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HUSSEIN'S VISIT TO U.S. REVEALS
DIVISION AMONG ARABS ON THE NATURE
OF A MIDDLE EAST PEACE, SETTLEMENT
By Joseph Polakoff

WASHINGTON, April 28 (JTA)—The three-day visit to Washington by King Hussein of Jordan which ended yesterday has revealed deep divisions among Arab leaders on the nature of a Middle East peace settlement, especially a solution of the Palestinian question. Consequently, President Carter appears to be uncertain now as to whether it would be fruitful, or wise, to reconvene the Geneva conference this year.

Before leaving for New York and later visits to Houston and Atlanta, Hussein made it clear that he is not in agreement with President Anwar Sadat of Egypt on a Palestinian state or with the Palestine Liberation Organization. According to Hussein, it is up to "the Palestinians," who include people living in Jordan, to decide by plebiscite what they want to do with their future. That statement by the Jordanian monarch raised the long obscured fact that the PLO is not synonymous with the Palestinian people and is not their spokesman.

His remarks were made at a \$40-a-plate luncheon at the Mayflower Hotel yesterday, sponsored by the Arab-American Association for Commerce and Industry and the Middle East Institute. Stripped of its pro-forma attacks on Israel for not being "ready for the obligations for peace," Hussein's main point was clear: he does not agree with Sadat that a Palestinian state is a prerequisite for Middle East peace.

Speech Had Sobering Effect

Hussein's speech had a sobering effect. He indicated that he is not "the client" of American big business interests that were tendering the luncheon and were, presumably, anxious to hear him agree with Sadat. According to one analyst, the King's message was "I am not about to be used anywhere. I am the man who says peace is not possible at this time."

The sponsorship of the luncheon was revealing. The Middle East Institute is a private organization formed in 1946 for the stated purpose of bringing Arabs and Americans closer culturally and economically. Its membership of about 2000 includes 40 corporations, mainly oil companies, that contribute corporate dues of \$1000 or more annually. The Institute's president is L. Dean Brown, a former U.S. diplomat who served briefly as a special envoy to Lebanon last year.

The Arab American Association for Commerce and Industry comprises about 300 corporations doing business in the Middle East. At the luncheon, 34 corporations sponsored tables of 10 guests each. They included Esso, Gulf, Mobil, Caltex, Chevron and American Oil companies, Boeing, Litton Industries, Northrup, Rockwell and Bell helicopter and arms manufacturers, Ford, General Motors, Caterpillar Tractor, the Chase Manhattan Bank and others.

RUSSIAN TRADE CONNECTION TURNS OUT TO BE WEST GERMAN CONNECTION

JERUSALEM, April 28 (JTA) -- A brief flurry

of excitement over a request for trade connections in Israel from what appeared to be a Soviet trading company, ended late yesterday when the firm turned out to be West German. The owners of Intorg (International Trading Organization) of Frankfurt, clearly indignant over the mistake, identified its nationality to newsmen.

But for several hours yesterday, speculation was rife that a letter from Intorg to the Tel Aviv Chamber of Commerce may have been a signal from the Soviet Union that it wanted to end its 10-year trade embargo of Israel and possibly even restore diplomatic ties with Jerusalem. Although official sources here denied that there were any political or diplomatic implications in the letter, local newspapers featured the story on their front pages and the news was flashed all over the world.

The letter from Intorg, which was written in French and came from Paris, said "We are a foreign trade firm which has offices in Moscow, Paris, Frankfurt, London, Vienna and New York. We do business both with Western and Eastern countries. One of our areas of operation is the paper and printing industry. We are interested in selling Israel: printing machinery; newsprint; types of ink; paper.... Please be good enough to provide us with a list of names and addresses of companies that might be interested in buying this sort of material."

#### Name Led To Wrong Conclusion

The letter was signed by D. Tremski, a Russian-sounding name. The letterhead listed offices in Frankfurt, London, Vienna and New York but the most prominent listing and the only one for which an address was given was in Moscow. That, and the fact that the suffix "torg" is common to Soviet trading firms apparently led Chamber of Commerce president Zvi Amit to conclude that Intorg was one of the "top" Soviet trading companies.

