

## **CARTER FEELS GROUNDWORK LAID THAT WILL LEAD TO GENEVA TALKS IN OCTOBER**

By David Friedman and David Ettinger

WASHINGTON, July 20 (JTA)—President Carter said today after his third and final meeting with Israeli Premier Menachem Begin that he believes "the groundwork" has been laid "that will lead to a Geneva conference in October." He said that Secretary of State Cyrus Vance will go in the beginning of August to Israel and the Arab countries to discuss plans for the conference.

Carter made his statement to newsmen in an impromptu news conference after seeing Begin off in front of the White House. The Israeli Premier, who this afternoon held a press conference to reveal his peace plan, did not say anything before getting into his car. (See P. 3 for news conference story.)

The meeting today, which was to have lasted 90 minutes, took only 50 minutes, unlike yesterday when the two-hour meeting at the White House was double the scheduled time. Asked why the meeting broke early, Carter said it was "an unexpectedly harmonious session." He earlier said that he did not think that the meeting with Begin could have "been any better."

### **Sees Accommodations Between Israel, Arabs**

The President said that there are "strong matters of difference between Arab and Israeli leaders but we have not found them to be so adamant in their positions that they are not eager for accommodations." He said they all agree on the need for peace based on United Nations Security Council Resolutions 242 and 338.

Carter said there are problems on the question of a permanent peace, territorial issues, and the Palestinians. Asked if the West Bank is one of those issues he said that the question of the West Bank should "be left to the parties themselves" but he expected that issue would come up at the Geneva conference. Carter was also asked if he still maintained his well-known public positions on the Middle East settlement. "Now is the time to be quiet," he said.

The President stated that he liked Begin "very much" and was further convinced of the truth of the words in which he welcomed the Premier when he said that Begin was a man of "principle and courage."

Earlier, Begin had breakfast with Zbigniew Brzezinski, the President's National Security advisor. Brzezinski said that during the meeting, which lasted more than 90 minutes, they discussed the "process of achieving a settlement." He would not elaborate on the meeting, saying there was no point of having a private meeting if one talked about it.

However, Brzezinski said that Begin talked to him a great deal about Yad Vashem, the Holocaust memorial outside Jerusalem, which contains documents given it by Brzezinski's father who was a Polish Consul in Germany during the 1930s and helped many Jews escape the Nazis.

### **Public Scrutiny Of Controversial Issues**

During a working dinner at the White House last night where Carter and Begin exchanged toasts, the President reassured the Israeli leader that the

U.S. will not "try to impose our will on anyone" but will "act as a trusted intermediary" in the Middle East negotiating process. However, Carter stressed that the U.S. will not "avoid a controversial issue and wherever appropriate" will "open these controversial issues up to public scrutiny."

Begin, in his response, said that after meeting the President he was convinced that Carter is "wholeheartedly a great friend of Israel." He said that "with a sense of urgency on one hand and some patience on the other, I think we can build a foundation of peace in the Middle East and the recognition of justice for all and fairness for all as we believe."

The White House dinner was the second meeting between Carter and Begin. They met initially yesterday morning for two hours. Carter said last night that he and Begin had conducted "far-reaching discussions" in which "we have explored differences of opinion in a very blunt and frank fashion." He said that "some of the differences" have been resolved and that "some very sensitive questions, some that can prove to be embarrassing because of past statements made in the heat of anger or the heat of challenge or the heat of despair or the depths of insecurity" were also raised.

The President appeared to be referring to the recent bitter exchanges between Washington and Jerusalem on the issue of territorial withdrawals by Israel. Carter's public statements on that issue and the concept of a Palestinian homeland aroused concern and anger in Israel. But at last night's dinner the President offered his rationale for publicly speaking out on those matters.

He said that in order "to deserve" the trust of all parties to the Mideast conflict, the U.S. must "give the same point of view to all the parties who will be negotiating, not to mislead anyone, not to avoid a controversial issue and wherever appropriate, to open these controversial issues up to public scrutiny...even when, at times, it creates some hopefully transient dissension among people who have strongly held opposing views."

### **Propitious Time For Permanent Peace**

Carter added, "We recognize that the basic security of Israel must not only be guaranteed in military terms...but in the minds and hearts of people who live in that country...and of people who would disturb that security if they thought there was hope for success." Carter hailed Begin as "a strong leader" and a "man of deep convictions and unshakeable principle" who has demonstrated the necessary courage that any move toward peace in the Mideast would require.

