." (Related story P.3)

Israeli Premier Yitzhak Rabin told his Cabinet yesterday that the Administration's proposal was \$60 million less than Israel was promised by Kissinger during the Sinai negotiations. He also said that \$1.24 billion of the proposed aid was in loans although Israel had understood that two-thirds of the U.S. assistance would be grants.

U.S. May Withdraw From ILO

In another development, Anderson said that he expected to have "something later" this week on the report that the United States will notify the International Labor Organization in Geneva that it is withdrawing from that United Nations body. It is understood here that Labor Secretary John T. Dunlop was to have made the withdrawal announcement today. But it was postponed until after the departure Wednesday of Egyptian President Anwar Sadat.

The American action is based on the withdrawal of the AFL-CIO from the tripartite American delegation in which the government and employers also are represented. The AFL-CIO has long been at odds with the ILO leadership and the last straw was the ILO's vote last June to give the Palestine Liberation Organization observer status in the UN group. This is the first time that the United States has withdrawn from a UN body. The U.S. provides about 25 percent of the ILO budget, or about more than \$11 million a year.

Debate On Palestine Issue Begins

HERZOG LASHES PLO FOR BLOCKING PEACEFUL SETTLEMENT IN THE MIDEAST

By Yitzhak Rati

UNITED NATIONS, Nov. 3 (JTA)--Israel spoke out vigorously today against an anticipated resolution by the Palestine Liberation Organization aimed at blocking a peaceful settlement in the Middle East and easing the way for the ultimate destruction of Israel.

Addressing the opening session of the General Assembly's debate on the Palestine issue which is expected to continue for the entire week, Israel's Ambassador to the United Nations, Chaim Herzog, declared, "You can either take your place in history as having voted for a negotiating process leading toward peace or as having voted

for the PLO policy calling for the destruction of Israel and rejecting any process of negotiation or compromise out of hand."

Herzog, who followed the PLO representative Farouk Kaddoumi on the rostrum, said that Israel's unqualified opposition to the PLO and its proposals did not imply that it does not recognize the existence of a Palestine Arab problem. In that connection he cited the remarks of Israel's Foreign Minister Yigal Allon to the General Assembly last month that Israel was aware of the Palestinian problem. He reiterated that it was Israel's view that the problem should be solved in the context of a peace settlement between Israel and Jordan.

(See separate story on Kaddoumi's address.)

PLO Seeks To Destroy Israel

Herzog said that the PLO was calling for Israel's expulsion from the UN, the imposition of sanctions against it "and in fact, every device calculated to destroy a member nation." He asked, "Is there any country represented in this hall that would agree to treat with a body whose sole declared purpose was to destroy it and whose aim was to draw concessions so that its destruction would be so much easier?"

The Israeli envoy said that every word in the proposals of the PLO "is designed for one purpose and one purpose only, namely to block and obstruct any move which would be founded on a recognition of Israel's right to exist and which would envisage an overall solution of the problems in the Middle East based on compromise and mutual recognition."

"Pointing out that the PLO objected strongly to the interim accord between Israel and Egypt, Herzog said that agreement "reflects the only approach which gives any hope for an advance toward peace while the PLO is the proponent of a resolution for the destruction of Israel."

Herzog rejected as ludicrous Egyptian President Anwar Sadat's call on the General Assembly last week to accord the PLO full representative status at the Geneva peace conference on an equal footing with all other participants. He noted that the Geneva conference was created within the framework of Security Council Resolution 338 which bases itself on Resolution 242.

"This resolution is unreservedly rejected by the PLO," Herzog stated. "Indeed, not even the government of Syria has accepted Security Council Resolution 242. A specious argument put forward to the effect that the presence of the PLO at the Geneva conference would in itself imply an acceptance of 242 and recognition of the State of Israel is completely invalid when seen against the realities of the situation," Herzog said. He noted furthermore that the question of participation in the Geneva conference is dependent upon the agreement of all states that are parties in the conference.

Tragic Results In Lebanon

With respect to the PLO's demand for a secular state in Palestine in which Moslems, Christians and Jews would live together, Herzog asked, "If they believe so much in democracy and secularism, why has no democratic secular state

circumstances, as we have in the past," to establish "very rigid safeguards" that would "make it impossible to go from a civilian domestic utilization of a reactor to a military utilization." The State Department said today that American and Egyptian technicians have begun discussion on the agreement to provide Egypt with two nuclear reactors.

NOT THE MONEY, BUT THE PRINCIPLE PROMPTED RABIN TO CRITICIZE THE U.S. By David Landau

JERUSALEM, Nov. 3 (JTA)--Concern over the general drift of U.S.-Israel relations rather than over the specific \$60 million prompted Premier Yitzhak Rabin to take issue with the U.S. Administration yesterday for short-changing Israel in its foreign aid bill, informed sources here told the Jewish Telegraphic Agency today.

