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ISRAEL VIEWS EGYPT'S 'PEACE' MOVES AS INSINCERE; SEEN AS PRESSURE TO INFLUENCE NEW U.S. ADMINISTRATION By Gil Sedan

JERUSALEM, Nov. 15 (JTA)--Israeli leaders are considering how to deal with Egypt's latest "peace offensive" which they regard as insincere because it is predicated on preconditions that Israel says it will never accept. The peace talk emanating from Cairo is believed here to be intended primarily to influence the incoming Carter Administration's Middle East policies, still an unknown quantity in Israel and the Arab world.

Premier Yitzhak Rabin referred to Egypt's "peace offensive" at yesterday's Cabinet meeting. His use of that term indicated that for the time being, Israel will play down Arab war threats and concentrate on warning the West to be wary of Arab professions of peaceful intentions. Jerusalem clearly does not trust the Arabs, including the Egyptians, even though President Anwar Sadat has managed to project the image of an outspoken proponent of peace with Israel.

The problem is that Sadat's peace proposals amount to a settlement entirely on Arab terms, to be worked out at the Geneva conference with the participation of the Palestine Liberation Organization and to be implemented only after Israel's total withdrawal from the administered territories.

Egyptian Foreign Minister Ismail Fahmy joined the peace chorus in Cairo yesterday when he stated four conditions for a Mideast settlement at a meeting with 13 visiting U.S. Senators. Three of the conditions conflict with Israel's basic policy.

Three Conditions Termed Unacceptable

The three conditions are: withdrawal to the pre-June, 1967 borders; the creation of a Palestinian state on the West Bank and Gaza Strip; and inspection of nuclear facilities in the area, particularly Israel's nuclear installation at Dimona which was closed to those same Senators when they visited this country last week. The fourth condition, which Israel probably would accept, was a ban on nuclear weapons in the region.

Fahmy is not taken seriously in Israel and some say he is not taken seriously in Egypt. About two years ago he came up with another set of conditions for peace which included a 50-year suspension of immigration to Israel. But observers consider it unlikely that Fahmy made his latest remarks without the knowledge and approval of Sadat. They believe also that he was hinting to the Senators that if the new American Administration does not go along with Sadat's version of peace, Egypt has other options.

Israeli experts believe that the Egyptian "peace offensive" is a short term one. Once the Carter Administration makes its Mideast policy clear, Cairo's position is likely to change, they say. But they are not sure whether the change will represent a willingness to tackle real issues or just another tactical play leading nowhere.

\$15 BILLION NATIONAL BUDGET HAS \$525 MILLION BUILT-IN DEFICIT

JERUSALEM, Nov. 15 (JTA)--Finance Minis-

ter Yehoshua Rabinowitz presented the Cabinet with a national budget yesterday of \$15 billion that presumes a 30 percent price increase for fiscal year 1977-78. The proposed budget is \$4.88 billion larger than the current one and carries a built-in deficit of \$525 million. The deficit could be even higher unless the Treasury is able to reach an agreement with the Defense and Housing ministries to hold down spending.

The amount earmarked for defense is about \$4 billion, some 13 percent less than the Defense Ministry's share of the present budget. Strong opposition is expected from Defense Minister Shimon Peres. A more serious problem, especially during the coming election year, is the projected 30-35 percent increase in prices. Basic food products are expected to go up by 40 percent as the government gradually reduces its subsidies of those items to stay within budgetary limitations.

The periodic devaluation of the Pound will continue in an effort to stem the inflationary spiral. Non-productive workers will be laid off as further cuts in government services are effected, leading to an initial high rate of unemployment. The proposed budget is based on the assumption that the present economic malaise, the legacy of the Yom Kippur War, will continue, characterized by a high inflation rate and labor disputes over wages.

However, if the government and Histadrut are able to agree on a wage-price ceiling, the budget will be re-drafted, economists said. Such an agreement would give the Treasury greater control over spending and allow it to reduce the projected deficit.

DEPORTATION HEARING AGAINST FORMER NAZI FROM LATVIA POSTPONED TILL FEB.

By David Friedman

NEW YORK, Nov. 15 (JTA)--A deportation hearing against Boleslavs Malkovskis, a former Latvian Nazi policeman accused of war crimes, was postponed today until February in order for the government to clarify charges and to give Malkovskis' lawyer time to answer them.

