

JTA daily news bulletin

Continues coverage of events of interest by previous arrangements

Published by Jewish Telegraphic Agency / 165 West 46th Street / New York, New York 10036

Vol. LVIII - 63rd Year

Wednesday, December 17, 1980

No. 296

LINOWITZ: ISRAEL DID NOT GET FULL CREDIT FOR CONCESSIONS IT MADE TO ACHIEVE PEACE WITH EGYPT

By Gil Sedan

JERUSALEM, Dec. 16 (JTA) — U.S. special Ambassador Sol Linowitz admitted here today that Israel did not receive the credit due it for the concessions it made to achieve its peace treaty with Egypt. He attributed that oversight to the fact that the western media was preoccupied with the issue of Israel's settlements on the West Bank.

Linowitz made his remarks at a meeting with Israel's autonomy negotiating team. He said he felt sorry that Israel's concessions for peace were not fully recognized because he saw in Israeli policy a genuine desire to reach an agreement on autonomy for the West Bank and Gaza. He suggested that Israel should have made clear from the start that it did not intend to build many more settlements on the West Bank.

Linowitz is here on what is widely regarded as his final diplomatic mission for the outgoing Carter Administration. He arrived today from Cairo where he met with President Anwar Sadat and other Egyptian officials. He paid a brief courtesy call on Premier Menachem Begin and is scheduled to meet with him again tomorrow for a working session.

Messages From Carter and Reagan

The envoy brought with him messages from President Carter and from President-elect Reagan. Carter urged the parties to renew the momentum of the autonomy talks. Reagan gave his assurances that he is determined to continue the negotiations on the basis of the Camp David accords and that any changes to the Camp David formula would be introduced only with the prior consent of both parties. The messages were essentially the same that Linowitz brought to Sadat in Cairo yesterday.

Much of the talk during his meeting with the autonomy negotiating team centered on the Jordanian option which is said to be favored by the opposition Labor Party. Deputy Premier Yigael Yadin was critical of that option and warned that if the new American Administration waited for a possible change of government in Israel next year, it could mean abandonment of the Camp David process.

Linowitz assured his hosts that Reagan has not said anything which could be interpreted as support for the Jordanian option. He said he had told Reagan, before leaving the U.S., that the Camp David agreements embodied the Jordanian option and that anyone who thought of it as an alternative to Camp David was misreading the accords.

CHOMSKY WRITES PREFACE TO BOOK BY FRENCH AUTHOR WHO DENIES THAT NAZI GAS CHAMBERS EVER EXISTED

By Edwin Eytan

PARIS, Dec. 16 (JTA) — Noam Chomsky, the American writer who is internationally famous

for his works on linguistics, philosophy, history and contemporary issues, has written a preface to a book by a French historian who claims that the Nazi gas chambers never existed and that the facts about the Holocaust and the number of victims of the Holocaust have been grossly exaggerated. The French writer, Robert Flaurisson, was dismissed from his post as professor at Lyons University in the wake of the scandal caused by one of his previous books on the same theme.

Chomsky states in his preface that he does not share Flaurisson's views but that he favors freedom of opinion and expression. He claims that the controversy over this subject will help reveal the real truth and the extent of Nazi atrocities in countries which were not subjected to Nazi occupation. Chomsky has written many articles over the years supporting Palestinian self-determination and criticizing Israel for its attitude toward the Palestinians.

Flaurisson has been sued by various civic organizations for spreading Nazi propaganda. He considers himself a member of the extreme left in France and his new book has been published by a leftwing publishing firm close to the Trotskyist movement.

GOVERNMENT PLANS PRICE FREEZE

By Gil Sedan

JERUSALEM, Dec. 16 (JTA) — The government intends to freeze the price of many products within the next few months in a new effort to combat inflation, it was learned today. The price freeze — which would return, through the back door, government subsidies for basic consumer products — is one of the main elements in the new economic policy proposed by Finance Minister Yigal Hurwitz.

Hurwitz presented the plan to the Cabinet today at a special economic session but no decisions were taken. Hurwitz has also demanded a trimmed-down budget for the next fiscal year but so far he has failed to obtain his colleagues' approval. The issue was referred to the Economic Cabinet, composed of a smaller number of ministers.

