MITTERRAND TELLS KNESSET THAT ISRAEL HAS A RIGHT TO LIVE, BUT THIS RIGHT CANNOT BE DENIED TO THE PALESTINIANS
By David Landau

JERUSALEM, March 4 (JTA) -- President François Mitterrand told the Knesset today that the position of France in the Middle East is predicated on Israel's fundamental "right to live" but it is a right, he declared, which cannot be denied to the Palestinians. They cannot be expected to give up this right, he asserted.

Mitterrand's address to the Knesset, the highlight of his three-day visit to Israel which began yesterday, summarized both the point of his trip here and the course his Socialist government can be expected to follow in the future Middle East. He came to Israel to end the coldness, often bordering on hostility, which had characterized Franco-Israeli relations during the administrations of Charles de Gaulle and his successors.

At the same time, he emphasized that while France does not presume to preach to the nations of the Middle East, which must work out their own solutions, he believes the Palestinians must be given a homeland. (See related story P. 3.)

Begin Offers Lengthy Response

Premier Menachem Begin offered a lengthy, emotional response. There is now a "basis for hope" that under Mitterrand the strains between France and Israel could end. "But there are obstacles...chief among them France's support for a Palestinian state," Begin declared.

He followed that statement with a bitter, scathing attack on Mitterrand's Foreign Minister, Claude Cheysson -- who is accompanying the President in Israel -- for having said on recent visits to Arab countries that he viewed the Palestine Liberation Organization as the sole legitimate representative of the Palestinian people.

The Mitterrand-Golda exchange during the packed festive special session of the Knesset today echoed the differences expressed by the two leaders in their private conversation yesterday, shortly after Mitterrand arrived in Jerusalem. Despite claims by Israeli spokesmen that Begin's presentation of Israeli positions had left the French leader "very impressed," informed French sources insisted that Mitterrand, in his questions and remarks during their meeting, made clear to Begin his own belief that the autonomy proposal for the Palestinians, advanced by Israel, was "a non-starter" mainly because the West Bank and Gaza populations rejected it.

Sharp Differences No Surprise

But the sharp differences between Mitterrand and his host over the Palestinian issue came as no surprise to either leader and were not allowed to mar the historic significance of the occasion. Mitterrand is the first French chief of state ever to visit Israel. Although he has been in Israel several times in the past, it was not in the capacity of President of France. He is regarded as a strong, sincere friend of the Jewish State.

As he declared in his Knesset speech, "The time has come after a too-long absence for the dialogue to be resumed at the highest levels. After a period of 'alienation,' the two countries "must start afresh," he said.

Begin concurred, asserting that Mitterrand's visit marked an end to the period of "unilateral love" of France on Israel's part which was not reciprocated by Paris.

Mitterrand spoke to the Knesset in French, with simultaneous translation into Hebrew. To many observers, his speech recalled the historic address of the late Egyptian President Anwar Sadat to the Knesset in November, 1977. Today, as then, there was an outpouring of warmth for the man coupled with deep-seated reservations over the solutions he proposed.

Mitterrand insisted that the Palestinians must be entitled to decide their own fate, provided that they respect the rights of others (Israel) and abandon violence in favor of dialogue. He said France did not intend "to come in place of the nations involved" in the conflict or to preach or praise or condemn France as a "pariah state which, because of her status and historical ties to the region and friendship with its peoples, sought to study the core of the dispute with a view to helping it in its solution, he said.

Stresses Unwavering Friendship for Israel

Mitterrand stressed his unwavering friendship for Israel throughout his career and his sympathy for its aspirations. He observed that there was no inconsistency in his positions. He supported the Camp David accord in 1977, opposed the European Community's Venice declaration in 1980 which sought an "impracticable" solution. In 1981, as President, he was determined to end any French compliance with the Arab boycott of Israel. In 1982, he supports French participation in the Sinai peacekeeping force.

His visit to Israel is another link in the change of France's attitude, Mitterrand said. Noting that he spoke "in the same language" to all the parties, he declared: "That is why I am proposing a homeland for the West Bank and Gaza people...Because they cannot be asked to forget that right." He urged, in effect, mutual recognition by Israel and the Palestinians. He added that it was not for him to determine who represented the Palestinians.

The PLO could hardly demand a place at the negotiating table while continuing to oppose Israel's right to exist, he said. He spoke against "unilateral actions" and "pre-determination of borders," an apparent reference to Israel's annexation of the Golan Heights last December. He recalled that when Sadat came to Jerusalem in 1977, Begin himself had declared that everything was negotiable.

