

# JTA daily news bulletin

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## BEHIND THE HEADLINES: 09 1981 KREISKY SOUGHT TO INDUCE THE U.S. TO USE THE PLO AS THE INSTRUMENT TO RELEASE THE U.S. HOSTAGES

By William Saphire

NEW YORK, Feb. 4 (JTA) — Shortly after Iranian militants seized the U.S. Embassy in Teheran on Nov. 4, 1979 and took 60 Americans hostage, Chancellor Bruno Kreisky of Austria made strenuous efforts to induce the United States to utilize the Palestine Liberation Organization as the instrument for their release and thereby extend at least de-facto recognition to the terrorist organization.

The revelation of Kreisky's machinations, the U.S. consultations with Israel that immediately followed and the Carter Administration's ultimate rejection of the PLO channel, are detailed in an article by former White House Counsel Robert Lipshutz who President Carter dispatched on a top secret mission to Vienna on Nov. 10, 1979 to speak with Kreisky.

### Israel Consulted On Rescue Attempt

The article, just released, also discloses that Israel was consulted in the early days of the hostage crisis as to whether a rescue attempt was feasible — and concluded that it was not — and that the U.S. had a "private channel of communication with the PLO" established sometime previously "with Israeli concurrence."

According to Lipshutz's account, three days after the Embassy seizure he was contacted by a New York attorney and friend, Leon Charney, who also knew Kreisky and was told that the Austrian Chancellor had invited him (Charney) "and someone else who could speak for the American government" to come to Vienna to discuss the hostage situation "and that such a trip might be productive toward releasing the hostages." Charney was also the "personal attorney and confidant" of the then Israeli Defense Minister, Ezer Weizman.

President Carter authorized Lipshutz to make the trip. Secretary of State Cyrus Vance instructed him to report through Assistant Secretary of State Harold Saunders who headed the American Iran Task Force.

Lipshutz had his first private meeting with Kreisky at the latter's home on Nov. 11, accompanied by Charney and the U.S. Ambassador to Austria, Milton Wolf. Subsequent meetings were attended by Austria's Ambassador to Lebanon, Dr. Herbert Amry, whom Kreisky described to Lipshutz "as a man with the most knowledge about and best relationship with the PLO" who "would serve as a consultant to us and as liaison with the PLO."

### Kreisky Touts Arafat

At the initial meeting, according to Lipshutz, Kreisky insisted "that if anyone in the world could persuade (Ayatollah Ruhollah) Khomeini to release the American hostages, that person was Yasir Arafat, leader of the PLO, and that the United States should do business with Arafat."

In that connection, Kreisky pointed out that the PLO had taken the lead in training Khomeini's "guerrillas" and military personnel "and that the

PLO and the militants who seized the Embassy virtually were interchangeable. Further, he reminded us that Arafat and the PLO were practically the only ones who openly befriended Khomeini and his people while they were in exile from Iran," Lipshutz wrote. "What Kreisky did not remind us of were these facts (although I was quite aware of them) that Kreisky himself was the leading advocate among European leaders for recognition of the PLO; that the PLO obtains practically all of its arms from the Soviet Union; that Arafat at that very moment was conferring with Russian leaders in Moscow... and that the Soviet stood to profit greatly from friction between Iran and the United States..."

"Bruno (Kreisky) then, with all the persuasiveness he could muster, urged me to meet and talk with the PLO leader Issam Sartawi, who was in Vienna" and who Kreisky described as a man whose life "is in constant danger from radical Palestinians" because he is "dedicated to the cause of bringing peace between Israel and the Palestinians." Lipshutz said Kreisky insisted he should meet Sartawi "regardless of the fact that the United States had a commitment to Israel not to do so..."

Furthermore, according to Lipshutz, "Kreisky stated that he wanted our government to take 'demonstrable action' openly and directly with the PLO which would be de-facto recognition of the PLO... even though he tried to assure us that this was not a quid-pro-quo to get Arafat's intervention with Khomeini in the hostage situation," Lipshutz wrote that he remained non-committal.

### Meeting With Weizman

Meanwhile, Kreisky made arrangements for Charney to fly to Israel to meet with Weizman. "Weizman called together a meeting of his top military and intelligence advisers to discuss all possible plans by which the American hostages might be rescued, and actually allowed Charney to sit-in on at least part of the meeting."

