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PROGRESSIIN NORMALIZATION TALKS By Gil Sedan

JERUSALEM, Sept. 15 (JTA) -- Israeli officials reported good progress today in negotiations between Israeli and Egyptian specialists to speed up and expand the normalization process between the two countries. The talks opened here yesterday with the establishment of joint committees among the 100 participants, each dealing with a specific aspect of normalization.

According to Zvi Kedar, head of the Foreign Ministry's Egyptian division, agreement already has been reached on the establishment of direct telephone and telex links between Israel and Egypt and overland postal deliveries on a daily basis. Flights between the two countries will be increased from four to five a week. It was agreed to continue direct flights from Israel to Sharm el-Sheikh and to the Santa Catherina Monastery after Israel completes its withdrawal from Sinai next April, Kedar reported. Both are tourist attractions.

He said the Egyptians have also agreed that the Etzion air base could be used as an international airport to serve civilian traffic to and from Eilat after Israel evacuates. Israeli officials said, however, that many details have yet to be worked out regarding air and land routes, visas and other procedures required for crossing the border.

Egyptian Minister Postpones Visit

The progress made in the normalization negotiations was shadowed somewhat when it was learned today that Egyptian Agriculture Minister, Dr. Mahmoud Daoud, unexpectedly postponed his visit to Israel which was to have begun tonight. He was scheduled to attend the Agritech agricultural exhibit and to meet with officials of Israel's Ministry of Agriculture.

No explanations were available of the sudden change in plans but speculation was raised that Egypt was expressing its annoyance over the recent remarks by Israeli Chief of Staff Gen. Rafael Eitan expressing doubt about the stability of President Anwar Sadat's regime. A spokesman for the Egyptian Ministry said Daoud was forced to postpone his visit because of pressing business but would not elaborate. He said, however, that the postponement was only for one week.

TOP MITTERRAND ADVISOR TO HOLD TALKS WITH ISRAELI LEADERS By Edwin Eytan

PARIS, Sept. 15 (JTA) -- One of President
Francois Mitterrand's top advisers, Jacques Attali,
is leaving Sunday for Israel for talks with government members and opposition leaders. French officials say Attali, a 36-year-old Jewish professor of
economy, will explain the French policy in the
Middle East and lay the groundwork for Mitterrand's
visit to Israel early next year.

Israel later this month or early October and will next week confer with Israeli Foreign Minister Yitzhak Shamir in New York. Diplomatic sources say, however, that Attali is a close personal con-

fidante of Mitterrand who considers him as his main adviser on Jewish and Israeli affairs.

Attali's trip to Israel, where he will lecture at the Hebrew University, had been planned for some time. He was entrusted with his special mission in the wake of a growing misunderstanding between France and Israel. Attali, who will bring a personal message from Mitterrand to Premier Menachem Begin is due to meet the Israeli leader, members of the Cabinet and opposition Labor Pary leader Shimon Peres.

The Labor Party leader, who will attend the Socialist International conference in Paris next week, is expected to meet with Mitterrand during his stay in France. Peres is arriving in Paris Sept. 24 for a two-day stay.

SHARON: ISRAEL SEEKING 'BROAD
BASED' STRATEGIC RELATIONSHIP
WITH THE U.S.; DENIES ISRAEL IS
'RECONCILED' TO U.S. AWACS DEAL
By David Landau

JERUSALEM, Sept. 15 (JTA) -- Defense Minister Ariel Sharon declared last night that Israel was prepared to accept a "broad based" strategic relationship with the United States "across a wide front" and if such a relationship was not offered, it would prefer to forego the idea of strategic cooperation altogether.

Sharon made his remarks in the course of a detailed briefing to reporters on the meetings between Premier Menachem Begin and President Reagan and other U.S. Administration officials in Washington last week.

The Israeli defense chief, who accompanied Begin and was present at most of the sessions, emphatically denied that Israel had "reconciled itself" to the American proposal to sell AWACS reconnaissance planes and other sophisticated weaponry to Saudi Arabia as the price for its closer strategic relationship with the U.S.

Denounces Labor Party Claims

Sharon, who returned to Israel over the weekend, fiercely denounced the opposition Labor Party for claiming that Begin had abandoned his objections to the AWACS deal and had agreed, without consultation with the Knesset, to place Israel's armed forces at the disposal of the U.S. Sharon accused Labor of making false charges either out of ignorance or a deliberate desire to harm the government in the midst of delicate negotiations.