Judge Francis Lyons of the Immigration and Naturalization Service Court ordered William Strasser, an INS trial attorney, to revise the government's charges making them more specific. He said that Joseph Lombardo, Makovskis' attorney, must then file a plea to the charges by Jan. 10 and a hearing will be set sometime in February.

Lyons denied a request by Strasser that Malkovskis' plea to the charges be given today. He also denied Lombardo's request that a hearing be postponed for six months.

Malkovskis, 75, has been living in Mineola, Long Island, and working as a carpenter since entering the United States in December, 1951. The government has charged that he lied about his Nazi past when entering the U.S. Similar hearings, the first against Nazi war criminals in 20 years, were also scheduled today against two other Latvian immigrants, Karlis Detlavs, 65, in Baltimore, and Bronius Kaminskas, 73,

in Haifa. At a brief hearing in Baltimore this morning before federal immigration officer Martin Travers, Detlavs denied he took part in any massacres of Latvian Jews. The case against him was adjourned. No date was set. The INS did not say where the men would go if they are deported. This will probably be decided when and if deportation orders are issued.

The INS ordered the three men on Oct. 13 to appear today and show cause why they should not be deported for concealing alleged war crimes when they applied for U.S. entry. The INS action, which came after investigators returned from Israel where they had interviewed witnesses, was the first time the government has on its own initiative taken deportation action against persons accused of war crimes.

Not Seeking Revenge

Except for newsmen, the only other person in the audience at the hearing today was Tuvia Friedman, the Nazi hunter, who is head of the Nazi Documentation Center in Haifa. He said he discovered Maikovskis in Mineola 13 years ago.

When Maikovskis and his attorney entered the court room they first sat behind Friedman. He turned to Maikovskis and showed him a picture taken 35 years ago of a man in a SS uniform and asked him first in Russian and then German if that was him. Maikovskis replied, "Speak to my lawyer." Lombardo told Friedman to leave his client alone.

Later, speaking to newsmen, Friedman said he had witnesses, documentation and other evidence against Maikovskis and other accused Nazi criminals from the Baltic countries who are now living in the United States. He declared that the Jewish people were not seeking revenge "but justice." He added, "I believe in the United States there will be justice."

Maikovskis, who has been identified as a wartime member of the Nazi controlled police department in Rezenke has been charged by the INS with selecting Jewish children from the Dvinsk ghetto for execution in 1943 and with assaulting Jews in the Riga police station among other charges. The three hearings today are expected to be the beginning of a series of cases against suspected war criminals now living in the U.S.

Reactions To Ex-Nazi

A segment of CBS-TV's "60 Minutes" last night dealt with Maikovskis. While the Latvian immigrant refused to be interviewed, reporter Mike Wallace talked to some of his neighbors in a local bar. These people, including a Jewish lawyer, felt that after 30 years the case should be dropped. But an INS official who lives in Mineola said the case should continue so that at least the young will know what happened during the Holocaust. A Latvian Jewish survivor said she owes it to those who died to testify against Maikovskis.

JEWS IN ROME PROTEST DECISION TO RELEASE FORMER NAZI WAR CRIMINAL

ROME, Nov. 15 (JTA)--Jewish demonstrators, led by Rome's Chief Rabbi Ello Toaff, protested vigorously yesterday against the decision by a military tribunal here to release a Nazi war criminal serving a life sentence for ordering the massacre of 335 civilian hostages in March, 1944 in reprisal for an attack by partisans on an SS squad. About 250 demonstrators marched to the Ardeatine Caves on the southern outskirts of the city, where the massacre took place 33 years ago.

Rome's Mayor, Carlo Giulio Argan supported the demonstrators.

Later they were joined by several hundred more protesters in a march to the military hospital where former SS Col. Herbert Kappler, 69, is said to be suffering with terminal cancer. Kappler, who has served 29 years of his life term, had his sentence suspended temporarily last March after West German Chancellor Helmut Schmidt interceded on his behalf. The Tribunal's decision to release him was attributed by the protesters to pressure from West Germany, one of Italy's major creditors.

While Rabbi Toaff spoke to the duty officer at the military hospital, about 50 young demonstrators broke through the gates. But they were stopped by police. Some demonstrators said they would remain at the hospital compound through the night to make sure that Kappler was not in any of the ambulances leaving it.

