

HAIG REJECTS COMPROMISE PROPOSAL FOR THE U.S. AND SAUDI ARABIA TO JOINTLY OWN, CONTROL THE AWACS

By David Friedman

WASHINGTON, Sept. 17 (JTA) -- Secretary of State Alexander Haig rejected today a compromise proposal by Sen. John Glenn (D. Ohio) that the U.S. and Saudi Arabia share "joint" ownership and control of the five AWACS reconnaissance planes the Reagan Administration proposes to sell to the Saudis.

(Sen. Bob Packwood of Oregon announced this afternoon that he is introducing a resolution with names of 51 Senators to reject the AWACS sale. See story P.2.)

Haig, testifying before the Senate Foreign Relations Committee, said the \$8.5 billion arms package which includes the AWACS, Sidewinder missiles and enhancement equipment for Saudi Arabia's 62 F-15 fighter-bombers, was worked out after long negotiations by both the Carter and Reagan Administrations and represents "the optimum arrangement."

Expressing confidence that the Senate will not reject the proposal, Haig said he believed the secret transfer arrangements worked out will meet the concerns of the Senators. He said Administration officials will be discussing these proposals privately with each Senator.

Warns Against Killing AWACS Sale

But Haig warned the committee that what is at "stake" in the Senate's vote on the proposal is "this nation's capability to develop a strategy" that will advance Middle East peace and meet the threats to the region from the Soviet Union and its surrogates. He warned the Senators against rejecting the foreign policy of "an American President."

Haig's appearance before the committee was on the Middle East situation in general but his prepared statement and the questions put to him by the Senators dealt mainly with the AWACS issue. Sen. Charles Percy (R. Ill.), chairman of the Foreign Relations Committee, said a hearing devoted specially to the Administration's arms sale package would be scheduled for later this month. Meanwhile, the Senators will be able to inspect an AWACS aircraft at Andrews Air Force Base near Washington next Monday through Wednesday.

Cites Possible 'Diplomatic Dunkirk'

Glenn told Haig that if he approved the compromise the Ohio legislator suggested, "I think you can sell this on the Senate floor in 10 minutes." He also said he believes Israel would be satisfied with such a compromise. Sen. Rudy Boschwitz (R. Minn.) agreed with Glenn on that. But Glenn warned that if the Administration proceeds with the sale as now proposed, it risks a "diplomatic Dunkirk." He said this would harm chances for peace in the Middle East because he believes the Saudis can help advance the peace process.

When Sen. Larry Pressler (R. SD.) asked if the Administration would change its proposal if it saw that it would be defeated in the Senate, he was

told by Haig, "That's not a bridge we anticipate we'll have to cross."

Glenn told reporters later that he believes the Administration will consider his compromise inasmuch as there are already some 40 votes in the chamber against the proposed sale. Glenn told Haig, during the hearing, that he opposed selling AWACS to any other country, including America's NATO allies.

He also said the AWACS that would be sold to the Saudis are "down-rated" and could easily be jammed. He said that in urging joint control of the surveillance aircraft, he would also propose that the U.S. cut their price to the Saudis by half.

Best Possible Solution

Glenn said he wanted to keep the AWACS under American control to quickly meet any threat to the region. He maintained, however, that the best possible solution would be to continue the four AWACS now in Saudi Arabia under American ownership and control. He said he would agree to keep them there for at least 10 years with the U.S. picking up the entire cost.

Haig said the U.S. now has the means to meet any outside threat to the region. He said the AWACS were not being sold to the Saudis to protect them from the Soviet Union but from regional dangers such as surrogates of the Soviets, a Khomeini-like Islamic fundamentalist movement or the new tripartite entente agreed to by South Yemen, Ethiopia and Libya.

Cites Danger From Palestinians

Sen. John Biden (D. Del.) said the real threat to Saudi Arabia is from Palestinian oil workers who could blow up the oil fields. He said these Palestinians could force the Saudis to participate in any future Middle East war using AWACS and F-15s. Biden also noted that Israeli Defense Minister Ariel Sharon told the committee last week that "as soon as these planes fly we will shoot them down."

Haig insisted there was no Palestinian threat to the Saudis but on the contrary, the Saudis had influence with the Palestinians. He repeatedly cited the help Saudi Arabia rendered in arranging the cease-fire in Lebanon and indicated that the Saudis would be helpful in the Middle East peace process. He observed that Saudi Arabia already has been helpful in the new U.S.-Pakistani arms agreement.