The Premier sharply criticized the Ford Administration at his Cabinet meeting for failing to keep its pledge to ask Congress for \$2.3 billion in aid for Israel. The Administration has asked for \$2,240 million. Rabin also pointed out that whereas the pledge called for the aid as two-thirds grant and one third loan, the Administration asked for the larger part as a loan, thereby increasing the burden for the Israeli taxpayer.

Informed sources here said the Administration's pledges were "concluded" during September, having been negotiated by Secretary of State Henry A. Kissinger during his August shuttle in the region. The Premier was worried, the sources said, that the Administration's reneging on the pledge--albeit to a relatively small degree--could preface failure to honor other, more important, commitments undertaken by Washington as part of the interim agreement package.

Potentially Dangerous Precedent

"It's not the money (\$60 million less) but the principle that is at stake," one top source explained. The source indicated that there was not much realistic hope of reversing the Administration's decision. But Rabin felt, nevertheless, that Israel could not let the episode pass without objection, since that could set a potentially dangerous precedent of resigned subservience which could boomerang later.

The sources here were especially perturbed by the timing of the Administration move--during the visit by Egyptian President Anwar Sadat--and by its broader context; Washington's sudden failure to take issue with Sadat's anti-Zionist and anti-Jewish statements. Jerusalem has been disappointed, though not realistically shocked by these statements. There has been grief and shock though at Washington's deliberate and unswerving efforts to play down the statements.

Regarding the aid bill, while Egypt's share is of much smaller substance, because there is no military aid yet, there has been no Administration effort to pare it down or penny-pinch, and this, too, is a source of chagrin for the Israelis, who see their own economic aid package whittled down. Egypt will receive some \$200 million worth of food under the "PL 480" program but that, unlike Israel's much smaller quantity of food aid, is not reckoned by the Administration as part of Egypt's overall economic aid figure of \$750 million.

MEANY CASTIGATES ANTI-ZIONIST DRAFT

NEW YORK, Nov. 3 (JTA)--George Meany,

president of the AFL-CIO, declared here that "The General Assembly of the United Nations must reject the resolution on Zionism and racism adopted by its Third Committee or suffer massive alienation of American support."

"The American people will not be fooled by a resolution which absurdly asks the UN to declare that Zionism is a form of racism and racial discrimination," the labor leader declared. "Zionism is not; it is precisely the product of revolution against those evils, especially as they reached their culmination in the holocaust of Hitler for whom some of the promoters of this resolution can scarcely conceal their admiration."

Meany observed; "The ultimate object of this resolution is not the elimination of racism but the expulsion of Israel from the UN. It is the latest step in an anti-Israeli and anti-Semitic campaign launched by the Arab bloc with the cynical backing of the Soviet Union."

He added; "The resolution is all the more ludicrous in light of the persecution of religious and national minorities rampant in the lands of its sponsors. Let those sponsors look to the plight of Jews in Syria, of Kurds in Iraq, of Christians in Lebanon and southern Sudan, not to mention the attempted wholesale liquidation of national minorities in the Soviet Union." Meany spoke Friday at a dinner honoring Max Greenberg, president of the Retail, Wholesale and Department Store Union.

ALLON SAYS MOVE ON TO POSTPONE VOTE ON THIRD COMMITTEE MEASURE

JERUSALEM, Nov. 3 (JTA)--Foreign Minister Yigal Allon told the Cabinet yesterday that several delegations in the United Nations were working to postpone the vote in the General Assembly plenary on the Third Committee's anti-Zionist draft resolution. He said that there were better prospects to achieve this goal than to secure a majority vote against the draft. The Foreign Minister also said that Israel's campaign to explain Zionism is currently in full swing.

Reviewing the situation in Lebanon, Allon described the events there as "a full-scale civil war." He said the Moslems were clearly aiming at an Islamization of the country, and the first target was Beirut.

In other actions, the Cabinet approved Premier Yitzhak Rabin's proposal to appoint Knoesset'er Zevulun Hammer, leader of the "Young Guard" of the National Religious Party, to the Cabinet as Welfare Minister. Welfare Minister Michael Hazani died several months ago and Interior Minister Yosef Burg had been holding the portfolio until the new appointment was made.

The Cabinet also approved the appointment of Prof. Pinhas Sussman, a lecturer in agriculture at the Hebrew University in Jerusalem, as director general of the Defense Ministry, succeeding the late Yitzhak Ironi who died of a heart attack in New York several weeks ago.

TEL AVIV (JTA)--The strike that grounded El Al for 19 days ended Monday with an agreement reached between the airline management, Histadrut and the workshop employees whose walkout three weeks ago forced the company to suspend operations. Financial losses were estimated at IL 30 million; 300 flights were cancelled and about 30,000 passengers were transferred to foreign airlines with different schedules.

risen so far in the Arab world?" He noted that PLO activities have been curtailed in most Arab countries except in Lebanon "with the catastrophic and tragic results which are evident for us all to see today." He said that "History will recall too that an entire Christian community (in Lebanon) faced mortal peril while the world looked on in silence and the only voice raised in this hall was the voice raised by Israel."