Sources close to Kappler's lawyer said the ex-Nazi wished to return to West Germany. The Tribunal ordered his release on grounds that he had passed the 28-year minimum before parole can be considered, that he had a good conduct record in prison and that he was seriously ill.

WJC LEADER SAYS ISRAEL, DIASPORA JEWRY IN PERIOD OF UNCERTAINTY By Edwin Eytan

GENEVA, Nov. 15 (JTA)--The chairman of the World Jewish Congress Governing Board, Philip M. Klutznick, warned here today that Israel and world Jewry have entered a period of trial and uncertainty similar to that which existed 40 years ago when the WJC was created. The WJC is currently holding a session here of its Governing Board which will also mark the 40th anniversary of the world Jewish organization.

Klutznick, in an interview with the Jewish Telegraphic Agency, said his organization is now as necessary as ever before. It has to serve, he observed, as a platform for world Jewry and the State of Israel. Asked whether disagreements between the WJC and Israeli policy have not appeared in recent weeks on such delicate issues as the policy towards Soviet emigrants who choose to go elsewhere than to Israel or on the attitude towards South Africa, Klutznick said: "We should emphasize cooperation and not dissent."

The Governing Board's session will conclude Wednesday night with a commemorative session marking its 40th anniversary. The Nahum Goldmann Awards will be presented to Israeli President Ephraim Katzir and former British Premier Sir Harold Wilson. Neither is expected in Geneva.

The Governing Board started its session here this morning with a meeting of its international affairs commission which discussed at length the situation in Latin America, relations with South Africa and analyzed the recent American Presidential elections. The plenary session this evening will examine the commission's reports and prepare resolutions on some of these subjects.

16 U.S. MAYORS IN ISRAEL

JERUSALEM, Nov. 15 (JTA)--Sixteen American mayors who arrived here yesterday for a 10-day visit in Israel met today with Jerusalem Mayor Teddy Kollek at City Hall. The delegation, headed by Mayor Kenneth A. Gibson of Newark, who is chairman of the U.S. Conference of Mayors, was received by Kollek and his wife.

Kollek asked the Americans to sit where his own council members usually sit and said, jokingly, "I hope this session will be easier than the usual City Council meetings."

Kollek told the visitors about the rapid development of Jerusalem since 1967, pointing out some of the major problems in running the city. The mayors, who are here to study Israeli approaches "to various problems" asked Kollek questions regarding various aspects of Jerusalem, and then toured the city.

The 16 mayors will be in Israel as part of an exchange program between the two countries. The trip, sponsored by the Israel government and the Union of Local Authorities in Israel, includes visits to Tel Aviv, Massada, Ashdod, Nazareth and the Golan Heights. The mayors will also meet with top Israeli officials.

The delegation includes Mayor Abraham Beame of New York and the mayors of New Orleans and Las Vegas. Beame seemed very much at home upon arrival and jokingly told reporters that although New York is in a financial bind he will not ask Israel for aid. He added that while Israel is a young nation there is much to learn from it regarding local administration and services. (By Tuvia Mendelson)

ISRAEL BLASTS REPORT BY PALESTINIAN COMMITTEE AS A PRESCRIPTION OF DISMANTLING JEWISH STATE IN STAGES By Yitzhak Rabi

UNITED NATIONS, Nov. 15 (JTA)--Israel reiterated today its charge that the report by the 20-member Committee on the Exercise of the Inalienable Rights of the Palestinian People is "nothing but a prescription for the dismantling of the State of Israel in stages." The Israeli statement came as the General Assembly prepared to begin this afternoon its discussion of the report which is expected to be stormy and acrimonious.

The statement issued by the Israeli UN Mission said that the committee's report is simply "a recasting of the Palestine Liberation Organization's statements before the committee." Noting that 16 of the 20 members of the committee did not have diplomatic relations with Israel and that "some of them even deny Israel's right to exist," the statement declared:

"The recommendations conflict with Security Council Resolutions 242 and 338, and are designed to bypass these resolutions which form the only agreed basis for the solution of the Arab-Israeli conflict in all its aspects including the question of the Palestinian Arabs."

In Keeping With PLO's Aims

The committee's report, which calls on Israel to evacuate from all occupied territory by June, 1977 and advocates the establishment of a Palestinian state under PLO aegis was rejected by the Security Council a few months ago when the United States vetoed it.