Haig rejected a suggestion by Sen. Richard Lugar (D. Ind.) that instead of selling arms to Saudi Arabia the U.S. increase its military bases in the Middle East. The Secretary of State noted that this was no longer possible because of the desire of the nations in that region to protect their own national independence.

He said that just as Israeli Premier Menachem Begin stressed here last week that Israel wanted to defend itself and not depend on foreign troops, so did Saudi Arabia and Egypt as well.

Issues In Haig-Begin Meeting

Haig said that the Palestinian issue was discussed with Begin when they had a 2 1/2 hour meeting last Friday. He said that President Reagan also raised the Palestinian issue with Begin in their talks and it was agreed that Begin would discuss it in detail with Haig at their Friday meeting. According to most accounts of Begin's meetings with Reagan, very little was said on

the Palestinians. Haig said he discussed with Begin the situation on the West Bank and Israeli settlements there. He said he pointed out to Begin that the settlements "complicate" the peace process. Haig and Begin had an unscheduled meeting Tuesday just as the Premier was about to leave New York to return to Israel. But both have refused to divulge the contents of that closed-door meeting.

In the course of today's hearings Haig said virtually nothing about the new "strategic cooperation" worked out between the U.S. and Israel during Begin's visit.

SENATE RESOLUTION WITH 51 CO-SPONSORS OPPOSES AWACS SALE

By David Friedman

WASHINGTON, Sept. 17 (JTA) -- Sen. Bob Packwood (R. Oreg.) was scheduled to introduce a resolution this afternoon to reject the Reagan Administration's proposed sale of AWACS reconnaissance aircraft and other sophisticated military equipment to Saudi Arabia. The resolution has 51 co-sponsors, a majority of the Senate. Packwood and Sen. Henry Jackson (D. Wash.) said that six other Senators would also vote for the resolution.

They told a press conference that it would be impossible now for President Reagan to turn that many votes around and warned that if the President insists on the arms package as proposed, he will be rebuffed.

Jackson said he would consider changes that would provide the AWACS to Saudi Arabia under the same conditions they are provided to NATO, meaning under complete American control. But Packwood said he would vote for no arms to the Saudis because "I see no evidence that Saudi Arabia wants to further the peace process." He contended that if the Saudis wanted to they could move the peace process forward.

Jackson said that if the Reagan Administration was to deny Israel the strategic cooperation announced last week because the AWACS deal is rejected, the U.S. would have to be "absolute fools." According to Jackson, if the Soviet Union threatened the region, Israel could have 700,000 troops ready immediately while the Saudis couldn't manage to field a regiment.

Packwood noted that last June he initiated a letter signed by 55 Senators urging the Reagan Administration to withdraw the Saudi arms package. He said he heard nothing from the Administration until it submitted its proposal which was the same that the 55 Senators told it they didn't want.

The Senate has already received informal notification of the proposed sale and is expected to receive formal notification before the end of this month. It will then have 30 days to reject the deal. A vote on Packwood's resolution is not expected until the Senate Foreign Relations Committee completes its hearings on the arms package scheduled to begin later this month.

JEWISH AGENCY PLAN ON DROPOUTS SAID TO BE WORKING

By Gil Sedan

JERUSALEM, Sept. 17 (JTA) -- The recently announced Jewish Agency plan to reduce the number of Soviet Jews who decide to settle in countries other than Israel after they leave the Soviet Union received support this week from a group of writers and university professors associated with the Zionist Council in Israel.

At a meeting with the group, Leon Dulzin, chairman of the Jewish Agency Executive, reported that

the Agency plan has already had positive results. The dropout rate, he noted, decreased to half of what it was before the plan was put into effect last month. In July, for example, nearly 85 percent of Jews who left the Soviet Union did not go to Israel.

Dulzin added, however, that there has been a continuing decline in the number of Jews leaving the USSR. Last month, he reported, only 295 Jews left the USSR, an unprecedented low in the past 10 years. About 10 percent of them received assistance to go to the United States by the Rav Tov organization which is operated by the Satmar Hasidim. But Christian organizations which offered assistance were turned down by the emigrants.

According to the Agency plan, which Dulzin announced in Jerusalem in August, Soviet Jewish refugees who arrive in Vienna and do not want to go to Israel will no longer be referred to HIAS, which provides assistance to help emigrants settle in countries other than Israel, unless they have first degree relatives in other countries.

The group of writers and university professors criticized those who contend that emigrants should have a choice of whether to immigrate to Israel or continue to the U.S. Dulzin's position is that a Soviet Jew has to be helped wherever he decides to settle outside Israel. "But I don't have to help him get there. My duty is to help him get to Israel," he said when he announced the Agency plan.