With respect to that phase of the consultations, Lipshutz wrote that "Even though the Israelis probably know as much about Teheran and Iran and the Iranian people as anyone in the world, Weizman and his advisors concluded that they would see no way to conduct a successful military mission to rescue our hostages."

As for the Austrian-PLO proposition, Lipshutz wrote that "Weizman told Charney that any quid-pro-quo approach by the United States to the PLO, even relating to the Iranian hostage matter, would be a serious indication to the Israelis that the United States government did not have sufficient resolve to fulfill its commitments and that U.S. 'capitulation' in this regard well might have a terminal effect on the peace treaty proceedings because the United States' commitments in the Egyptian-Israeli peace process are so vital — even though Israel fully recognized that 60 American lives were at stake in the Iranian situation."

Lipshutz continued: "Charney believed that the situation in Israel, both with reference to its economic problems and its political instability, was so bad that any miscalculation on our part relative to contacts with the PLO, could precipitate an Israeli reaction

which, although perhaps emotional, might be the pretext for drastic action taken for the purpose of unifying the Israeli people."

### Three-Pronged Decision

On Nov. 14, Lipshutz spoke with Saunders by telephone from Vienna and was told "that about an hour earlier the decision had been reached and the project had been wrapped up. Saunders advised me as follows:

1) that the decision had been made to pursue only the private channel of communication with the PLO which had been established months earlier with Israeli concurrence, and not the public channel urged by Kreisky." (The author does not elaborate on the nature of the "private channel" or "Israeli concurrence.")

2) that there would be no public recognition of or quid-pro-quo with, the PLO;

3) that I should explain this decision to Kreisky, express our appreciation for his assistance and advice, and try to keep the Kreisky connection warm but not hot...

### Outline Carter's Guiding Objectives

Summarizing the episode, Lipshutz noted that throughout the hostage crisis President Carter's guiding objectives were "to protect the safety and obtain the release of the American hostages and to protect the integrity and national interests of the United States.... The President refused to deal with the PLO (other than through non-public channels of communication previously agreed to by our government and by Israel), despite the possible assistance Arafat might have given to obtain the release of the hostages. Such action would have violated our nation's agreement with its friend, the State of Israel, an agreement which was made by Secretary of State Kissinger at the conclusion of the 1973 Arab-Israeli war.

"Further, he never publicly revealed the close ties of the Iranian government and militants with the PLO, and possibly the Soviet Union, which revelation might have endangered even more the lives of the hostages. Further, despite the tremendous political advantage which would have been his in the Presidential campaign, Jimmy Carter never revealed this 'Austrian connection' and his refusal to legitimize the PLO and reward their terrorist actions, even under these most tempting of circumstances."

### U.S. INVESTMENT MISSION TO ISRAEL

WASHINGTON, Feb. 4 (JTA) -- A delegation of American businessmen will visit Israel Feb. 6-13 to explore first-hand investment opportunities in that country, U.S. Trade Representative (USTR) William Brock announced here.

The investment mission, which includes representatives from such companies as Burroughs Corporation, Tenneco Chemicals, and A.E. Staley Manufacturing, will meet with Israeli government and business leaders to discuss the economic outlook and investment climate in Israel.

### Will Discuss Opportunities

Mission participants also will meet individually with Israeli businessmen to discuss potential joint ventures and specific investment opportunities.

In announcing the mission, Brock, the nation's chief spokesman on international trade matters, said: "It gives me great pleasure that one of the first official events to take place be-

tween Israel and the United States under this Administration is the investment mission. This initiative is consistent with President Reagan's strong commitment to furthering the Arab-Israeli peace process."

The USTR has the lead role in coordinating the commercial and economic development aspects of the peace process in the Middle East.

The investment mission is sponsored by the Office of the U.S. Trade Representative in cooperation with other U.S. government agencies, the government of Israel, and the private-sector Israel-U.S. Joint Business Council. Assistant USTR Stephen Lande will lead the delegation.

### TA STOCK MARKET RECOVERS

TEL AVIV, Feb. 4 (JTA) -- The Tel Aviv stock market recovered strongly today after three days of panic selling but experts could not agree over what triggered the sudden slide or the equally sudden upsurge. Shares that fell by an average of 15 percent yesterday, gained more than five percent today and price index-linked bonds were strong.