"The report's recommendations of the mass return of Arab refugees," the Israeli statement added, "and the creation of a Palestinian 'entity' are wholly in keeping with the PLO's declared aims, and as such are a barely disguised formula for the dismemberment of Israel."

The Israeli statement warned that the report is an attempt by the Arabs "to dictate a solution of the Israel-Arab conflict and to reject any form of negotiations between the states party to the conflict." The representatives of Egypt and the PLO are scheduled to address today's session. Israel will be addressing the Assembly later

this week.

JEWISH LEADER REJECTS VIEW THAT JUDAISM IS VANISHING IN THE U.S.

KIAMESHA LAKE, N.Y., Nov. 15 (JTA)--The warnings that Judaism is vanishing in the United States were rejected last night by Mrs. Ruth Perry, national president of the Women's League for Conservative Judaism.

"I am reinforced in my conviction that those who see us as a dying culture are blind to the realities of our incredible existence," Mrs. Perry said in her keynote address to 2000 delegates attending the League's international biennial convention at the Concord Hotel.

She said Jews have remained the "am olam, the eternal people...because in every generation, we have been bearers...of the tradition....When I meet a fellow Jew, we salute one another because we share the knowledge that we still need each other, 500 years from now. We also share the awareness that the world needs us because we carry with us the past, the present and the future, the conscience and culture of the world."

Mrs. Perry said Jews in the United States "are the largest, the most affluent, the freest, the most influential secularly and the most schooled Jewish community in history and we, who are its leaders, must capitalize on our remarkable good fortune. We have not survived the pillaging of the Crusaders, the fires of the Inquisition, the terror of the pogroms, or the ovens of Auschwitz, to perish under the warm sun of democracy and liberty."

Cites Influence Of Jews

Mrs. Perry observed that "there have been few times in the memory of our people when we have been in a better position to play a role in rebuilding, for never has our influence been so widespread nor our opinion so keenly sought." As evidence for this, she cited the recent Presidential election where "extravagant promises were made" in public and in private meetings by both major party candidates regarding anti-boy-cott proposals, Helsinki agreement commitments regarding Soviet Jewry and the aid and defense of Israel.

"This is where we must begin the rebuilding process, for it is now incumbent upon us to insure that the promises made in the scramble for support will not be forgotten in the security of election," Mrs. Perry declared. She urged each of the delegates "to rededicate herself to the formidable task of communicating Jewish values to all with whom we have contact." The convention began last night and ends Thursday.

CARTER THANKS KATZIR, RABIN

WASHINGTON, Nov. 15 (JTA)--President-elect Jimmy Carter has thanked Israeli President Ephraim Katzir and Premier Yitzhak Rabin for their messages on his election to the Presidency and said they are "encouragement to me as I prepare to assume the Presidency."

Carter used that phrase in both letters to the Israelis. To Katzir he also said, "You may be assured of my efforts to strengthen the ties of friendship between our two countries." To Rabin he said, "I look forward to working with you to strengthen the ties of friendship between our two countries." Copies of Carter's messages were made available today to the Jewish Telegraphic Agency. They were sent last week.

JERUSALEM (JTA)--Defense Minister Shimon Peres will visit the U.S. next month.

SOLON PREDICTS NEW CONGRESS WILL PASS STRONG ANTI-BOYCOTT LEGISLATION

NEW YORK, Nov. 15 (JTA)--Rep. Benjamin S. Rosenthal (D-L NY) predicted yesterday that the new Congress convening in January will promptly pass strong legislation to outlaw compliance with the Arab boycott of Israel and American business.

Addressing 300 leaders of the Anti-Defamation League of B'nai B'rith attending the agency's 63rd annual meeting at the Waldorf-Astoria Hotel, Rosenthal said "The deep national concerns which earlier this year led the House and the Senate overwhelmingly to pass strong anti-boycott legislation are even stronger as a new Congress and President prepare to take office."

He warned, however, that the American public "does not yet understand fully the implications of boycott compliance, and the Arabs and their allies in the U.S. business community will continue doing all in their power to perpetuate this situation."

Banks' Boycott Enforcement Cracked

In a report at the same session, Arnold Forster, the ADL's general counsel and associate director, said that the American banking industry's "recalcitrance" in ending its role as "major enforcer" of Arab boycott regulations has been cracked by the recent actions of several major banks.