Mitterrand warned that if the Palestinian problem remained unresolved, disaster could overtake the region, because the superpowers naturally looked toward areas of instability and strife for opportunities to wield their own strength and influence and thus trigger a world conflict. With respect to Jerusalem, the French President noted that in Hebrew the name meant city of peace.
His hope, he said, was that "one day all disinherited brothers will come together in this city." He closed his address in Hebrew, wishing long life to the State of Israel and all nations of the area, and "Shalom."

Begin Sees Basis For Hope

Begin opened his response -- speaking in Hebrew which was translated into French -- with a lengthy discourse on the Dreyfus affair which, he said, he came to be regarded by Jews and Zionist as an epic struggle between the forces of good and evil in France. Had Mitterrand been alive then, he would surely have "marched alongside Zola and Clemenceau" in that fight.

He traced the ups and downs of French-Jewish relationships, dwelling on the "black days" of the Vichy regime during World War II and the prolonged freeze that followed the Six-Day War. Now there is "a basis for hope" that under Mitterrand "the situation will be fundamentally changed." For he was a long-time friend and just he will surely strive for a renewal of the friendship and alliance," Begin said.

But the Israeli Premier dwelt at length on the "obstacle" -- French support for a Palestinian state -- and passionately defended Israel's offer of autonomy to the Palestinians which Mitterrand had characterized as a dead end.

Warns Against A Palestinian State

"I ask, what is wrong with the proposal for full autonomy?" Begin said. He enumerated the areas of civic responsibility which the Israeli plan would confer on the Palestinians of the West Bank and Gaza Strip. Under this plan, he declared, they would enjoy self-rule as long as they had never lived in Turkish, British, Jordanian or Egyptian governances.

He warned that a Palestinian state posed a mortal danger "to our existence" as it would be a Soviet satellite with Russian cannons and rockets in possession of the PLO. "Will France, champion of justice, support this proposal that threatens our elimination?" Begin asked.

He maintained that there was neither "justice nor symmetry" in the idea that the Palestinians should have a state because the Jews have one. There are 22 sovereign Arab states over 12 million square kilometers. "Do we need a 22nd that will seek to spill our blood day and night?" he thundered.

Begin said he was deliberately asking rhetorical questions which, he hoped, would "echo in the French Parliament, in the media, in the press and in the Elysee Palace, residence of our dear friend, President Francois Mitterrand." The Prime Minister asserted that four facts -- that "justice will triumph" and the "obstacles will be removed from the friendship between France and Israel that is so very dear to us."

Peres Responds To Mitterrand

Also responding to Mitterrand in the Knesset was Shimon Peres, leader of the opposition Labor Alignment, a close friend of the French President who was among the signatories of the Socialist International. Mitterrand, Peres said, was not locked into any particular solution for the Middle East and knew, moreover, that a one-step solution was unrealistic.

There were differences, of course, Peres acknowledged, over the PLO, for example, which the Labor leader called a disaster for the Palestin-
more from anti-Semitism today than before. The law was imposed on the country last December. He and Goldman said the Polish leadership had also promised efforts to encourage "cultural" life for the country's Jews. The government was making plans to mark officially the 40th anniversary of the Warsaw Ghetto uprising this year, and there would be government efforts to rehabilitate ancient Jewish synagogues in Warsaw and Lodz, the JDC officials said.

They reported that the JDC was able to send into Poland, for Jews there, 925 aid packages from Frankfurt during January and another 925 packages were scheduled shortly to go to Jews in Kowtowice and Wroclaw. The JDC officials said this aid was financed by Jewish communities in Western Europe.

REAGAN ADMINISTRATION WILL NO LONGER BAR SYRIA, SOUTH YEMEN FROM BUYING U.S. CIVILIAN AIRCRAFT

By David Friedman

WASHINGTON, March 4 (JTA) -- The Reagan Administration announced today that it will no longer bar Syria and South Yemen from buying civilian aircraft from the U.S. even though the two countries are still on the list of four nations the U.S. considers to be supporters of international terrorism.

However, any sale must include assurances that the planes will not be used for military purposes, State Department spokesman Dean Fischer said. The sale would apply only to aircraft to be used on "scheduled civil airlines" in the two countries, Fischer added. He acknowledged that the civilian airlines in both countries are owned by their respective governments. At the same time, he stressed that there are no pending applications from either country to purchase such planes in the U.S.

"This determination, while it eliminates controls over such sales based on terrorism criteria in no way alters existing controls on such sales based on (U.S.) national security criteria," Fischer said, reading a prepared statement. The State Department announced only this week, announced that Syria and South Yemen, along with Libya, are still on the list of countries that aid terrorism. Iraq, however, was removed from the list and replaced by Cuba.