In principle the Hurwitz plan calls for a package deal. In exchange for the price freeze, the government would ask the Histadrut to waive the 21.6 percent cost-of-living increment planned for January. But, anticipating Histadrut's refusal, the government is ready to announce the price freeze program unilaterally.

Until now it has been Hurwitz's declared policy not to subsidize any products. If accepted, the new plan would mean large scale subsidies for a variety of products, including gasoline and basic food products. In practice, Hurwitz accepted the line which was advocated by Housing and Absorption Minister David Levy, who has insisted that there was no choice but to return to the policy of subsidies. Levy was the first to congratulate Hurwitz, but in the same breath he warned against abolishing the cost-of-living allowance. "This would receive no public support," he said.

Histadrut Secretary General Yerucham Meshel had a similar reaction. He said Histadrut always favored subsidies for vital products but rejected the proposal to abolish the January C.O.L.

allowance. "If the government wants to reintroduce — albeit too late — the subsidies of vital products," said Meshel, "this is proof that all our arguments throughout the years were correct." He said future cuts in prices did not justify giving up a compensation for price hikes made in the past.

OVERLAND CARGO TO EGYPT WILL BECOME OPERATIVE THIS WEEK

By David Landau

JERUSALEM, Dec. 16 (JTA) — Israel's agreement with Egypt to exchange goods by way of the overland route across Sinai will become operative Thursday when three truckloads of paper are dispatched to Egypt from Hadera. The agreement, finalized during Foreign Minister Yitzhak Shamir's visit to Cairo last September, took effect yesterday when the route was officially opened.

The first exporters are the Hadera Paper Mills. Their shipment will be carried to the Neot Sinai border post where it will be transferred to Egyptian trucks for the rest of the trip. That process was agreed to in order to comply with Egyptian regulations forbidding foreign-licensed commercial vehicles from travelling on Egyptian roads. A truckload of fruits and vegetables grown by Arab farmers in the northern Sinai area is also scheduled to leave for Egypt on Thursday.

The overland route, which has been open to private cars and tourist buses since the Israeli-Egyptian peace treaty took effect, has commercial advantages for exporters of freight. It is less time consuming than sea-borne shipments and less expensive than air cargo.

ARENS CALLS FOR STEPPED-UP INVESTMENT OF U.S. FIRMS IN ISRAEL

NEW YORK, Dec. 16 (JTA) — Israel must double its gross national product so that its economic strength may match its military might, the chairman of the Knesset Security Committee, Moshe Arens, told the Conference of Presidents of Major American Jewish Organizations.

In a briefing yesterday to the Conference following a two-week visit to the United States, during which he met with Congressional leaders of both parties as well as with members of President-elect Reagan's transition team, Arens said it was "essential for Israel to take advantage of its strong economic potential."

"We have the talent to double our GNP from \$3,500 per person to \$8,000 per person," Arens said. "But to achieve this goal, which would enable us to be as strong economically as we are militarily, we need greater economic assistance from the United States, more support from American Jews and stepped-up investment of American companies in Israeli industry."

Arens, an American who studied engineering at the Massachusetts Institute of Technology and Cal. Tech before emigrating to Israel, reported that Israel's Westwind executive jet already had 10 percent of the American market and that a similar share of the U.S. market had been won by the Elscint CAT scanner, a sophisticated medical diagnostic device.

Reports on Military Threats

While optimistic about the potential for Israeli economic growth, Arens delivered a

sober report on the military threat that he said would face the Jewish state if Saudi Arabia received additional firepower and fuel tanks for the F-15 jet fighters-bombers which the Carter Administration pushed through Congress two years ago and if Jordan received additional tanks from the United States.

He said that Israel, now a "major military power," was fully able to defend itself against its neighbors "and even those states at some distance from us. But we cannot indefinitely continue our qualitative superiority in the face of new arms sales to Jordan and Saudi Arabia of high-quality American equipment."

The Knesset leader said he was "deeply impressed by the tremendous work done on the American scene by the American Jewish community" but cautioned that the incoming Reagan Administration was under "powerful pressure" to appease the Arabs rather than to strengthen the U.S.-Israeli alliance.

Arens said he believes that Reagan "takes the Soviet threat more seriously than President Carter. Therefore I believe that it is possible to forge a new and strong U.S.-Israeli alliance, one that will strengthen the United States by strengthening Israel."