Sharon lauded the Reagan Administration and Begin's conduct in the talks. But he insisted that Israel is "not interested in a narrow limited cooperation." He said a broad relationship must inevitably "tie Israel's hands to a certain extent" but Israel was ready and eager for such a relationship and would undertake all of the "responsibilities" implied by it.

His remarks seemed to be directed at statements and leaks emanating from some Administration quarters in Washington that the proposed strategic cooperation with Israel would be severely limited and restricted in scope. This has been the cause of some concern in official circles here inasmuch as Begin did not secure a written memorandum on the subject while he was in Washington.

But a U.S. official briefing reporters here tried to allay fears that the U.S. regarded strategic coopera-

tion with Israel as little more than symbolic. The official, not publicly identified, said the Reagan Administration's readiness for closer strategic ties with Israel represented "a major shift in perspective for the U.S."

He said that previous Administrations had been "ideologically reluctant to recognize that Israel and the U.S. have a lot to offer each other." He noted that in the weeks ahead, defense planning teams from the two countries would review in detail all of the many and varied possibilities for strategic cooperation.

Sharon will go to Washington in November for meetings with Defense Secretary Caspar Weinberg er who, hopefully, will be prepared to sign a memorandum of understanding formalizing the arrangements worked out by the defense planning

teams, the official said.

He was reluctant, at this juncture, to list the likely areas of cooperation but he appeared to reflect positive American reaction to the idea of Israeli aerial "cover" for U.S. air and sea transportation of strategic material in an emergency.

Much of Sharon's briefing was devoted to how Israel, by virtue of its geographical location, its stable government and its sharing of the American Administration's view that Soviet expansionism represents the greatest threat to the security of the region, could be of immense value to the U.S. in time of crisis. In that connection, he mentioned that Israel could facilitate American military operations directed toward southern Europe or toward the Persian Gulf area.

'Understanding in Principle' Reported

Sharon said an "understanding in principle" had been reached with the U.S. in aerial and sea operations, the holding of joint exercises and the stockpiling of emergency military stores and medical equipment and facilities for the use of American forces in the region.

He said that in reaching that understanding, Israel stressed that its own industries must be utilized wherever possible. He explained that if the U.S. decided to store military equipment here, the ammunition in that store would be manufactured in Israel and, similarly, medical equipment for American field hospitals would be Israel-produced.

Sharon dwelt at length on the Soviet menace which he said was not solely a problem for the U.S. on the superpower level but constituted a real and direct security threat to Israel. Therefore, he said, the Labor opposition's contention that the government sacrificed Israel's strategic interests to those of the U.S. was unfounded. The aim was to dovetail the Reagan Administration's global determination to restrain the Soviets with Israel's prime security concerns, he said.

Reviewed The Situation In Lebanon

The U.S. official who briefed Israeli reporters disclosed that the Begin-Reagan talks in Washington included a thorough review of the situation in Lebanon and that the two sides had reached a measure of agreement on an overall approach to that complex issue.

He indicated that American policy in the months ahead would seek to foster efforts toward political reconciliation in Lebanon which were already underway. At the same time, Washington would seek to bolster the scope and power of the United Nations Interim Force in Lebanon (UNIFIL) and eventually achieve a mutual scaling down of heavy weaponry on both sides of the Israel-Lebanon border.

Begin and his aides had complained in Washington about continuing attacks by the Palestine Liberation Organization on the Christian forces of Maj. Saad Haddad in southern Lebanon. The U.S. official said that while these were not formal violations of the cease-fire, they were of deep concern to the U.S. "We hope, through third parties, to have some influence on that problem," he said.

Sharon added, on the subject of Lebanon, that Israel had stressed to the American leadership Lebanon's role today as the main center of world-wide terrorism. He claimed that nearly 2,000 terrorists trained there in the past year who belonged to organizations as disparate as the Baader-Meinhof group in West Germany and the Mozambique Radical Front.

DAYAN: ISRAEL AND EGYPT WILL
HAVE TO BE FLEXIBLE IF THE
AUTONOMY TALKS ARE TO SUCCEED
By Michael Solomon

MONTREAL, Sept. 15 (JTA) -- Israel and Egypt will each have to be more flexible if the autonomy talks, to be resumed Sept. 23-24, are to succeed, former Foreign Minister Moshe Dayan said here yesterday. The Israeli diplomat also said he welcomed the idea of joint military exercises between Israel and the U.S. and American use of Israeli ports, airfields and maintenance services which may come about as a result of the strategic cooperation agreed to during Premier Menachem Begin's meetings with President Reagan in Washington last week.