He cited announcements by one of the world's largest banks, Bank of America, and by United Bank of California, Provident National Bank and Continental Bank of Philadelphia, and Sterling National Bank of New York that they will not, or will no longer, handle boycott-tainted letters of credit.

Forster said that a new ADL banking survey, currently being completed, has at the top of the list of banks which continue to honor such letters of credit, Chase Manhattan, Citibank, Chemical and Irving Trust. The rest will be revealed, he added, upon completion of the survey.

Clear Legislation Imperative

Rosenthal, who is chairman of the House Commerce Consumer and Monetary Subcommittee, said that the Commerce Department's identification of boycott participants and the Treasury Department's guidelines for imposing tax penalties against certain participants have "confused and distressed the American public and business community, and have done little to meet their legitimate concerns."

These concerns, he declared, "can be met only by strong and clear legislation to eliminate all anti-competitive and discriminatory Arab pressures against American businesses." He described the Treasury Department's proposed guidelines implementing the Ribicoff Amendment to the Tax Reform Act of 1976 (which denies certain tax benefits to companies complying with the boycott) as so limited as to be "virtually useless."

He explained that the guidelines would discourage only formal agreements to avoid trading with Israel or blacklisted U.S. firms, thus having the effect of condoning informal or unilateral actions to refrain from doing business with Arab boycott targets. Moreover, he declared, no penalties would be imposed upon companies which furnish information needed by the Arabs to perpetrate the boycott.

ADL Award To Bellow

The ADL presented its America's Democratic Legacy Award to Saml Bellow, winner of the 1976 Nobel Prize for Literature. In presenting the award, Seymour Graubard, honorary national chairman of the ADL, said that Bellow "has correctly rejected all efforts to pigeonhole him as a 'Jewish writer.' Rather, he has simply found in the Jewish experience those common strains of humanity that are part of all of us--and therein lies his greatness as an American writer."

Rosenthal and Rep. Jonathan B. Bingham (D NY) were awarded Distinguished Public Service Awards by the ADL for their "legislative leadership...and determined efforts to safeguard all segments of the American community against the discriminatory, social and economic dictates of foreign powers."

At an earlier session, S.O. Shapiro, a member of the ADL's national commission and co-chairman of its communications committee, was presented with the Lee Schooler Memorial Award for "creatively and effectively communicating the values of intergroup relations." Schooler, until his death last year, was chairman of the Public Relations Board, one of the nation's largest public relations counseling firms, and a long-time ADL leader.

Joseph Is Now ADL Chairman

Burton M. Joseph of Minneapolis, was elected national chairman of the ADL, succeeding Graubard, who completed his six-year term of office. He will be installed Wednesday at a dinner in Jerusalem at which Premier Yitzhak Rabin will be the principal speaker. Joseph is president of the I.S. Joseph Company, one of the country's largest exporters of agricultural by-products.

Affiliated with the ADL for more than 20 years, he has served on its national commission for 13 years and has been national treasurer for the past four years. He is also vice-chairman of the Hebrew Union College-Jewish Institute of Religion in Cincinnati, Ohio and is a member of the Secretary of Agriculture Advisory Committee of the Department of Agriculture. The 300 ADL leaders who attended the three-day policy making session here are going to Israel tomorrow for week-long meetings. ***

JERUSALEM (JTA)--Lt. (Res.) Nissim Salomon has been appointed deputy director of the department for organization and information at the World Zionist Organization. He replaces Moshe Gilboa, who resigned recently. Salomon, 38, will be in charge of information, and as such he will coordinate the Zionist Information Committee, run jointly by the WZO and the Foreign Ministry. ***

JERUSALEM (JTA)--A delegation of prominent American bankers arrived Sunday in Israel as guests of the Israel Bond Organization for a week-long fact-finding tour. The group consists of the presidents and chief officers of banks in the midwest and east coast. They are accompanied by key leaders from Jewish communities in those areas. During their stay here, they will meet with Premier Yitzhak Rabin. Finance Minister Yehoshua Rabinowitz, and the Governor of the Bank of Israel, Arnon Gafni, as well as leading bankers and businessmen. They will also tour major industrial projects to see how the \$3.5 billion in proceeds from Israel Bonds have been utilized to promote the country's economic development.