Referring to the General Assembly's built-in majority that automatically opposed Israel, Herzog observed that at least 30 percent of the Assembly's time is devoted to a small country (Israel) of three million people. "This Assembly will live in infamy," he said, because while Lebanon is bleeding to death the General Assembly is becoming "an instrument of political warfare against Israel."

The Israeli envoy is lobbying vigorously against the PLO proposals. On Friday he appeared before the representatives of the nine European Common Market countries to urge them not to support anti-Israel resolutions during the Palestine debate. He will make similar representations tomorrow at a forum of Latin American countries. Meanwhile, Israel has registered to speak almost every day during the course of the Palestine debate.

PLO URGES UN TO TAKE 'EFFECTIVE AND OPERATIONAL MEASURES' TO ELIMINATE ZIONISM AND ISRAEL

By Yitzhak Rabi

UNITED NATIONS, Nov. 3 (JTA)--Farouk Kaddoumi, head of the Palestine Liberation Organization delegation, called on the General Assembly this morning to take "effective and operational measures" to eliminate Zionism and the State of Israel.

Opening the Assembly's debate on the Palestine issue with a bitter attack on "the Zionist enemy and its imperialist ally, the United States," the PLO spokesman reiterated its demand for the establishment of a secular, democratic state in all of Palestine, denounced the step-by-step approach to a Middle East settlement as doomed to failure and indicated that the PLO would not be a party to the Geneva peace conference as long as it was based on resolutions that ignored the rights of Palestinians.

Kaddoumi castigated the U.S. which, he claimed "actually serves the Zionist policy of aggression by sustaining the Israeli entity through infusions of billions of dollars and sophisticated military equipment." But he hailed the Soviet Union as "our friend who opposes Israeli aggression" and praised France for recognizing the PLO. He urged other European countries to do the same.

The PLO representative blamed the current civil strife in Lebanon on Zionists and other enemies of the Palestinians. He conceded that the situation in Lebanon tests "the credibility of... our vision of the establishment of a democratic, non-sectarian state." But, he said the Zionists and imperialists drew the Palestinians into a fight which "would preclude us from confronting the step-by-step policy."

Kaddoumi said that policy, pursued by U.S. Secretary of State Henry A. Kissinger, "cannot but end in failure, for it is designed not to promote world peace and enhance global security but rather to mask the intensification of tensions and the creation of conditions for the outbreak of war."

FORD REAFFIRMS OPPOSITION TO PLO PARTICIPATING IN PEACE TALKS UNTIL THEY RECOGNIZE ISRAEL

By Joseph Polakoff

WASHINGTON, Nov. 3 (JTA)--President Ford has firmly reaffirmed opposition to Palestinian participation in the Middle East peace negotiations until they recognize the State of Israel and has repeated his condemnation of the anti-Zionist resolution adopted by the United Nations Third Committee.

In a news conference taped yesterday in Jacksonville, Fla. with reporters from Florida television stations and being broadcast tonight, Ford was asked his view about the attacks in the UN on Zionism as a form of racism by a reporter who also noted that Egyptian President Anwar Sadat has made "similar allegations."

Optimistic About Resolution's Defeat

Ford, who had met with Sadat in Jacksonville yesterday, did not mention the Egyptian President, but said, "We are doing all we can possibly do in the United Nations to defeat the resolution" which will be brought up before the General Assembly. He added that, "I am getting more and more optimistic that the possibility does exist" to defeat the resolution because "it is fundamentally contrary to the United Nations Charter."

"What we will do if we lose," Ford said, "is a matter that I will pass judgement on at that time. But I think on sober reflection that a majority of the members of the United Nations will recognize that that is not in consonance with the Charter of the United Nations."

Regarding the participation of the Palestinians in Mideast negotiations, a subject that was discussed last week by Sadat and Ford during which Sadat urged Ford to change his view, the American chief executive said:

"These Palestinians do allege that they have certain rights, and they are insisting on participation, for example, at a Geneva conference or any overall conference. But they have refused to recognize the State of Israel, and we, of course, strongly back the State of Israel in its attitude that there must be recognition before there can be any contacts or any participation by the Palestinians in any negotiations."

A reporter asked whether, if recognition was forthcoming, land could be found to create a Palestinian state. The President replied, "that of course would have to be decided in any overall settlement." He also said that "the parties who will actually do the negotiating are those parties within the area in an overall settlement, and it would certainly be inappropriate for me, under these circumstances, to make any commitment. That is for them to negotiate." The Palestine Liberation Organization was not mentioned at the news conference.

No Fear For U.S. Personnel

The President said that he did not fear for the civilian technicians who will monitor stations in the Sinai because "I can't imagine any actions taken by either Egypt or Israel that would jeopardize the Americans in that United Nations zone."

Ford confirmed that negotiations are taking place between the United States and Egypt for "an American-made nuclear power facility" but he said the negotiations "have not at this point reached a final decision." He said that should the decision be made to provide Egypt with a nuclear capability "we would insist under any and all cir-