According to some market officials, the rush to unload stocks was mainly by small investors nervous over the economy in general and the fact that their shares had reached prices out of proportion to their real value. But the officials could not explain why the selling wave occurred at this time. Other experts insisted there had been "no panic," only a normal shakeout.

The recovery could be attributed to investors who picked up solid stocks at rock-bottom prices. Industrial issues continued to decline today but at a much slower rate than in the previous three days.

### JEWISH LEADERS WARN WALDHEIM ABOUT GROWING DISENCHANTMENT WITH UN

UNITED NATIONS, Feb. 4 (JTA) -- In a two-hour meeting with Secretary General Kurt Waldheim and his top advisors, a Conference of Presidents of Major American Jewish Organizations delegation warned yesterday that "growing disenchantment" with the apparent anti-Israel bias of the United Nations could result in a major change in relations between the United States and the UN.

Howard Squadron, chairman of the Presidents Conference, said one strong possibility was a sharp cut in U.S. funding of the international body. Currently, Washington provides about one-fourth of the UN's budget.

Squadron described the meeting as "cordial but quite candid," adding: "Secretary-General Waldheim conceded that the general perception of the United Nations was not to his liking but rejected the charge that he personally was anti-Israel."

"Indeed, Dr. Waldheim insisted with some passion that he was deeply committed to the integrity of Israel with secure and recognized borders; to the cause of Arab-Israeli peace and to the application of UN Security Council Resolution 242 as the appropriate method of achieving that peace."

### Reasons For Declining UN Reputation

During the meeting with Waldheim, which lasted about twice as long as originally scheduled, the Presidents Conference delegation enumerated some of the reasons for what they considered the "rapidly declining reputation of the UN as a force for peace."

Among the reasons are: the infamous Zionism equals racism resolution, which has been consistently reiterated in UN resolutions on the Mideast and on other issues, such as women's rights; the "overblown" treatment of the Palestine Liberation Organization as a member-state rather than a mere observer; the per-

mission granted to two ousted West Bank mayors to conduct a vigil on UN premises; the later-disproved charge that Israeli soldiers had mutilated the bodies of PLO terrorists killed in Lebanon; and Waldheim's personal participation in the recent Islamic summit conference in Taif, Saudi Arabia, which ended with a call for a jihad (holy war) against Israel.

Squadron reminded Waldheim that the Jewish community had helped lead U.S. public opinion in support of the principles of the UN but that in view of the widespread disapproval of these and other actions by the UN and the office of the Secretary General, "the very future of American support for the UN process is now being widely questioned.

"We told Dr. Waldheim," he continued, "that the Office of the Secretary General had a responsibility to bring this fact to the attention of all of the UN's member states. Certain kinds of conduct create certain kinds of perceptions. If the UN wants to change the perceptions, it must change its conduct -- including the unremitting series of anti-Israel actions."

According to Squadron, Waldheim said he was obliged to carry out the mandate of the UN member states and that he did not control the UN's agenda. He also said that his presence in Taif was "routine," that it was limited to the first day of the meeting, that his predecessors had established the practice of attending meetings of various heads of states and that in his remarks at Taif he had spoken of the integrity of all member states of the UN.

Asked about the "peace medal" which Waldheim reportedly gave King Khaled of Saudi Arabia in Taif, he replied that he had purchased the medal in the UN gift shop and that anyone could buy one for himself.

#### SPECIAL INTERVIEW

#### LUSTIGER CONSIDERS HIMSELF A JEW

By Edwin Eytan

PARIS, Feb. 4 (JTA) -- Paris' Jewish-born Archbishop Msgr. Jan-Marie Lustiger said here today that he considers himself a Jew and continues to believe in "a certain Jewish ideal." The 54-year-old prelate told the Jewish Telegraphic Agency, "I was born a Jew and shall remain one even if the fact is difficult to accept by some. I continue to consider myself Jewish even if the rabbis do not agree to this."

Lustiger, who was born in Paris of Polish-Jewish parents, said he had not undergone a Bar Mitzvah ceremony because his parents were socialists and did not believe in any form of religious instruction.

He said that though he became interested in Catholic subjects from the age of eight "I always continued to feel Jewish. How can it be otherwise for the son of poor immigrants. I was also reminded of my Jewish belonging by some of my schoolmates to whom I had not tried to hide my Jewishness." Lustiger said that on several occasions he received mild beatings but said that this had no effect on him.