Dayan, speaking to reporters at a 1981 Combined Jewish Appeal Luncheon at the Shaar Hashamayim synagogue, covered a wide range of topics related to the Middle East. With respect to the Reagan Administration's proposed sale of AWACS reconnaissance aircraft to Saudi Arabia, he wamed: "If at any time the AWACS in Saudi hands spy on Israel and transmit their intelligence to other Arab nations, we would shoot them down and go to war with them."

Sees Sign Of Maturity In PLO

Dayan said he detected "a sign of maturity" in the Palestine Liberation Organization's observance of the cease-fire on the Lebanese border, although they continue to stockpile more weapons and prepare for war. He warned that "If they don't respect the cease-fire we (Israel) will enter the area they control and clear it of all tanks and heavy weapons." Dayan insisted that Israel could never hold a dialogue with the PLO because its one aim is the destruction of Israel by terrorist means.

On the upcoming autonomy talks, he cautioned that "unless all parties, including Israel, show more flexibility there will be no result but another conference followed by another conference." Dayan implied criticism of President Anwar Sadat's methods of dealing with his opponents in Egypt. "Putting 1,500 people in jail is no solution." But, he added, "Sadat is a strong man and has the confidence of the ordinary people and of his army commanders in particular."

Asked about the chances of Begin's narrowly based coalition government staying in office for a full four year term, Dayan replied: "Theoretically, yes. I can't think of any of his constituents breaking the coalition. The people of Israel will judge Begin on the way he acts in the best interests of Israel."

Alexander Mayer, chairman of the Combined Jewish Appeal, said that despite the tremendous financial difficulties encountered by the Jewish community, the results of this year's campaign will surpass last year's by about 15 percent.

MORE THAN 3,000 PEOPLE PAY TRIBUTE TO BEGIN AND ISRAEL By Yitzhak Rabi

NEW YORK, Sept. 15 (JTA) -- In an expression of solidarity with the State of Israel and support for the people of Israel, more than 3,000 people, members of American Jewish organizations, gathered at the Sheraton Centre here last night to pay tribute to Premier Menachem Begin on the eve of his return to Israel at the end of a 10-day visit to the United States.

Greeted with Hebrew songs and a long-standing ovation by the enthusiastic audience, Begin said that he was pleased with the results of his meetings in Washington. "I will leave for home with satisfaction in my heart. I think I did a good

job," he declared.

Begin, who delivered a lengthy speech which was interrupted by applause many times, vowed to continue the search for peace, but he said Israel

wants "peace with security."

He repeated his staunch opposition to the establishment of a Palestinian state in Judaea, Samaria and the Gaza Strip and declared that Israel will never negotiate with the "so called PLO." He said that in his talks with President Reagan the American leader "gave me reassurance" that the United States will not negotiate with the Palestine Liberation Organization.

No Confrontation On AWACS Issue

Begin said that there is no "confrontation" between brael and the U.S. on the proposed sale of AWACS aircraft to Saudi Arabia, but only "a difference of opinion" between friends. He reiterated, however, that AWACS in Saudi hands will endanger Israel's national security. But, Begin said, the decision about the sale is a matter between the Administration and Congress and Israel does not want to interfere in the decision-making process by those two branches of the American government.

While Begin was feted and hailed by Jewish leaders inside the hotel, some 15,000 Hasidic Jews demonstrated outside, protesting archaeological digs in Jerusalem and the alleged desecration of ancient Jewish graves. The demonstration, which was loud and emotional but otherwise peaceful, was aimed at Begin personally, describing him as

"Nazi," and "terrorist."

In a press release issued by the organizers of the demonstration, Begin was described as "the head of a wicked, atheistic state, masquerading of late as religious government." The demonstrators, mostly Satmar Hasidim, also protested against what they said was Israeli police "brutality" against religious Jews in Israel who protested the archaeological digs.

Before attending the rally by Jewish organizations, Begin received the New York City Gold Medal from Mayor Edward Koch at a reception for some 1000 people at City Hall. Egyptian President Anwar Sadat received the same Medal during

his recent visit to the city.