The President said that he and the Premier "both feel that this year is a propitious time to move toward real, permanent peace in the Middle East, a recognition by all nations that Israel has a right to exist, to exist as a proud and independent nation, to exist permanently and to exist in peace.... This is a basis on which we approach the crucial coming months," Carter said.

### **EXPLOSIONS IN JERUSALEM, NAHARIYA**

TEL AVIV, July 20 (JTA)—Police have arrested about 20 suspects in Jerusalem and 16 suspects in

Nahariya after bombs exploded today in both cities. Five persons were injured in a supermarket in Nahariya, a resort town in the Galilee, when a bomb went off on a shelf among cans where it had been placed. In Jerusalem a bomb exploded in a zoo. Police said there were no injuries and no damage.

A police spokesman said it was "pure luck" that no one was hurt by the explosion in the zoo. He said the place is usually crowded during the summer school vacation months. Police sources said the bomb in Nahariya was probably planted by terrorists. Sources said today's incidents may have been planned by Palestinian terrorists to coincide with Premier Menachem Begin's talks with President Carter in Washington.

#### KNESSET APPROVES FISCAL MEASURES

By Tuvia Mendelson

JERUSALEM, July 20 (JTA)--The government's new fiscal measures were approved by the Knesset last night. The vote was 60-35 with one abstention. The Democratic Movement for Change (DMC) voted with the government, leaving only the Labor Alignment and some smaller factions in opposition.

The Knesset also defeated two no-confidence motions based on the fiscal measures, which were presented by the Popular Front for Peace (Rakah Communists) and the leftist Sheli faction. The Labor Alignment abstained on both motions.

The vote was taken seven hours after Finance Minister Simcha Ehrlich, who is acting Premier in the absence of Menachem Begin, presented the fiscal plan. He said it was essential for the American President and the American people to know that at a time when they are studying Israel's problems, including those related to the economy and security, that the Israeli people were, first and foremost, making demands on themselves.

The fiscal measures called for drastic reductions in government spending including slashes in the defense budget and curtailment of government subsidies for basic goods and services. They will result in an immediate 25 percent increase in prices.

Ehrlich said he has appointed a joint committee of representatives of the Finance and Welfare Ministries, the National Insurance Institute and the Bank of Israel to calculate the exact compensation for low income families to cushion the impact of higher prices.

#### LENINGRAD HEBREW TEACHER ARRESTED AND SENTENCED TO 10 DAYS IN JAIL

NEW YORK, July 20 (JTA)--Lev Furman, one of two licensed Hebrew teachers in Leningrad, was arrested on July 15, during a Hebrew class and sentenced to 10 days imprisonment on grounds of "disobedience," the Greater New York Conference on Soviet Jewry reported today. No other details of court procedure were available.

Furman, recipient of the Chazar Bible Prize from Israel, now earns his living as an official Hebrew teacher after having unsuccessfully struggled for legal recognition with the Soviet authorities. The 30-year-old engineer was dismissed from his job after applying for a visa in 1974. His application has been refused on grounds of his knowledge of state secrets.

Furman's father, Mikhail Furman, a Communist Party member, was arrested two months ago and warned to convince his son to cease his refushnik associations and activities. When he refused, he was sentenced to 10 days in jail for allegedly "breaching public peace." Mikhail Furman consequently resigned his party membership.

In a related development, the Conference re-

ported that 11 Moscow activists were told to appear before the KGB in separate investigations this week. On Monday, Ernest Akselrod, Dmitri Shiglik, Aron Gurevich and Arkady Polushik were called in. Gurevich and Polushik did not appear for "technical reasons." Yesterday, Yakov Rakhlenko and Boris Chernobitsky were told to appear; today, Leonid Volvovsky; and tomorrow, Mikhail Kremen and his wife Galina and Grigory Vidorov and his wife Mania.

Observers, the Conference reported, feel that this large group of investigations is tied in with the case of Anatoly Sharansky, now being investigated on possible charges of treason. In the past few months, friends and acquaintances of Sharansky have been called in for the investigation.

#### AUSTRALIA'S VIEWS OF MIDEAST SCENE

By Sam Lipski

MELBOURNE, July 20 (JTA)--Australia regards this week's meeting between Premier Menachem Begin and President Carter as "an extremely important event in what is without any doubt or exaggeration, an absolutely critical year for the Middle East conflict." The Australian Minister for Foreign Affairs, Andrew Peacock, gave this assessment Monday in presenting his government's latest statement on the Middle East.