But Intorg, according to its co-owner, Mrs. Elka Lehmann-Altenbrandt, is a West German company based in Paris with office facilities in a Moscow hotel suite. This is the entire extent of its Soviet connection. Mrs. Lehmann-Altenbrandt, who called the Tel Aviv bureau chief of the German Press Agency last night from Frankfurt to set the record straight, denied that the firm was pushing Soviet goods for sale in Israel. She said the printing equipment mentioned was of French manufacture. She also expressed concern that the Soviet authorities might act adversely toward Intorg because of the widely publicized error. (By David Landau)

OFFICIAL SAYS CANADA PREPARED TO
PAY PRICE FOR RESISTING BOYCOTT
By Michael Solomon

OTTAWA, April 28 (JTA)—Jean Chretien, Minister of Industry, Trade and Commerce, said here today that Canada is "prepared to pay the price" to protect its citizens from discrimination arising from the Arab boycott of Israel. He said that a number of Canadian firms already have stopped exporting to the Arab states and Israel and there has been a general decline of interest

in doing business in the Middle East. Chretien addressed 500 members and guests at the closing dinner of the sixth annual meeting of the National Canada-Israel Committee.

He said that the Canadian government does not accept that Canadian companies be required, as a condition of doing business, to discriminate against other Canadians on the grounds of race, religion, national or ethnic origin, whether the boycott is primary, secondary or tertiary. However, he observed that "the U.S. experience suggests that in the vast majority of cases, discrimination is not a factor or foundation of the boycott."

According to Chretien, "In the U.S., out of 110,000 instances of boycott requests to U.S. businessmen over nine months last year, only 11 cases were considered by the U.S. authorities to be cases of discrimination and when U.S. authorities questioned such cases, their Arab counterparts usually brushed them aside as being mistakes by overzealous clerks."

#### Will Visit The Mideast

The Minister stressed that while Canada wants and seeks trade and friendships with the Arab nations as well as with Israel, the Canadian government protects Canadians from foreign-imposed practices. He said that in two weeks he will be leaving on a trip to Israel, Iran and Saudi Arabia accompanied by teams of Canadian businessmen in order to increase economic relations between Canada and Middle Eastern countries.

Chretien said that while he is in Israel he would open the first meeting of the Canadian-Israel Joint Economic Committee, established when Israeli Foreign Minister Yigal Allon visited Canada several months ago. The principal objective of the group is common economic ventures in third countries with Canada supplying the capital and Israel know-how.

In a reference to the situation in Quebec, now governed by the separatist Parti Quebecois, Chretien who himself comes from that province, urged Jews to remain, not "run away to another corner of the continent." He said "when we have to face a problem like the rising nationalism in Quebec, running away is not the answer."

#### Israel Committed To Solving Conflict

Shlomo Avineri, director general of Israel's
Foreign Ministry, told the conference last night that
"the government of Israel is committed to a solution
to the Arab-Israeli conflict that will solve the Palestinian problem completely." He stated that Israel
feels "that the negotiations to open between Israel
and the Arab neighbors will lead to a lasting peace.
When the time will come for negotiations, Israel
will ask that a solution be found to the Palestinian
problem."

Avineri recalled that in 1948 the Israelis accepted the partition of Palestine and were it not for the Arab countries, the Arab population of Palestine would also have accepted the partition. He explained that a Palestinian state on the West Bank was "a non-solution," mainly because the poor land on the western bank of the Jordan could not absorb even 100,000 refugees, let alone 600,000.

"It will not be able to do anything meaningful for the Palestinian refugees," he said. "We would like to see rather a solution of the Palestinian problem in the broader context of Jordan and the West Bank." He added: "We cannot live with an Arabarmy on the western bank of the Jordan River but we can live with an Arab government on both sides of the Jordan River."

## ZIMSUSPENDING CONTAINER SERVICE BUT THE SHIPS WILL CONTINUE TO SAIL By William Saphire

NEW YORK, April 28 (JTA)—The three-week-old strike by licensed merchant marine of-ficers in Israel has had serious effects on the world-wide operations of the Zim Lines, Israel's largest shipping company. But although Zim announced in Haifa today that it was suspending its profitable container services in order to hold down losses, spokesmen for the Zim Container Services in New York told the Jewish Telegraphic Agency that the ships will continue to sail.

However, Joseph Merante, vice-president for marketing and sales, admitted that schedules were "disrupted" and the ships were loading only cargoes booked before the strike. New bookings are not being accepted and the company has stopped advertising sailing dates in trade publications.