Meanwhile, Dulzin told the writers and professors that an ideological campaign will be launched to pressure the USSR to reopen its gates and allow the approximately 400,000 Jews who registered for emigration to leave the country.

NORMALIZATION TALKS WIND UP

JERUSALEM, Sept. 17 (JTA) -- Israeli and Egyptian experts wound up several days of talks here on advancing the normalization process today without reaching agreement on several issues. The Egyptians are returning to Cairo for consultations with their government before the talks continue.

The two major points on which Israelis and Egyptians disagree relate to tourist installations in Sinai and the granting of visas to Israelis who want to visit Egypt.

Cairo announced yesterday that all tourists, including Israelis, who visit Sinai after Israel completes its withdrawal next April will be required to purchase \$120 worth of Egyptian currency. Egypt rejected a request by Israel to exempt its tourists from the procedures applied to others. The Egyptians said they were not interested in promoting cheap tourism.

ISRAEL HOPES TO EXPORT SOME \$1 BILLION WORTH OF AGRICULTURAL MACHINERY, TECHNOLOGY AND GOODS

TEL AVIV, Sept. 17 (JTA) -- Israel hopes to export agricultural products and agricultural machinery and technology worth about one billion dollars this year. For the first time, the value of farm machinery designed and produced in Israel will exceed that of actual agricultural products.

Many of the new inventions are on display at the "Agritech" exhibition which opened here Monday. The organizers say that some 1,500 farmers and buyers from abroad are attending the show, including many from countries with which Israel has no diplomatic relations.

According to the fair management, Israel's success in agriculture, and especially the mechanized side of farming, is due to a number of new inventions, including drip irrigation, which is cheap to install and saves water, and new harvesters for a wide range of crops, vegetables and fruit. Agriculture Minister Simcha Ehrlich told a pre-show press tour that Israel was now ahead of the U.S. in farm inventions.

DECLINE IN ISRAELI INFLATION SEEN

NEW YORK, Sept. 17 (JTA) -- The cost of living index in Israel rose only 3.9 percent in August, encouraging hope that 1980's triple-digit inflation will be reduced to double-digit inflation this year, it was reported by David Rotlevy, Israel's Economic Minister to the U.S.

Current indications are that Israel's inflation will run to about 95 percent this year, compared to 133 percent in 1980, Rotlevy said. He released the following month-by-month figures for the current year showing that inflation for the first four months of 1981 was 30 percent compared to 17.5 percent the latest four months:

January, 7.3 percent; February, 5.5; March, 4.8; April, 10.7; May, 3.3; June, 2.7; July, 6.1; and August, 3.9.

"Thus far this year, Israel's inflation is up 53 percent, compared to 69 percent for the first eight months of 1980," Rotlevy said, adding: "We have every reason to expect that, even with the usual rise in the inflation rate during the last four months of the year, Israel will no longer suffer from triple-digit inflation."

The government of Israel "is determined to defeat inflation," Rotlevy said. "The most recent cost-of-living statistics confirm the fact that Finance Minister (Yoram) Aridor's policies of budgetary restraints, freezing the number of public employees, reducing direct and indirect taxes, encouraging investment and other anti-inflation measures already in effect are working. Slowly but surely, inflation is being brought under control in Israel." Aridor is expected to arrive in Washington for talks with Reagan Administration officials next week, Rotlevy said.

CURRENCY REFORM IN ARGENTINA
ENDANGERS PROGRAM TO BRING
JEWISH YOUTHS TO ISRAEL

By Gil Sedan

JERUSALEM, Sept. 17 (JTA) -- Currency reform in Argentina has placed in jeopardy an important program to bring Latin American Jewish youths to Israel, Avraham Katz, chairman of the World Zionist Organization's youth department, told the WZO Executive at its weekly session here.

He said only 200 youngsters would arrive in Israel this year under the program, known as "Operation Tapuz," compared to 800 from Argentina last year. According to Katz, the dollar cost of the program remains the same but the devaluation of Argentine currency has increased costs locally by 500 percent. Katz stressed the importance of the program. He said many of the youths brought over stayed in Israel for long-term projects and a substantial number remained permanently.

Unless the WZO treasury finds a solution, "we would lose an asset," Katz said. Most of the session was devoted to various summer projects sponsored by the WZO and there was a shared concern among the department heads over the drop in the number of participants due primarily to rising costs. WZO chairman Leon Dulzin appointed a committee to study the issue and come up with recommendations.