Peacock said that the commitments and assurances given by the new Begin government "did not amount to the intransigent stance which some expected of the new government, an expectation fed by some statements reported from Israel about the future of the West Bank." If the new government was prepared to negotiate on the basis of UN Security Council Resolution 242, Peacock added, it was well placed to do so domestically. "It is a well-established truism of politics that a conservative government is often the best instrument to introduce far reaching changes, because it will make these changes more acceptable to those who are most suspicious of them."

In a speech to the Northeastern Jewish Community Center in Melbourne, Peacock warned that unless attempts by Carter to reconvene the Geneva peace conference were successful, the prospect of a new Middle East war involving many civilian deaths was very real. The speech was the most comprehensive statement on the Arab-Israel conflict since the present Liberal Party government came to power in 1975.

On the issue of a Palestinian state, Peacock said that there had been "increasing international recognition that any settlement will have to take account of the legitimate rights of the Palestinian people to a homeland alongside Israel. This is not merely a matter of justice and humanity, though it is that. It is also a matter of recognizing that real peace cannot come to the region, that the political atmosphere will become poisoned by hate and fanaticism until the need for a homeland for these people is met."

At the same time, Peacock emphasized it was "an entirely legitimate concern of Israel's that whatever entity controls such a homeland should live in peace with its neighbors." He said the PLO would have to abandon its covenant calling for Israel's destruction and that this was an essential prerequisite of progress towards a settlement. As to the particular form which a Palestinian homeland might take, this was "in the Australian view, a matter for the parties directly concerned to determine. Any arrangement acceptable to those parties would have Australian support," Peacock said.

# **BEGIN UNVEILS PEACE PLAN: PROPOSES SEPARATE NEGOTIATIONS BETWEEN ISRAEL AND ARAB NEIGHBORS IN GENEVA TALKS FRAMEWORK; OUTLINES AIMS**

By David Friedman and David Ettinger

WASHINGTON, July 20 (JTA)--Premier Menachem Begin of Israel unveiled his peace plan at a press conference here this afternoon. He proposes separate negotiations between Israel and each of its Arab neighbors within the framework of the Geneva conference which he suggested should be reconvened in October.

He said the talks would be aimed first at ending the state of war, second, the establishment of permanent boundaries and third, the establishment of diplomatic and economic relations to be followed by agreements on such less vital matters as tourism and fishing rights.

Begin said the participants in the conference should be Israel, Egypt, Syria, Jordan and possibly Lebanon. He flatly ruled out any negotiations with the Palestine Liberation Organization because that group wants "to destroy our country and destroy our people." However, Begin said that Israel would not object if Palestinians--but not the PLO--were members of the Arab states' delegations. "If Palestinian Arabs participate in the Jordanian delegation, we will not look for their credentials," he said.

Begin's press conference in the Executive Office Building was broadcast live by satellite to Israel. He declined to discuss details of territorial issues and, in fact, called for a "political truce" until the Geneva conference is reconvened. "Let everyone cease making statements," he said. He was lavish in his praise of President Carter with whom he had five hours of meetings in the last two days, including a 90-minute private meeting in the President's quarters at the White House following last night's working dinner. He said of his talks with Carter, "We established a personal rapport which will not only be for the months ahead but for the years to come."

Begin stressed that "there is no confrontation between the U.S. and Israel" and that he and Carter had developed a "deep and lasting" friendship between their countries.

## **Elements Of Plan Outlined**

The Israeli leader also stressed that the parties to the Geneva conference must come to the negotiating table without pre-conditions. He said Arab insistence that Israel accept their position on territories and the Palestinians or Israel's insistence on Arab acceptance of its position on Jerusalem would constitute pre-conditions.

Begin proposed that when the parties get to Geneva each would make an opening statement after which "commissions"--three or four of them, depending on whether Lebanon participates--would meet separately under rotating chairmanships to work out peace treaties between Israel and each of the neighboring states. Begin acknowledged that this was essentially the form of the Rhodes armistice talks in 1949. He said those talks had been expected to result in peace and now, after 29 years, the process could be resumed.

