

ISRAEL PREPARED TO COOPERATE WITH SHULTZ TO FACILITATE WITHDRAWAL OF ITS TROOPS FROM LEBANON AND TO IMPROVE RELATIONS WITH WASHINGTON

By David Landau

JERUSALEM, April 25 (JTA) -- Israeli policymakers are prepared to cooperate with U.S. Secretary of State George Shultz to facilitate the withdrawal of Israeli forces from Lebanon and to improve relations with Washington which have been badly strained since the war in Lebanon last summer.

This consensus emerged after yesterday's Cabinet meeting when several ministers indicated unofficially that there could still be some "give" in the Israeli positions, including its insistence on a commanding role for Maj. Saad Haddad in south Lebanon.

But the ministers made it clear that Israel would be more flexible only if there was similar flexibility on the part of the Lebanese government and if Shultz could demonstrate that an agreement was within sight.

The American Secretary of State, on his first Mideast tour since taking office, was in Cairo today and is due here Wednesday. It is not known whether he will undertake "shuttle" diplomacy between Jerusalem and Beirut in order to wrap up an agreement. His meeting with Premier Menachem Begin will be their first. Shultz will also confer with Foreign Minister Yitzhak Shamir and Defense Minister Moshe Arens, both of whom he knows well.

Gemayel Accused of Reneging

Meanwhile, the tripartite negotiations between Israel, Lebanon and the U.S. will be intensified. The three negotiating teams plan to meet at least four and possibly five times during this week, paralleling Shultz's higher level efforts to break the impasse.

Nevertheless, on the eve of Shultz's arrival, Israeli officials are seriously disturbed over what they see as a sudden hardening of Lebanon's position, confusing signals as to Syria's intentions and the possibility of a new Israeli-Syrian military confrontation in Lebanon.

The Israelis accuse President Amin Gemayel of reneging on key points which had already been agreed to by the Israeli and Lebanese negotiators. They are angered by Gemayel's tough remarks at a Beirut press conference last Friday at which the Lebanese President rejected normalized relations with Israel, rejected joint Israeli-Lebanese security patrols in south Lebanon and declared that Israel could not dictate a commanding role for its ally, Haddad.

According to Israeli sources, Gemayel is backtracking on issues that were already agreed to or were close to agreement in order to re-use them as bargaining chips to extract further concessions from Israel. The Cabinet made it clear yesterday that Israel has no intention to re-negotiate over those issues.

The Cabinet meeting was fraught with tension because of former Defense Minister Ariel Sharon's bitter harangue against the U.S. and his scarcely veiled criticism of his successor, Arens. Sharon spoke forcefully against any "concessions or gesture" by Israel in the talks with Lebanon, implying that the government leadership might be contemplating concessions in order to accommodate Shultz.

Sharon accused the U.S. of instigating the Lebanese government to harden its positions so that Beirut can now offer Shultz "concessions" which it had previously made to Israel and since revoked. The purpose, he claimed was to enable Shultz to extract "parallel" concessions from Israel. Most ministers did not share Sharon's views. "You talk like Washington is Israel's number one enemy," Deputy Premier Simcha Ehrlich told him.

Sharon complained bitterly that Israel has taken no direct action "against terrorists" of late despite repeated attacks on Israeli forces in Lebanon which are taking a steady toll of casualties. He said he was not suggesting any large-scale action. But he noted that never in the past had Israel allowed terrorist attacks to go unanswered. His remarks seemed to be aimed at defense chief Arens who listened quietly to Sharon but offered no response.

Will Seek Assurances On Syria

Israel is expected to press Shultz for firm assurances that Syria will cooperate in any agreement requiring the withdrawal of all foreign forces from Lebanon. So far, Damascus has given diplomatic assurances to the U.S. and other third parties that it will pull its forces out of Lebanon simultaneously with an Israeli pullout.