LABOR PARTY MULLING
WHETHER TO RE-ADMIT DAYAN

By Hugh Orgel

TEL AVIV, Sept. 17 (JTA) -- The Labor Party, rent by internal dissension and personal quarrels since its narrow defeat in the Knesset elections last June, now faces another divisive issue -- whether to re-admit former Foreign Minister Moshe Dayan to

its fold. Dayan, who built his political career in the Labor Party, defected shortly before the 1977 elections and joined Premier Menachem Begin's first coalition government but never joined Likud.

He quit Begin's Cabinet in October, 1979 because of sharp policy differences with the Premier and presently heads the new Telem faction which holds only two seats in the Knesset. Dayan's mercurial nature has earned him the distrust of many of his former Labor colleagues and his moderately hawkish views are anathema to Labor doves and Mapam, Labor's Alignment partner.

But party chairman Shimon Peres reportedly supports efforts to bring Dayan back to Labor. The two Telem mandates would give his party 50 Knesset seats, one more than Likud. Being the largest single parliamentary faction might gain some key committee chairmanships for Labor but it would still be 11 votes short of the majority necessary to govern should the Likud government fall on a no-confidence motion.

The Dayan issue has been the subject of heated discussion in the party's political bureau which would have to make a recommendation. But the bureau itself is in disarray because its election and composition are a matter for dispute at the moment. Mapam has served notice, meanwhile, that it might leave the Labor Alignment if Dayan is re-admitted to the party, thereby strengthening its hawkish wing.

KREISKY TRYING TO CONVINCE
GERMANY TO RECOGNIZE THE PLO

By David Kantor

BONN, Sept. 17 (JTA) -- Chancellor Bruno Kreisky of Austria is trying to convince the West German government that it should recognize the Palestine Liberation Organization, sources in the ruling Social Democratic Party (SPD) said. Kreisky, visiting West Berlin last week, appeared on state television to explain his friendly attitude toward the PLO and his belief that PLO chief Yasir Arafat has shown "moderation."

According to Kreisky, former West German Chancellor Willy Brandt shares his opinion of Arafat. "If you do not believe me, ask Brandt," the Austrian leader told German viewers. SPD sources here said their party is in regular consultation with Kreisky on the Middle East and other issues.

Kreisky is pressing Bonn to take a more active role in mediating the Arab-Israeli conflict, the sources said, and their consultations often find expression in initiatives by the Socialist International, currently headed by Brandt. Brandt is presently in Vienna for meetings with Kreisky and West German Chancellor Helmut Schmidt is expected to go there in a few days.

HAMMER, GOREN REACT TO COURT RULING

JERUSALEM, Sept. 17 (JTA) -- Education Minister Zevulun Hammer and Ashkenazic Chief Rabbi Shlomo Goren both reacted circumspectly yesterday to the Supreme Court ruling Tuesday that the rabbinate has no legal power to determine state policy and criticized Hammer for ordering the suspension of the archaeological excavation at the City of David after the Chief Rabbinate ruled that the dig must be halted. (See story in Thursday's Bulletin).

Hammer ignored the two justices who issued the majority ruling and expressed satisfaction with the minority opinion of Justice Yitzhak Kahan which said that Hammer's order as well as the rabbinical ban were legitimate in view of the sensitivity about the issue in the country. Goren said he did not accept the court's ruling. Attorney General Yitzhak Zamir is expected to submit his legal opinion on the suspension of the dig at the Cabinet session Sunday.

ISRAEL FACES HEAVY FIRE IN UN ASSEMBLY ON NUCLEAR ISSUE

By Yitzhak Rabi

UNITED NATIONS, Sept. 17 (JTA) -- Israel will come under fire on nuclear issues during the 36th session of the UN General Assembly which opened Tuesday, Israel's Ambassador to the UN, Yehuda Blum, told Israeli reporters at a briefing here yesterday. He disclosed that more than 40 countries are presently sponsoring a resolution to discuss Israel's air attack on Iraq's nuclear reactor last June 7.

The nuclear issue, insofar as Israel is involved, will come before the General Assembly when a group of nuclear experts present a document on Israel's nuclear ability and its alleged nuclear cooperation with South Africa, Blum said. He noted that this amounts to singling Israel out inasmuch as no other country rumored to have a nuclear potential has been accorded similar treatment.

Predicts Extreme Anti-Israel Resolutions

Blum said Israel will also come under attack in the debate on Palestinian and Middle East issues, already a tradition at the UN. He said this would occur at the end of November in the General Assembly and in its various committees. Blum predicted that the anti-Israel resolutions will be even more extreme than in the past but this, he said, might reduce support for them.