U.S. OFFERS TO BEGIN DELIVERIES TO SAUDI ARABIA A YEAR EARLY

WASHINGTON, Dec. 16 (JTA) — The Carter Administration has offered to begin deliveries of 60 F-16 fighter planes to Saudi Arabia in January, a year ahead of schedule, but without assurances that the combat capabilities of the planes would be enhanced by the bomb racks and extra fuel tanks that the Saudis want.

The State Department said today that U.S. supply of weapons to Saudi Arabia and the increase of oil prices by Saudi Arabia for the second time in three months, made known today at an Organization of Petroleum Exporting Countries meeting, are not related. The offer of earlier delivery of the F-15s was made in November by Gen. David Jones, chairman of the Joint Chiefs of Staff, according to a report here. The Saudis have not accepted the offer, it was reported.

BEHIND THE HEADLINES

HAIG FAVORS STRONG U.S. SUPPORT FOR ISRAEL; OPPOSES U.S. TALKS WITH OR RECOGNITION OF THE PLO

By Joseph Polakoff

WASHINGTON, Dec. 16 (JTA) — Retired Gen. Alexander Haig Jr., named today by President-elect Reagan to be his Secretary of State, has expressed himself in favor of strong U.S. support for Israel both as a strategic ally and as a friend on moral grounds.

He also has endorsed the U.S. commitment by Presidents Ford and Carter in 1975 and 1979, respectively, opposing U.S. recognition of or negotiations with the Palestine Liberation Organization until it accepts UN Security Council Resolutions 242 and 338 and Israel's right to exist.

Haig, who retired last year as Supreme Allied Commander in Europe for the North Atlantic Treaty Organization (NATO), is certain to face prolonged scrutiny by the Senate which must confirm his appointment.

Three prominent Democratic Senators — outgoing Majority Leader Robert Byrd of West Virginia, Alan Cranston of California and Edward Kennedy of Massachusetts — have expressed strong opposition to him on the basis that he was President Nixon's last Chief of Staff at the White House during the Watergate scandals and for his role in the Vietnam war. Some Senators dislike the idea of a military officer in charge of the State Department.

However, since Republicans will control the Senate when Haig's nomination is considered after Reagan's inauguration Jan. 20, it is expected that he will be confirmed.

On Israeli-American affairs, Haig made his views known in a speech in Miami on October 27, 1979 before a conference of the Zionist Organization of America. At that time he was considered a possible Republican Presidential candidate. It is understood here that he has not deviated from the positions he expressed on that occasion. He posed several questions relative to American policy toward the Middle East. The following are the questions and his responses:

Moral To Support Israel

Q: "Is Israel a strategic liability to American national interests, being worthy of support only on moral grounds?"

A: "No. It is moral to support the right of the Jewish people to their own State. It is gratifying and important that Israel is a lively democracy, sharing our basic political values in a world hostile to democracy. As the strongest military power in the Middle East, Israel's very existence serves to deter Soviet aggression. As in the past, a strong, viable Israel will continue to offer assistance to American interests and activities which bolster our friends in the region and elsewhere."

Q: "Does Israel have an unfair veto over U.S. communications with the PLO that hampers the peace process?"

A: "No. As the U.S. pledged in 1975 and reiterated in 1979, so long as the PLO advocates views incompatible with the peace process, the U.S. will not recognize or negotiate with the PLO. It is simply wrong to believe, as some of our diplomats seem to suggest, that official recognition is necessary to communication. Communication is not the issue between the U.S. and the PLO. Attempts to draw the PLO into the negotiations without agreement on the goals of the (Camp David) process undermines President (Anwar) Sadat (of Egypt) as well as Premier (Menachem) Begin (of Israel). We should not compromise what we have accomplished already through concessions to the outspoken opponents of Sadat's courageous policy."

View On The Peace Treaty

Q: "Is the Egyptian-Israeli peace treaty contrary to U.S. interests because it leaves out other parties to the conflict?"

A: "No. The Egyptian-Israeli treaty does not bar other states from joining the peace process. The treaty of peace between the leading Arab state and Israel is a deterrent to war. Without the treaty, neither U.S. interests nor those of others can be realized."

Oil and Peace

Q: "Will the price of oil be stabilized by a settlement of the Arab-Israeli conflict?"