The rally of support for Israel last night was sponsored by The Conference of Presidents of Major American Jewish Organizations, the Jewish Community Relations Council of New York, New York UJA-Federation Joint Campaign, State of Israel Bonds and the National United Jewish Appeal.

This morning, Begin flew to Plains, Ga. to meet with former President Jimmy Carter and was scheduled to leave for Israel from New York tonight. Welcoming Begin in Plains before some 800 people on a local athletic field, Carter repeatedly emphasized the importance of resolving the Palestinian problem if a lasting peace is to be achieved in the Middle East.

"The situation is serious, but we know it is not hopeless because the people of Israel and your neighbors both want peace and because you and President Sadat both know that for Jews the most important issue is the security of Israel and for Arabs the most important issue and issue is Palestinian rights," Carter said.

The former President was referring to the autonomy talks between Israel and Egypt, due to be resumed in Cairo Sept. 23-24. His remarks stressing a resolution of the Palestinian problem contrasted sharply with the down-playing of that issue by the White House during

Begin's meeting with Reagan.

Carter reminded Begin that at Camp David "We pledged to resolve the Palestinian problem in all aspects, recognizing the legitimate rights of the Palestinian people and their just requirements so that the Palestinians will participate in the determination of their future."

Begin responded by saying, "We want to carry out all the commitments of the Camp David agreements."

He said that without the efforts of President Carter, there would have been no peace treaty between Israel and Egypt.

EX-PRO-NAZI GOES ON TRIAL

MIAMI, Sept. 15 (JTA) -- A former Ukrainian who the U.S. government says lied about his pro-Nazi activities to obtain U.S. citizenship in 1956 went on trial today in West Palm Beach. The government claims that Bohdan Koziy, 58, who is now a manager of a hotel in Fort Lauderdale, wore a Nazi uniform in occupied Poland from 1942 to 1944 and killed at least eight Jews, including children.

Koziy, in pre-trial depositions, said he was a Ukrainian nationalist who had fought Germans and Russians in the closing year of the war. He contends that the charges against him are fabricated by the Soviet secret police. Koziy is not on trial for his alleged crimes but U.S. District Court Judge James Paine will decide if his citizenship should be revoked. According to the government, Koziy's war record shows he "lacked the good moral character required for naturalization."

Government lawyers travelled to Poland and the Soviet Union twice this year to interview witnesses of Koziy's alleged war crimes and videotaped their testimony. These videotapes will be used in his trial.

Trifa Files An Appeal

Meanwhile, the Office of Special Investigations of the Justice Department announced that Rumanian Orthodox Archbishop Valerian Trifa had filed an appeal against his voluntary renunciation of citizenship and that a hearing on that appeal would begin in the Sixth Circuit Court of Appeals in Cincinnati on Oct. 9.

Trifa was indicted in 1975 on charges of concealing his ties to the fascist Rumanian Iron Guard when he entered the United States and when he became an American citizen in the 1950s. He surrendered his citizenship papers to federal officials in Detroit on Aug. 26, 1980, after an extended series of court actions.

On Oct. 31, 1980, Trifa filed an appeal in Jackson County (Michigan) federal district court, seeking cancellation of his yielding of citizenship. Allan Ryan, director of the Office of Special Investigation, will argue against the appeal in the Cincinnati appeals court.

LAWMAKER SAYS U.S. PROMISE OF STRATEGIC COOPERATION DOES NOT OFFSET AWACS SALE

KIAMESHA LAKE, N.Y. Sept. 15 (JTA) ---A member of the House Foreign Affairs Committee warned that the U.S. promise of "strategic cooperation" with Israel does not offset the threat to Israel's security posed by the Administration's proposed \$8.5 billion

arms package to Saudi Arabia.

Speaking before 700 members of Pioneer Women at a dinner opening the organization's 27th biennial convention here Sunday night, Rep. Michael Barnes (D. Md.) declared that the sale of AWACS reconnaissance planes and enhancement equipment for F-15 fighter planes would create a threat to Israel "that cannot be overstated" and that Israel "should not take too much comfort" from any offer of strategic cooperation. The actual ingredients of such a policy "remain to be seen," Barnes said.

He asserted that the arms sale "would be against the best interests of the U.S." He warned that -- given the "unstable" character of the Saudi government - there would be a serious danger of the American equipment falling into the "wrong hands."