He said that Israel's Foreign Minister, Yitzhak Shamir, will be in New York beginning this week end until Yom Kippur, Oct. 8, and is expected to meet in that period with about 30 other Foreign Ministers. Shamir will address the General Assembly Oct. 1.

Blum said, in response to a question by the Jewish Telegraphic Agency, that he does not expect any move to suspend Israel's credentials in the General Assembly this year, although rhetoric along those lines may be heard from some Arab and Third World delegations. He said that two Knesset members, Shlomo Hillel of the Labor Alignment and Yosef Rom of Likud, will join the Israel delegation to the 36th General Assembly at a later date.

FIRST NORTH AMERICAN EMERGENCY CONCLAVE FOR SOVIET JEWS SEPT. 20-21

NEW YORK, Sept. 17 (JTA) -- Theodore Mann, chairman of the National Conference on Soviet Jewry, Sergio Nudelstejer, secretary of Mexico's Comité Pro Ayuda Judaisimo Sovietico, and Genya Intrator, chairwoman of the Canadian Committee for Soviet Jewry, today announced the convening of the first North American Leadership Emergency Conference for Soviet Jewry, to be held here Sept. 20-21.

According to the three leaders, the conference will serve to "unite international efforts on behalf of the more than two million Jews in the Soviet Union, mobilize national and local Jewish communal leadership, update the public on current issues, and impress upon delegates the need to return to their governments and have them immediately intervene with Soviet leadership."

The co-sponsoring organizations maintain that "an emergency situation now exists in the USSR." The number of Jews granted exit visas in the last year has plummeted to the lowest point in nearly a decade. "In addition, in the last several months, an increasing number of Jews have been arrested and tried, including Viktor Brailovsky,

who was sentenced to five years of exile in Siberia." In a personal message to Jewish leaders in the U.S., Mann stressed that "the fate of so many still in the Soviet Union depends on our work. They cannot afford to have our commitment to a strong advocacy campaign be diminished."

Mrs. Intrator noted that "despite increased harassment Jewish emigration activists still persist. It is our responsibility to marshal public opinion and unmask Soviet injustices, as well as provide continuous help for Soviet Jews."

National Jewish Community Relations Advisory Council (NJCRAC) chairman Bennett Yanowitz underscored the importance of this appeal to leadership, and called for the participation of Community Relations Councils, local Federations and Soviet Jewry committees throughout the country "to formulate a North American response to the current repression of Soviet Jews."

Mann and his colleagues expect the Emergency Conference will uncover new resources to aid Jewish refuseniks (persons refused permission to leave and join families in Israel or elsewhere) and Prisoners of Conscience in the Soviet Union.

Among the critical topics to be addressed at the conference are: the alarming decrease in Jewish emigration from the Soviet Union; the parallel increase in the arrests of Jewish activists; the banning of scientific and Jewish cultural seminars; and the increased daily harassment of emigration activists.

JEWISH HOLOCAUST SURVIVORS' CHILDREN FORM NETWORK TO CONTINUE LEGACY

NEW YORK, Sept. 17 (JTA) -- In one of the first direct actions of the recent World Gathering of Jewish Holocaust Survivors in Jerusalem, the International Network of Children of Jewish Holocaust Survivors was formally established here this week at a meeting attended by representatives from major cities in the United States and Canada.

The central goals of the organization, according to a spokesman, are to represent the views and interests of children of survivors before communal bodies and the media, to strengthen their common legacy, and to provide a greater understanding of the impact of the Holocaust on contemporary society. One of the Network's principal projects will be the holding of an international conference of survivors' children in the spring of 1983.

Other activities, the spokesman said, will include the publication of a newsletter, coordinating a speakers bureau, setting up oral history projects, and providing a liaison between the various local groups of children of survivors presently in existence throughout North America as well as others being formed in Israel, Europe and elsewhere.

Menachem Rosensaft of New York will serve as chairperson of the Network until the 1983 conference. Rosensaft, who was one of the participants in the world gathering in Jerusalem last June which was attended by 5,000 Holocaust survivors from around the world, said that the Holocaust "should never be forgotten." The formation of the Network was pledged at the Western Wall closing ceremonies of the world gathering.

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BONN (JTA) -- Heinz-Guenther Wisner, a 65-year-old former SS official, went on trial in a Duesseldorf court Wednesday on charges of murdering 31 Jewish inmates of the Riga-Kaiserwald concentration camp during World War II. Wisner had been in custody since June, 1980. Court officials said the trial would last about six months and would hear testimony from 52 witnesses, most of whom live outside Germany.