Begin's peace plan, however, contained two alternative proposals. He said that if the Arabs refused to go to Geneva unless the PLO was a participant, the same mixed commissions could be set up, through the good offices of the United States, to convene in the capitals of any of the participating countries or on neutral ground. The second alternative was the convening in New York of "proximity talks" of the kind first suggested by the U.S.

in 1972. The parties would meet under the same roof but would negotiate indirectly through U.S. mediators.

## **Lid Placed On Further Public Statements**

At a press briefing earlier today, White House Press Secretary Jody Powell said there would be no more public statements on specific proposals for a Mideast settlement. He said this was a "new phase" in the peacemaking process and that "this phase is a sign of progress." Powell said that Carter and Begin had discussed U.S. arms for Israel "only very briefly." He stressed that the important thing was not U.S.-Israeli agreement but agreements between Israel and its Arab neighbors. He said the U.S. wants to use its good offices to help the parties reach some kind of agreement. Powell said "the focus should now be" on Secretary of State Cyrus Vance's forthcoming trip to the Middle East "which hopefully will lead to a Geneva conference."

## **PEACE PLAN-RAPPED BY KNESSET MEMBERS**

By Tuvia Mendelson

JERUSALEM, July 20 (JTA)--The peace plan which Premier Menachem Begin took to Washington elicited expressions of shock, astonishment and severe criticism from members of the Knesset's Foreign Affairs and Security Committee where it was presented this morning, according to well placed sources. The negative reaction crossed party lines. Not only the opposition Labor Alignment and DMC members but some members of Likud and its coalition partner, the National Religious Party, found the document "unsatisfactory," the sources said. It was read in the English version by committee chairman Moshe Arnes of Likud.

The plan as presented to the Knesset committee was apparently more comprehensive than that made public by Begin at his Washington press conference this afternoon. The plan, as it was reported to the Knesset committee, according to sources, "includes an historic introduction and a legal introduction, one presumably claiming Israeli rights to territories on historical grounds and the other citing Israel's security needs."

According to sources, one MK called the document "a primitive and naive" presentation by an "amateur." Another said "it includes no plan and no peace." But the criticism seemed to focus on Begin's extreme hard line. While the plan agrees to significant withdrawals from the Sinai and certain concessions on the Golan Heights, it states flatly that Judaea and Samaria--the West Bank--and the Gaza Strip will not be handed over to "foreign rule."

The document, as presented to the Knesset committee, refers only to full peace agreements and rejects the idea of interim agreements. It does not specifically mention the establishment of diplomatic relations with the Arab states as part of a peace agreement.

Foreign Minister Moshe Dayan, who reportedly drafted parts of Begin's plan, participated in the committee discussion. He argued that the plan should not be regarded as Israel's final conditions for negotiations and agreement. Political sources here took the same line. They said the plan Begin presented to Carter was intended to be the basis for talks between the Premier and the President, that it expresses the government's point of view and does not claim to represent the viewpoint of all parties in the country. The sources stressed that the plan is intended to be an opening step in continuing talks with the U.S. and later with the Arabs.

## JCRC OF NEW YORK MAPS WAYS TO HELP JEWISH MERCHANTS HIT BY LOOTING

By Brian Lipsitz

NEW YORK, July 20 (JTA)—Member organizations of the Jewish Community Relations Council of New York met yesterday to discuss ways to help Jewish families whose businesses were destroyed by looters during the blackout last week.

Dan Shapiro, a vice-president of the Council, said: "It is most important to be sure that all the Jewish agencies are mobilized to deal with the problem.... So many of the businessmen (whose stores were destroyed) were Jewish." Shapiro said there is no way of knowing how extensive the damage is now in terms of money or number of Jewish businesses affected.

Malcolm Hoenlein, executive director of the Council, said that hundreds of Jewish families were financially ruined by the looting and arson. Representatives of the Council, and other communal leaders, had previously met with Mayor Abraham Beame to discuss the crisis. The Council representatives urged that immediate action be taken to insure that maximum federal, state, and local assistance will be made available.

According to Shapiro, the Jewish organizations will try to work "closely with the Mayor's efforts" by encouraging lawyers, insurance people, accountants and others to volunteer their services to the city's emergency assistance centers. The Council does not plan to set up its own aid centers, Shapiro said.

The Council "wants to make sure that all the Jewish businessmen understand what funds (federal, state and local) will be available," Shapiro said. The city has designed a plan whereby \$3.5 million from the private sector will be made available in the form of grants to small merchants victimized.