A: "No. The 'link' between an Arab-Israeli settlement and oil prices is tenuous. First, not all members of OPEC (Organization of Petroleum Exporting Countries) are Arab. Second, oil prices are determined more by supply and demand and the value of the dollar than the issue of who rules Jerusalem. Third, to speak of such a link is dangerous, not only to the U.S. but also to the leading Arab oil producers. Fourth, it is

illusory to be considered a superpower if foreign policies are distorted by domestic needs. Linking oil policies and prices to foreign policy only invites more dictation by radical or anti-American states. This is not in our interests nor is it in the interests of such states as Saudi Arabia."

Q: "Is recognition of the PLO necessary to strengthen U.S.-Saudi ties?"

A: "No. Our apparent differences with Saudi Arabia do not rest solely with the Arab-Israeli conflict. Several differences are rooted in these developments: 1. Our failure to contest Soviet activity in Africa and Asia; 2. the Soviet-Cuban build-up in South Yemen; 3. our inability to prevent the fall of the Shah; 4. our mismanagement of the dollar. Recognizing the PLO would not deal with these issues."

Haig, 56, is a graduate of the U.S. Military Academy at West Point and holds a Masters degree in international relations from Georgetown University. He worked at the Pentagon during the Kennedy Administration and was a specialist on European, Middle East and Latin American affairs. Regarded as a protégé of former Secretary of State Henry Kissinger, Haig is reported to have played major roles in the Vietnam peace talks and in policies involving the Middle East, China and other areas.

SOUTH AFRICA LIFTS RESTRICTIONS ON THE PURCHASE OF ISRAEL BONDS

By David Landau

JERUSALEM, Dec. 16 (JTA) — South Africa has agreed to allow its nationals to purchase State of Israel Bonds and has lifted restrictions on investments in Israel by South Africans it was announced here at the end of a two-day visit by South Africa's Finance Minister Owen Horwood. The permission given to the State of Israel Bonds constitutes an exemption from Pretoria's strict controls on the export of its Rands.

The subjects discussed and the agreements reached were disclosed at a joint press conference by Horwood and his Israeli host, Finance Minister Yigal Hurwitz. They told reporters that Israel Bond sales would be permitted up to a total of \$25 million for three year periods and South African investors in Israel will be permitted to conduct their transactions at the official rate of exchange in Pretoria which is 30 percent higher than the world rate on the Rand. This will give the investors a substantially higher return.

Hurwitz said he had asked Horwood to allow South African citizens to deduct contributions to the Keren Hayesod from their taxes. He and Horwood also agreed to set up a standing committee of top officials of both countries to meet semi-annually on economic matters. One item on its agenda will be to work out the details of an agreement whereby Israel will buy coal from South Africa for its new coal-fired power plant at Hadera. Another is Israel's request for fishing rights in South African waters.

Horwood said the issue of apartheid had not been raised in his talks with Hurwitz and other Israeli officials because it would be pointless for either country to enter into the internal policies of the other. Hurwitz denied that the government had made an attempt to "play down" Horwood's visit which was sharply criticized by some opposition members of the Knesset because of his country's racial policies. Horwood met with Premier Menachem Begin and Foreign Minister Yitzhak Shamir.

There will be no Daily News Bulletin dated December 25 due to Christmas, a postal holiday. There will also be no Bulletin dated January 1 due to New Year's Day, also a postal holiday.

CANADIAN DEPARTMENT STORE CHAIN REMOVES ANTI-SEMITIC CHRISTMAS CARD FROM ITS SHELVES

By Ben Kayfetz

TORONTO, Dec. 16 (JTA) — A Christmas card has been removed from the shelves of the T. Eaton Company, Canada's largest department store chain, after a rabbi said it depicted a "classic anti-Semitic message." The card, which pictures a Hasidic Jew with a beard, earlocks and a long nose, dressed in a black suit, reads: "We poor Jewish people live in an economy which is directly affected by your Christmas sales. When you Christians hold back from lavish gift giving, we suffer."

The card was removed after Rabbi Jordan Pearlson of Temple Sinai of Toronto complained to Eatons that the card was offensive. "I am satisfied Eatons acted in good faith," Pearlson said in an interview after receiving a letter of apology from the company. "It means they've kept their word and not just written a letter."

Rabbi Stunned By Card

Pearlson, who is also the national chairman of the Canadian Jewish Congress B'nai B'rith Joint Committee on Community Relations, said he was stunned when he saw the card. "He said the only message it gave was a 'classic anti-Semitic one.'"