Request Would Be Reviewed

The 1979 Export Administration Act requires that the Departments of Commerce and State issue a list of countries annually which support terrorism and therefore cannot be sold certain material and equipment. The statements read by Fischer today stressed that if either Syria or South Yemen asked to buy civilian aircraft here, the request "would continue to be reviewed carefully in the light of national security criteria and, if found to be contrary to our national security, would be denied."

One element that would be considered would be assurances that the planes not be used for military purposes, the statement said. Fischer said that Syria and South Yemen have never diverted planes used for their scheduled air service for military purposes while Libya has "repeatedly disregarded" such assurances.

The statement stressed that the decision announced today "does not constitute either a softening of the Administration's fight against terrorism or a gesture toward Syria and South Yemen. Our concern with the support of these two country's for international terrorism continues unabated." The statement added that the decision "simply reflects" the Administration's view that "there is no link between international terrorism and the sale of civil aircraft to legitimate civil-end users."

BEGIN AND MITTERRAND EXPRESS DEEP DIFFERENCES ON THE ISSUES OF THE PALESTINIANS AND AUTONOMY

By Hugh Orgel

JERUSALEM, March 4 (JTA) -- Neither Premier Menachem Begin nor President Francois Mitterrand of France broke new ground in their joint press conference here today, following their appearances in the Knesset. But their replies to questions by Israeli and French correspondents disclosed very deep differences on the issues of a solution to the Palestinian question and autonomy on the West Bank and Gaza Strip.

Replying to questions about Palestine Liberation Organization leader Yasir Arafat, Mitterrand said that, like anybody else, he was entitled to visit France but that Mitterrand, as President of France, would not receive him for negotiations.

Asked about his reactions to Begin's views and approach to the question of the Palestinians, Mitterrand said he had known of Begin's approach before, but was interested to hear at close quarters the passion and enthusiasm with which Begin expounded his feeling.

"There are basic differences between us, and as there has been a public discussion I have answered in as frank a manner as possible, within the bounds of diplomacy," Mitterrand said.

Begin intervened to say that he had "not criticized French Foreign Minister Claude Cheysson (about his remarks during a recent visit to Arab countries) but merely quoted him. Begin said the question of a Palestinian state was not for anybody else to discuss as it was a matter of life and death for Israel.

Mitterrand noted that a dialogue with the Prime Minister was "always useful," indicating that he had not been fully convinced by Begin on either his approach to the Palestinian question or to autonomy. Begin remarked: "I tried whole-heartedly to convince him."

Other points covered by Mitterrand included a statement that France would not supply uranium to any country which might use it for military purposes. But details of any sales would be discussed on a technical level.

Mitterrand said he had not rejected the European Economic Community's 1980 Venice Declaration in its entirety but felt that more thought should have been paid originally to some of the points it covered. The declaration included a call for the PLO to be associated with the Middle East peace process.

Mitterrand said that a three-day visit was not enough to solve all problems, and that further discussions would be held. But he did not reply directly to a question whether he was inviting Begin to visit Paris.

WASHINGTON (JTA) -- The House, by a unanimous 397-0 vote adopted a resolution this week calling on the Soviet Union to allow Jews there to emigrate and to practice their religion freely, and also called for the end of "indiscriminate arrests and trials of Jewish activists" and an end to the "assaults on Jewish self-study groups." The resolution urged President Reagan to reiterate to the Soviet government the United States' strong opposition to the harassment of Jews in the Soviet Union.
SPECIAL TO THE JTA
ORTHODOX RABBIS URGE CONSUMERS OF
KOSHER-FOR-PASSOVER PRODUCTS TO
PROTEST PRE-HOLIDAY PRICE BOOMS
By Ben Gallob

'NEW YORK, March 4 (JTA) -- Alarmed
by the consistent annual pre-holiday rise in the
prices of kosher-for-Passover products, the Rabbi-

nical Alliance of America, an association of
Orthodox rabbis, announced today a nation-wide
project to seek to persuade observant consumers to
protest such price boosts at the stores where they
shop.

Rabbi Abraham Hecht, president of the
Orthodox rabbinical group, said a letter has been
sent to each of the organization's 500 pulpits asking
them to become actively involved in the
campaign. He told the Jewish Telegraphic
Agency that each member rabbi is being asked to
publicize the campaign in his synagogue bulletin
and to impress on congregants the need to resist
the price boosts.

Hecht said the spiritual leaders of the
Jewish community "are duty-bound to control the
spiraling, exorbitant pricing policies of the manu-
facturers and distributors of kosher foods, meats
and poultry." He added that "there appears to be
an insatiable desire, especially during the
Passover season, on the part of manufacturers
and retailers to grab as much money" as they
can from the captive Jewish community wishing
to observe the stringent laws of kashrut on
Passover.