Uzi Shaham, an official in the operationsdepartment, explained that the strike has been selective so far and that only ships at Israeli ports have been tied up by their-officers. He said the company was "taking precautionary measures to preserve flexibility in case the strike should widen."

An example was the "Zim Hong Kong" which arrived from the Far East enroute to the Mediterranean but was turned around and rerouted to the Far East. The "Zim California" will also be turned back to preclude her being tied up at an Israeli port. Zim Container Services operates seven container ships in world-wide service.

#### Merchant Marine In Danger

According to reports from Haifa today, Zim has already dismissed 30 officers and about 100 more will soon get dismissal notices. It is trying to sell five old ships and plans to lay-up 10 others if the strike continues. The company has also suspended its new building plans.

Yehuda Rotem, director general of the Zim Lines said at a press conference in Haifa yesterday that the company had a "long financial breathing spell" but the present crisis threatens the very existence of the Israeli merchant marine. The striking officers are under heavy pressure to return to work. Capt. Yeshayahu Groman, a spokesman for the officers union, admitted that the union was not strong enough to bring about what he described as "the house cleaning" desperately needed by the merchant marine.

### PROPOSAL TO LEGALIZE PROSTITUTION By David Landau

JERUSALEM, April 28 (JTA)—A governmentappointed committee headed by Tel Aviv District Court Judge Hadassah Ben-Ito has recommended that prostitution be legalized. It also called for liberalization of other laws pertaining to sexual conduct. The committee consists of sociologists and legal experts.

The committee went so far as to propose that "discreet" advertising by prostitutes be permitted in newspapers and that prostitutes be allowed to receive customers in certain-hotels. Sexual relations in cars would also be permissible provided it did, not constitute a public nuisance.

The recommendations, representing two years of research and deliberations, were submitted to Justice Minister Haim Zadok. The panel stated that it was impossible to eradicate prostitution and therefore it was better to legalize it and take it off the streets.

The committee estimated that there are approximately 1000 prostitutes active in Tel Aviv and more than 100 in Jerusalem. Many come from poverty homes, were poorly educated and are often sick. It also estimated that there are about 50 call girls who ply their trade in Tel Aviv and earn as much as IL 10,000 a month from serving only 10-12 selected customers.

### INS STARTS FRESH DEPORTATION MOVES AGAINST ARTUKOVIC

WASHINGTON, April 28 (JTA)—The U.S. Immigration and Naturalization Service (INS) has started fresh deportation proceedings against Andrija Artukovic, the former Croatian Nazi wanted in Yugoslavia on charges of killing thousands of Serbs, Jews and gypsies, but the chances are slim-that he ever will be deported.

Artukovic, who lives in Seal Beach, Calif., has been successfully resisting deportation for more than 20 years by claiming he would be politically persecuted if returned to Yugoslavia.

In its latest action, the INS has given him 30 days, till May 25, to justify the continuation of his stay in the United States. However, an INS official acknowledged to the Jewish Telegraphic Agency that this is only the beginning step in a deportation process and he can file numerous appeals within INS to prevent deportation and then go to the courts again if he wishes to stay the proceedings. Artukovic is now 76.

The latest INS order has been hailed by Reps. Elizabeth Holtzman (D.NY) and Henry Waxman (D. Calif.) who have been pressing for his deportation along with some 36 other war crimes sus-

pects living in America.

## SURVEY SHOWS THAT ONLY CHINA AND INDIA ARE AHEAD OF ISRAEL IN THE FIELD OF DEFENSE PRODUCTION By Maurice Samuelson

LONDON, April 28 (JTA)—Among developing countries, only the People's Republic of China
and India are ahead of Israel in the field of defense production. A table in the "Strategic Survey 1976" published by the International Institute
for Strategic Studies puts Israel third in a list of
31 developing countries which produce at least
some of their own military equipment. Egypt and
Saudi Arabia are also listed.

According to the table, the Israeli defense industries produce aircraft, missiles, armored fighting vehicles, warships, small arms, electronics and aircraft engines. Besides China and India, only South Africa and Brazil joined Israel in this

category.

Israel and China are also singled out as important arms suppliers to other Third World states. In 1977, Israel's arms exports are expected to be worth \$500 million, or double last year's estimated figure, according to the survey.