Barbara Duckworth, a spokesperson for Eatons, said an assortment of Christmas cards are purchased in bulk and are not always checked thoroughly. Liz Ryan, supervisor of customer service for Recycled Paper Products, Inc. of Chicago, Ill., which manufactured the card, said the company has sold 375 dozen throughout North America. "We don't see it at all as being anti-Semitic, not at all," she said. "It was meant to be humorous."

M. S. Universal Greeting Cards Stationery and Paper Products of Toronto, which distributes the Chicago firm's products, said the cards are no longer in stock.

RED CROSS UNIT TO OPEN ITS ARCHIVES ON NAZI PERSECUTION

By Tamar Levy

GENEVA, Dec. 16 (JTA) — The International Commission of the Red Cross (ICRC) will open its archives on Nazi persecutions during World War II to scholarly research for the first time since the end of the war, it was reported here today. A Swiss professor of literature at Geneva University, Jean-Claude Favey, has been authorized to make use of the archives in preparation of a book on the humanitarian agency's aid to victims of Nazi persecution.

He and his team, as yet unnamed, will have access to some 300,000 pages of documents. The project is being financed by the Swiss National Fund for Scientific Research. It is estimated that three years will be needed for its completion.

The ICRC has promised absolutely no restrictions on the findings of the researchers which are expected to cast light on a subject that is still being investigated 35 years after the war. Favey has not indicated yet who he will ask to assist him in his research. It is believed that his team will include at least one prominent Jewish scholar.

GOLDMANN: FINAL GERMAN RESTITUTION PAYMENT OF 440 MILLION MARKS WAS THE BEST THAT COULD BE OBTAINED

By Edwin Eytan

PARIS, Dec. 16 (JTA) — Dr. Nahum Goldmann, president of the Conference on Jewish Material Claims Against Germany, said today that the 440 million Marks West Germany has accepted to pay as a last and final settlement under the restitution agreement "was the very best which could be obtained."

Of this total, 40 million Marks is earmarked for the needs of the Jewish community in Germany. The remaining 400 million Marks is a hardship fund for Jewish victims of Nazi persecution who were prevented from filing timely claims under existing German indemnification legislation because they came out of East Europe after the expiration of the filing deadline under these laws.

Took Six Years of Negotiations

Goldmann told the Jewish Telegraphic Agency, "I understand that some people in Israel are unhappy with the amount which they consider insufficient but they in their turn must understand that it took six years of tough negotiations to obtain even this sum." Goldmann, who said that West Germany will eventually have paid a total of close to 90 billion Marks under the various indemnification agreements, "just refused to pay more."

The former World Jewish Congress president said he had countless meetings, first with Chancellor Willy Brandt and then with his successor Chancellor Helmut Schmidt to obtain the 440 million Marks. Goldmann said that some of the strings attached to the latest sum are tough, but he stressed that "it was this or nothing at all."

In Israel, Tuvia Friedman, president of the Holocaust Survivors Union, and other representatives of victims of Nazi persecution have protested against the amount, which they consider insufficient, and the limitations attached to individual payments.

KOLLEK OPPOSES NEW SETTLEMENT

By Gil Sedan

JERUSALEM, Dec. 16 (JTA) — Mayor Teddy Kollek today sharply criticized plans by the Israel Lands Authority to build a new residential settlement on the West Bank near the Arab village of Nabi Samwil, just beyond the northern outskirts of Jerusalem. He said the money required to develop the 125-acre site for private homes and condominiums would be better spent improving existing Jewish neighborhoods inside Jerusalem.

The Mayor also warned that "whoever invests money in the purchase of land in Nabi Samwil will not see the color of his money." He expressed concern that while the new settlement would be outside of Jerusalem's boundaries, it would still depend on municipal services from the city which can hardly cope with existing demands. Kollek also told reporters that the new settlement would add more Arabs to Jerusalem's population, meaning those who live between the city and proposed Jewish residential settlement.

According to Kollek, the land around the Nabi Samwil site should be left empty for the time being "as a green land reserve." The Israel Lands Authority, which announced its plans last Sunday, said the settlement's purpose was to "thicken" the Jewish presence around Jerusalem. Kollek believes that Jewish Jerusalem must first be "strengthened at the core."