## U.S. JEWISH COMMUNITY VIEW ON MFN TO ROMANIA DETAILED BY MILLER

By David Ettinger

WASHINGTON, July 20 (JTA)—The American Jewish community would support the termination of most favored nation status (MFN) for Rumania next year if there is no "significant improvement in Rumania's emigration performance," Rabbi Israel Miller told a Congressional panel here.

Speaking on behalf of the Conference of Presidents of Major American Jewish Organizations, Miller said that "since the renewal of MFN last September, the emigration situation has deteriorated markedly." He offered that observation Monday to the Trade Subcommittee of the House Ways and Means Committee which is conducting hearings on whether MFN status for Rumania should be renewed by extending the emigration waiver authority under Section 402 of the Trade Reform Act.

Administration officials appearing before the subcommittee earlier testified that "overall Rumanian performance" on emigration "justified continued exercise" of MFN status for that country.

But Miller claimed that "during the last 11 months, only 1255 Jews have been allowed to leave for Israel." He compared that figure with 2501 Jews who left Rumania between August, 1975 and July 1976 and 2592 who left between August, 1974 and July, 1975. "Thus, instead of improving following the extension of MFN to Rumania, the permitted Jewish emigration rate has dropped sharply and is being maintained at a low level," Miller said.

"This situation surely does not demonstrate Rumanian compliance with the liberalized emigration practices required by Section 402 of the Trade Reform Act," he said.

## Alleges Harassment By Rumania

According to Miller, "Our best estimates are that between 60,000-70,000 Jews remain in Rumania" and about half that number desires to emigrate. However, Miller claimed, "The Rumanians have tried to minimize the size of the Jewish population which wishes to leave both by arbitrarily lowering its official figures as to the number of Jews still in Rumania and by asserting that only a few thousand Jews a year are applying for exit visas."

Miller alleged harassment by Rumanian authorities which, he said, discouraged would-be emigrants. "Since the emigration rate is carefully controlled, many wishing to emigrate hesitate to subject themselves to harassment and a prolonged state of uncertainty by applying," he said. "While many Jews have formally applied for exit visas and either been refused or not answered by the authorities, thousands more have been discouraged from applying by the obstacles built into the application process," according to Miller.

He said that "Those who seek an application for a passport and an exit visa are confronted by official committees which probe their motivations and try to dissuade them from applying. Individuals who persevere in the process may find they suddenly lose their jobs and are permitted only menial work for as long as they remain in Rumania," Miller stated.

He said that "the poor showing in emigration over the last two years leads us to conclude that the Rumanian government believes Congress will continue to renew MFN automatically regardless of performance in this area. This attitude violates the spirit of the trade agreement and disregards the strong Congressional commitment to the principle of freedom of emigration," Miller said. He expressed hope "that the Administration will be more aggressive" in pressing the case for Rumanians seeking to emigrate.

## ISRAEL BONDS WELCOME DINNER TO BEGIN 'SOLD OUT'; HUNDREDS TURNED AWAY DUE TO LACK OF SPACE IN MEETING HALL

NEW YORK, July 20 (JTA)—All available places for tomorrow night's National Dinner of Welcome and Tribute to Premier Menachem Begin of Israel were "sold out" at the beginning of the week, Sam Rothberg, general chairman of the Israel Bond Organization, announced today. Rothberg said that the capacity of the Grand Ballroom of the Waldorf-Astoria Hotel will be taxed to the utmost when more than 2000 Jewish leaders from every section of the United States and Canada assemble for the dinner honoring Begin under the auspices of the Israel Bond drive.

The dinner will be the occasion for the Premier's first public address after two days of meetings with President Carter, other Administration officials and members of Congress in Washington. Reporting that many hundreds of friends and supporters of Israel had to be turned away because of lack of space, Rothberg declared the "overwhelming response" was not only a tribute to Begin, but also "a tremendous demonstration of solidarity with the people of Israel in their search for peace."

PHILADELPHIA (JTA)—Mayor Frank L. Rizzo has proclaimed July 21-22 Anatoly Sharanovsky Freedom Day to protest the imprisonment of the Soviet Jewish activist. The day will coincide with a 24-hour Sharanovsky Freedom Fast-Vigil sponsored by the Soviet Jewry Council of the Jewish Community Relations Council.