Hecht said the JTA that approached
had been made to the major manufacturers of matzoh
and all had responded with "a polite rebuff.

Hecht said he had discussed the problem
with Rabbi Isaac Trainin, director of the com-
mission on synagogue relations of the Federation
of Jewish Philanthropies. Hecht said the commission
arranged a meeting for discussion of the price
problem with manufacturers "an exactly one company
representative showed up.

Hecht noted that the basis for Federation
participation was the fact that the Federation's
purchasing department annually buys Passover
supplies for more than 100 of its institutions, as
well as kosher products the rest of the year.

"There is hardly any excuse for these
exaggerated prices, since neither the price of pro-
duction nor supervision for Passover actually impos-
tes any true hardships on the producer which he
cannot absorb with no great financial sacrifice,"
Hecht said.

Raps The 'Unholy Triviumrate'

He explained the thrust of the project
by declaring that "the distributors and retailers
must be warned by the educated Jewish consumers
that they will refuse to accede to the financial rip-
off schemes concocted by the unholy triumvirate of
producers, distributors and retailers.

Hecht said the Rabbinical Alliance rabbis are being
urged in the Alliance letter to advise their congre-
gants and communities "to use more fresh fruits
and vegetables during the Passover holiday and to
refuse to purchase any canned or bottled foods or
juices, meats, fish and poultry which are over-
priced because of Pesach.

Hecht said he felt confident that "common
sense will finally prevail among the manufacturers,
wholesalers and retailers of Kosher-for-Passover
foods and beverages, meats, fish and poultry. He
said that restraint in holding kosher product prices
in line would help the Jewish family to observe the
laws of kashrut without the financial pressure stem-
mimg from seasonally higher prices.

Hecht said the Rabbinical Alliance had made a
small-scale effort in the spring of 1981 to fight the
expected and realized price increases. The effort
this year, he said, is much more intensive and will
be the start of a year-around campaign to induce
consumers to protest unreasonable kosher product
prices.

PLO COMMISSIONS 'NATIONAL
ANTHEM' BY GREEK COMPOSER

NEW YORK, March 4 (JTA) -- Mikis Theodorakis,
the well-known composer of the scores for the films
"Zorba the Greek" and "Z," has written a "Palestini-
nan national anthem," produced at the request of Pales-
tine Liberation Organization leader Yasser Arafat, the
World Jewish Congress reported today.

The report of this development originates from a
monitored broadcast of "Tunis-Afrique Presse" (TAP)
early this week. According to the broadcast, Theodor-
aks arrived in Beirut last week on an official visit
to Lebanon having been invited by both the Lebanese
Tourism Minister and the PLO. Reportedly, Arafat
had requested the Greek musician to produce a Pales-
tinian national anthem during the visit of the PLO
leader in Greece at the end of last year. The TAP
report stated that Theodorakis had arrived in Beirut
to present his finished work.

Arafat's visit to Greece came in the aftermath of
the Greek elections which swept Andreas Papandreou
and his party, to power. Theodorakis is a member of
Parliament in the new government.

In 1971 he and a group of musicians whom he had
organized toured Israeli cities where they gave con-
certs. A number of songs he composed were then
popular in Israel where he and his group received ovations
for their staunch opposition to the then militarist
government of Col. George Papandreou. Theodorakis
who had been imprisoned by the government, was per-
mitted to leave in 1970 following world-wide pressure.

U.S. REMOVES IRAQ FROM COUNTRIES
IT LISTS AS SUPPORTING TERRORISM
By David Friedman

WASHINGTON, March 4 (JTA) -- The Reagan
Administration has removed Iraq from the countries it
lists as a "supporter of international terrorism" and
repeatedly listed in the past. The other three countries on the
list, required by the Export Administration Act of 1979,
remain the same-Syria, Libya and South Yemen.

The State Department said that it and the Depart-
ment of Commerce, in making their annual review of
which countries "repeatedly provide support for inter-
national terrorism," found that Iraq's record in 1981
"did not warrant its continued inclusion on the list.

However, the Department stressed that Iraq's
removal from the list does not mean the U.S. plans
to sell arms to that country. "We have no plans to
establish a military supply relationship with Iraq," the
Department said. "It has been our policy since
the beginning of the Iran-Iraq conflict not to supply
military equipment to either side.

The Department added that it is continuing to
block the sale of General Electric engines for Iraq's
Italian built frigates since this could contribute to
Iraq's "war-making potential."

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NEW YORK (JTA) -- Greater New York UJA-
Federation Project Renewal Committee leaders left
Thursday on a 10-day mission to Israel to help speed
delivery of social welfare, housing and educational
services to the 15,000 residents of Hatikvah, Tel
Aviv, one of the distressed areas in Israel.