The newly appointed Archbishop said that he did not consider his conversion as a "renunciation but as an affirmation of my Jewish identity which I assumed within Christianity." Lustiger, whose mother died at Auschwitz in 1943, said his parents were opposed to his conversion "but finally gave in." He was baptized in 1940 when he was 14. He told French radio stations that he wore the yellow Star of David throughout the Nazi occupation of France until he went into hiding.

Lustiger's appointment to head the Paris See continues to make headlines in the French press which speculates that he might one day, should Pope Paul-John II decide to retire, be elected Pope.

#### WEINBERGER SAID TO FAVOR U.S. TROOPS IN ISRAEL IF ISRAEL ASKS

By Joseph Pötkoff

WASHINGTON, Feb. 4 (JTA) -- Defense Secretary Casper Weinberger was represented by Pentagon sources today as favoring the stationing of U.S. troops in Israel if Israel made such a request but that in the event of such a request, he is thinking in terms of a short-term mission, not a permanent force at a base.

Weinberger's thinking, these sources made known, is that a U.S. force in Israel would be similar to the training mission of U.S. personnel in Egypt last November.

An "official source" was being credited here with saying that Weinberger is "interested in putting troops wherever they'll let us go in on a short term basis like what we did in Egypt" but that he is not thinking of a "worst case" situation such as a Middle East war.

At the Pentagon, the Jewish Telegraphic Agency was told by a spokesman that Weinberger's press conference remarks yesterday were in response to questions by reporters on a "totally theoretical situation" and that "there is no other significance to read into it." The spokesman conceded that the placement of U.S. troops was "possible" but stressed that such a possibility "is not directed toward a specific event."

At his Pentagon press conference yesterday, Weinberger spoke in response to questions in the context of a discussion of the use of American troops in world trouble spots. He said that if Israel made a request for U.S. forces, "We would certainly view it very sympathetically and very carefully, but it's the first time the suggestion has been made and I am responding to the question."

He also said that he cannot "conceive of a situation where such a request would be very seriously made" by Israel. He said "I don't envision anything" whether short term as in Egypt or on a permanent basis to which the reporter's question had referred. Weinberger emphasized that he was "not setting new policy" by his remarks.

#### Not Aware Of A Jihad By Saudis

In another Middle East related matter at his press conference, the Defense Secretary appeared to draw a distinction between Saudi Arabia and the Islamic summit conference held in that country last week at which a call was issued for a "jihad" (holy war) against Israel.

In the context of a question as to whether the U.S. would approve Saudi Arabia's request for enhanced combat capacity for the 60 F-15 warplanes it has purchased from the U.S., Weinberger said he was "not aware of a jihad" being declared by the government of Saudi Arabia. He said the U.S. decision on the Saudi request would be "very carefully" examined. He seemed to indicate however that he approved the additional fuel tanks and bomb racks for the Saudi F-15s.

Meanwhile, the State Department indicated today that it has set up a policy of not publicly discussing whether war material is going either to Iraq or Iran from outside sources. State Department spokesman William Dyess declined to comment at his briefing on a report that Saudi Arabia allowed the transmittal to Iraq of a substantial number of new Soviet-made tanks from East European countries.

### AIPAC OFFICIAL URGES FUNCTIONAL COALITION IN SUPPORT OF A STRONG AMERICAN POLICY TOWARD ISRAEL

NEW YORK, Feb. 4 (JTA) — Thomas Dine, executive director of the American Israel Public Affairs Committee (AIPAC), told more than 100 metropolitan area Jewish community leaders that there was "a new buoyancy in Washington today, as well as "pains and problems" that must be overcome by forming "new functional coalitions in support of a strong American policy toward Israel."

Dine and Julian Spirer, director of the Washington Office of the Mayor of the City of New York, addressed a meeting of the General Assembly of the Jewish Community Relations Council.

Pointing to the present instability in the Middle East, Dine deplared the fact that hatred for Israel was "the only unifying point" found by the leaders attending the Islamic summit conference in Taif, Saudi Arabia last week who renewed their call for "jihad" (holy war) against Israel to establish a separate Palestinian state. Dine urged the Jewish community to fight the propaganda myth that a \$2 increase in the price of a barrel of oil was evidence of "OPEC moderation." He declared that "greed, not moderation, keeps OPEC intact."