Israel's indigenous capabilities, however, are not considered adequate in number or skills to fulfill her defense requirements. The survey comments that Israel's arms export trade has become an important means for expanding her own arms purchases. Moreover, "the dependence normally associated with arms transfers does not disappear with the establishment of domestic defense industries."

#### Situation In Egypt

Egypt comes ninth in the table, with plans to produce aircraft and missiles for the Arab military industries organization, launched two years ago

with \$1 billion by four Arab states. At present, Egypt and Saudi Arabia only produce small arms.

In Egypt, technological developments have decreased rather than increased her freedom of choice as an arms recipient. The survey noted:

"The size and cost of Egypt's Soviet-supplied inventory rules out any strategy for replacing these systems with Western equipment in the near future. For this reason, rather than purchase replacement systems, the Egyptian government turned increasingly to the West and China during 1976 for components that could be used to refurbish its existing Soviet equipment."

#### Israel's Position Improved Since 1973

Looking at the Middle East military balance, the survey writes that Israel's position was improved steadily by arms deliveries from the United States worth approximately \$2.2 billion. These supplies "undoubtedly put Israel in a stronger position militarily than in October, 1973, despite chronic manpower problems. But it was at the cost of considerable financial strain."

Saudi Arabia had also developed a growing inter-dependence with the West, especially the United States. American commercial sales to Saudi Arabia were estimated to exceed \$2.2 billion in 1976 and American private construction companies reportedly received more than \$5 bil-

lion in contracts during the year.

The U.S. Army's Corps of Engineers stated in June that it was managing projects worth in excess of \$16 biffion. Saudi Arabia had also bought an estimated \$1 billion from France since 1974 and was negotiating a similar amount with Britain, the report showed.

But it was with the U.S. that she did most of her business, having concluded \$4.4 billion of long-term purchases in 1976 alone. Saudi orders from the U.S. included tanks, artillery, the Hawk air defense system, Dragon and TOW antitank missiles, Sidewinder missiles, Maverick missiles, F-5 fighters and light naval craft.

On the prospects for a Middle East settlement, the institute warns that appalling difficulties lie ahead—"not least for Israel, since a settlement can only be built on Israeli territorial concessions." It warns that if the momentum for negotiations should be lost, the search for a settlement by peaceful means could be overtaken by yet another war.

#### BANK HEAD PRAISES ISRAEL

MONTREAL, April 28 (JTA)—Leo Lavoie, chairman of the Provincial Bank of Canada, who returned from Israel a few days ago, said that those in the Third World who were discouraged by the enormity of developing their economies and social structures should look at Israel where gardens have replaced sand and stone and cities have replaced the desert. "In this land of Biblical miracles a modern miracle is being carried out," he said.

Lavoie made that statement Monday night at an Israel Bond Organization award dinner at the Shaar Hashashomyim Synagogue in Westmount where he was presented with the Eleanor Roosevelt Humanitarian Award by Israel Consul General Zvi Caspi. The Provincial Bank has been instrumental in selling Israel Bonds to the French Canadian market for a number of years.

GENEVA (JTA)--More than 200 people participated this week in a demonstration in Berne on behalf of Soviet Jewry.

#### RABBINICAL ASSEMBLY LEADER CALLS FOR RELIGIOUS PLURALISM IN ISRAEL

GROSSINGERS, N.Y.; April 28 (JTA)--Rabbi Stanley S. Rabinowitz, of Washington, D.C., president of the Rabbinical Assembly, believes the people of Israel need "alternatives" to the rigid Orthodoxy that has become synonymous with a state religion in Israel.

In remarks prepared for delivery at the opening session of the Conservative rabbinical organization's five-day convention here Sunday, Rabinowitz declared that "Israel harms itself when it denies to Conservative and Reform institutions the opportunity

to reach out in influence."

He asserted that there is no validity to the premise that Orthodoxy is the only "legitimate" expression of Jewish religion. "Not all Israelis can accept the rigidity which is the synonym for the official religion of Israel. The people of Israel need an option which alternatives to Orthodoxy offer its citizens."