Calling the sale "the preeminent issue before Congress," Barnes predicted that the House would veto it but "there is a strong chance" the Senate would approve it. A veto by both chambers will be required to block the sale.

Sen. Daniel Moynikan (D. N.Y.), who greeted the delegates, described the Middle East arms race as "alarming and appalling." Ann Block of Washington, D.C. is the chairperson of the four-day convention, which will also be addressed by Chaim Herzog, a member of the Knesset and former Israeli Ambassador to the United Nations, and Akiva Lewinsky, treasurer of the Jewish Agency.

FORMER 3S OFFICIAL GOES ON TRIAL By David Kantor

BONN, Sept. 15 (JTA) - A former SS official accused of complicity in the deportation and murder of Rumanian Jews during World War II has gone on trial in Frankenthal. According to the State Prosecutor, Gustav Richter, 69, contributed to the "final solution" when he served as an aide to the official responsible for the "Jewish question" in Rumania.

According to the prosecution, the Reich Foreign Ministry assigned Richter to Bucharest in August 1942 to convince the Rumanian authorities to accept a plan that would treat Rumanian Jews in the same manner as Jews were treated in Germany. As a result of Richter's activities, two transports were organized and a total of 1323 Rumanian Jews were rounded up and deported in September 1942. Of this group, 646 perished in Auschwitz.

Richter, who joined the Nazi Party in 1934 and belonged to the SS, was taken prisoner by the Russians in 1944 and sentenced to 25 years imprisonment. But he was freed in 1955 and returned to West Germany where he worked for a Ludwigskafen firm until his retirement in 1974. His trial is expected to last a minimum of six days and a verdict is expected in November.

WEST GERMANY PREPARING FOR A MASSIVE ARMS DEAL WITH SAUDI ARABIA By David Kantor

BONN, Sept. 15 (JTA) -- The ruling Social Democratic Party (SPD) and its junior coalitien partner, the Free Democratic Party (FDP), have apparently reached an agreement to modify West Germany's self-imposed restraints on arms sales abroad which could pave the way for a massive arms deal with Saudi Arabia, it was indicated by SPD sources here.

Government spokesman Lothar Ruehl said the Cabinet would make a binding decision on the matter after the parliamentary coalition makes its final recommendations, expected in the next few weeks.

Until now the government has declined to comment on this controversial issue. West German policy has been to refuse to sell arms to countries at war or in areas of tension such as the Middle East. But last week, a joint committee of the SPD and the FDP recommended that some of these restrictions be dropped and that future arms sales be predicated on the "vital foreign and security interests" of West Germany.

Should the recommendation be adopted by the government, it could open the way to possible arms sales to Saudi Arabia, notably West Germany's powerful Leopard II tanks and other armored vehicles. Chancellor Helmut Schmidt strongly favored such a deal earlier this year but was deterred by opposition in the Bundestag. including members of his own coalition.

Observers here say that Schmidt is likely to wait and see whether the Reagan Administration goes through with its plans to sell the Saudis AWACS reconnaissance aircraft and enhancement equipment for the Saudis' 62 F-15 fighterbombers. Only if such a development occurs, would the Chancellor be in a position to proceed with the projected sale of sophisticated German weaponry to the Saudis, observers said.

LETTER FROM SHCHARANSKY ENDS WORRY

NEW YORK, Sept. 15 (JTA) -- Four months of mounting worry by Anatoly Shcharansky's mother Ida Milgrom in Moscow that her son might have died in the Perm labor camp ended last weekend when she received a letter from him dated Aug. 30 from the camp hospital. In the letter, whese contents were phoned to Anatoly's wife Avital in Jerusalem and relayed to the Student Struggle for Soviet Jewry and the Union of Councils for Soviet Jews, the 33-year-old Prisoner of Conscience said he had been extremely ill for two months but only placed in the camp hospital in mid-August.

Shcharansky said he was so weak he could barely move, and that he had widely fluctuating blood pressure. He was receiving strong injections four times a day. He expected that he would be returned to solitary confinement after the first week of September, although his incarceration there should have ended.

Shcharansky was sentenced to 13 years in prison and labor camp in 1978, and was placed in solitary confinement cells last December after he refused to submit to a provocation that would have had him clear snow from a free-fire zone around the guards' stockades. The SSSJ and UCSJ said Avital Shcharansky urged the continuation of the growing campaign in Congress for her husband's immediate release.