Spirer, analyzing the domestic issues likely to be acted upon in the current congressional session and particularly those of concern to the Jewish community in the New York metropolitan area, emphasized that the economy will dominate the domestic agenda of the new Congress with no new program initiatives in sight. He foresaw a large increase in defense spending, though not to the level promised during the recent election campaign.

#### Evaluation Of New Congress

Dine cited the bi-partisan criticism of Illinois Republican Charles Percy's Moscow statements calling for a Palestinian state as evidence that support for Israel in Congress cuts across party and ideological lines. "The results of the November 4th election," Dine said, "must be seen in that perspective." A majority of the Senate, he continued, considers the Palestine Liberation Organization to be "a military and political client of the Soviet Union, while Israel is seen as our only friend and ally in the Middle East."

Turning to the composition of the Senate Foreign Relations Committee, Dine termed Senate Majority Leader Howard Baker (R. Tenn.), "helpful and friendly toward Israel," while pointing out that Sen. Jesse Helms (R. N.C.) who has just been appointed to the Near East Subcommittee, has been a consistent critic. Dine predicted that Rudy Boschwitz (R. Minn.), the new chairman of this subcommittee, would play a key role in pressing his colleagues to maintain their support for Israel.

Dine stressed that the classic conservative stance against foreign aid must be altered if Israel is to continue to receive sufficient economic and military support. Sen. Robert Kasten (R. Wisc.), the new chairman of the Foreign Operations Subcommittee of the Appropriations Committee, and 12 other conservative Republican Senators have consistently supported Israel in letters and statements, Dine said, but they have never voted for foreign aid programs.

Emphasis must be placed on the United States security interest in maintaining a strong Israel, he continued, in keeping with the new national

mood that is bent on rewarding our friends and allies.

### NEO-NAZIS WARN THEY WILL KILL 2 JEWS UNLESS THEY GET \$7 MILLION

BONN, Feb. 4 (JTA) — A group of neo-Nazis calling themselves the Rudolf Hess Restitution Commando, have set a Feb. 14 deadline to kill two Jews at random unless they receive \$7 million for a fund to free Rudolf Hess from the Spandau Prison in West Berlin. Hess, 86, who was Hitler's right-hand man as the Deputy Fuehrer, is now the only prisoner in Spandau.

The neo-Nazi group made its demand in letters dated Jan. 30 and mailed in Salzburg, Austria to the governments of the four Allied powers which administer the prison — the United States, Britain, France and the Soviet Union — a West German government spokesman said.

The neo-Nazi organization said the \$7 million it is demanding would be "a gesture of good will" and should be paid to the "Freedom for Rudolf Committee," an organization formed by Hess' son, Wolf-Ruediger Hess, 43, a Munich architect. No comments were available from the younger Hess and there is no indication that he is involved with the Restitution Commando group.

### 'WHO IS A JEW' LAW IS BACK ON THE KNESSET AGENDA By David Landau

JERUSALEM, Feb. 4 (JTA) — A fluke vote by a minority of the Knesset's Legal Committee put the controversial "Who is a Jew?" law on the Knesset agenda after having been frozen in committee for three years. But the full 15-member committee will take a re-vote Monday and the measure is expected to be soundly defeated.

Inspired by the Orthodox parties, the "Who is a Jew" amendment to the Law of Return defines a Jew as a person born of a Jewish mother or converted "according to halacha." The latter stipulation excludes persons converted by other than Orthodox rabbis.

Premier Menachem Begin's coalition pledged, in return for the support of the Aguda Israel bloc, "to make every effort" to secure a Knesset majority for the amendment. But Begin has been frustrated by the firm opposition within coalition ranks, notably Likud's Liberal Party wing and the Democratic Movement.

This morning, four coalition members of the Legal Committee who support the amendment found themselves temporarily alone. Under the chairmanship of David Glass of the National Religious Party they voted 4-0 to send the measure to the Knesset.

They conceded, however, that their act was more symbolic than substantive. With the election campaign about to get underway, Likud is anxious to show its religious supporters that it has indeed made "every effort" to gain passage of the amendment.

TEL AVIV (JTA) — Dr. Christian Barnard, the pioneer heart transplant surgeon, said that he "would not be surprised if Israel is the country to make a breakthrough in the problem of immunology, enabling the safer transplantation of human organs with lesser risk of rejection." Barnard, who is in Israel attending a South Africa-Israel seminar on immunology at the Weizmann Institute of Science in Rehovot, said the Institute was the world's leading research institute in the study of immunology.