Rabinowitz charged that "Conservative synagogues and rabbis experience shameful discrimination (in Israel) highly inappropriate to a modern state and unworthy of 20th century democracy. He said Reform groups suffer similar indignities in Israel. In that connection, he observed, "Whatever rights will be granted to non-Orthodox institutions will be granted to both Conservative and Reform or to neither. And if we allow ourselves to be trapped by a policy of divide and conquer, we will both be shunted aside." He said that despite lack of governmental recognition, Conservative Judaism is growing in Israel where 23 Conservative congregations now function.

#### Defends Right To Debate Issues

The rabbi urged American Jews to stand fast with Israel in the political sphere because "it is arrogant for American Jews, who bask in the warm security of the U.S., to advise concessions and consent to hazards for the people of Israel." He said, however, that American Jewry had a right to debate the religious and social aspects of Israeli

society.

Rabinowitz said the American Jewish leadership must continue to support morality in American foreign affairs and declared that "We must applaud the courageous manner in which the President of the United States has made concern for human rights a comerstone of his foreign policy." He also praised Carter's definition of secure and recognized borders for Israel and urged rabbinical support of the President's energy conservation program as the best answer to the Arab boycott.

#### SCHOOL DEFENDS ITS AWARD TO A REPUTED N.Y. MOBSTER By Ben Gallob

NEW YORK, April 28 (JTA)--A spokesman for Brandeis University in Waltham, Mass. defended today the university's approval of Antonio Magliocco, a reputed New York mobster, for a university award. The spokesman told the Jewish Telegraphic Agency that approval of a Distinguished Service Award" for Magliocco was made before university officials knew about "allegations" in "recent stories in the press" about Magliocco's background.

Magliocco and his son, John, were lauded for their support of the university at a dinner here Tuesday night attended by 200 friends and colleagues from the Wine and Spirits Institute, which chose Magliocco for the award. More than \$100,000 was raised for a Brandels University

scholarship fund in their name. The Magliocco father and son are the top officers of a major. New York liquor distributor.

Antonio Magliocco reportedly appears on the Justice Department 1964 and 1970 lists of organized crime figures and is identified in New York City Police Department files as a member of the Colombo family.

The formal university statement on the controversy sparked by the selection of Magliocco said that if university officials had known about the "allegations" before they approved the selection, they "of course would have checked their validity and, based on an evaluation of the facts,

would have acted accordingly."

In giving the text of the statement to the Jewish Telegraphic Agency, the spokesman declined to comment on whether that sentence meant that the university would have declined to go ahead with the award to the Maglioccos if the "allegations" had been confirmed by such a check of their validity.

#### Cites Basis For The Award

The statement asserted that the award was made on the basis of Magliocco's "communal and philanthropic record, which is excellent. The statement added that in previous years, "many organizations have given public recognition to Mr. Magliocco for his exemplary efforts, adding that "he has been honored by Israel Bonds, the NAACP, United Jewish Appeal, the Anti-Defamation League, and he serves on the Cardinal's Committee on Catholic Charities in New York.

Israel Nash, the university's development officer in New York, said yesterday that Magliocco had been a constant contributor and active supporter of the university since 1951. Nash also was quoted in the press as saying that the "rumors" about Magliocco's background were "incredible. But when he was asked today by the JTA to confirm various aspects of the award and the controversy, he said he had been instructed by university officials to refer all guestions to the university's office in Waltham.

#### CARTER URGED TO RECONSIDER MOVE FOR MISSILE SALE TO SAUDI ARABIA

WASHINGTON, April 28 (JTA)--Rep. Benjamin Rosenthal (D. NY) today urged President Carter to reconsider his decision to issue export licenses for the sale of 580 additional improved Hawk Missiles to Saudi Arabia for \$1.6 billion which would double the number of such missiles sold to that country.

In a letter to Carter, Rosenthal reminded the President that during the campaign last year Carter criticized a Ford Administration proposal to sell Saudi Arabia 650 Maverick missiles because the then Democratic Presidential candidate said "there is no reason to think they can be used only for defense. There are only reasons to fear that we will increase the chance of conflict.

While acknowledging the importance of Saudi Arabia in the search for a Mideast peace, Rosenthat said he was worried because Saudi Arabia aiready has enough missiles "well beyond" its "realistic defense requirements" and because there is a possibility that the Saudis might transfer the weapons to other Arab countries.

BUENOS AIRES (JTA)--Pedro Graiver and his wife, Catalina Guerstein, who were detained last Saturday at the airport here, were released Tuesday.