At the same time, the Syrians have warned that they will not accept any agreement between the two countries and leaves Israel's surrogate, Maj. Haddad, in charge of security in south Lebanon.

Another unknown factor is the Soviet role. There have been conflicting signals from Moscow. Foreign Minister and First Deputy Premier Andrei Gromyko spoke recently in favor of the "withdrawal of all foreign forces" from Lebanon. But at the same time, the Soviets seem to be supporting, or at least condoning, Syrian military threats which have heightened tensions along the Bekaa valley line separating Syrian and Israeli forces in eastern Lebanon.

Israel Radio reported today that officers of the United Nations Disengagement Observers Force (UNDOF) on the Golan Heights report some military activity in Damascus although they say there is no war-like atmosphere in the Syrian capital. UNDOF reports no bellicose activities by either Syria or Israel on the Golan Heights front.

ARENS: SETTLEMENT POLICIES CAN SPUR ARABS TO COME TO NEGOTIATING TABLE

By Gil Sedan

JERUSALEM, April 25 (JTA) -- Defense Minister Moshe Arens claimed today that the government's settlement policies could spur Arab leaders to come to the negotiating table. Opposition Knesset members sharply disagreed. But a full-scale Knesset debate on

the issue was deferred because many MKs on both sides were absent. Arens defended the latest settlement, Beracha, overlooking the Arab city of Nablus on the West Bank, which stirred a bitter controversy in Israel when it was transformed from a military (Nahal) outpost to a civilian settlement on April 18. Arens maintained that Beracha was of major strategic importance to Israel.

He rejected the opposition view that the proliferation of Jewish settlements close to large Arab population centers was provocative and would aggravate relations between Israelis and Palestinians on the West Bank. According to Arens the proximity of Jewish settlements to Arab towns would foster co-existence.

Arens claimed that the Likud government's policy of rapid and widespread settlement in the occupied territories created a sense of urgency among Arab leaders, especially King Hussein of Jordan, and was likely to draw them into negotiations with Israel. He said the U.S. shared that view. He noted that Hussein refused to negotiate with past Labor-led governments which had limited settlements in the territory.

Replying to an agenda motion supporting the Likud policies, Labor MK Yaacov Tzur said the government's massive settlement drive was aimed at annexation, not negotiation because it would leave nothing to negotiate. He observed that the government was "positively jubilant" when King Hussein decided not to enter the peace talks, despite U.S. urging. He said the government acted as if peace talks were only in Jordan's interest, not Israel's.

ISRAEL MUM ON REPORT THAT HUNGARY IS NEGOTIATING ECONOMIC RELATIONS WITH ISRAEL

By Gil Sedan

JERUSALEM, April 25 (JTA) — Israeli officials refused to confirm or deny today a report in Maariv that Hungary was secretly negotiating economic relations with Israel. Hungary has no diplomatic relations with Israel and economic relations diminished after the 1967 Six-Day War.

According to Maariv, a Hungarian delegation visited Israel recently for secret discussions on economic and financial matters. The delegation reportedly met with Minister of Commerce and Industry Gideon Patt, Moshe Mandelbaum, Governor of the Bank of Israel, and with several other high level officials, Maariv said.

Israel's exports to Hungary amounted to \$4.5 million last year and its imports from that country were valued at about \$8.1 million. Israel's total trade with the Eastern European Communist bloc countries accounts for less than one percent of its trade balance, compared to as much as five percent before the 1967 war.

Israel's major trading partner in Eastern Europe is Rumania, the only Warsaw Pact member with which Jerusalem has formal diplomatic relations.

Exports to Rumania last year totalled about \$26 million and imports from that country amounted to \$50 million.

W.H.O. TO SEND REPORT TO UN ON FINDINGS OF WEST BANK ILLNESS

By Tamar Levy

GENEVA, April 25 (JTA) — The World Health Organization (WHO) will send a report to United Nations Secretary General Javier Perez de Cuellar shortly on the findings of its medical experts who investigated a mysterious illness that

hospitalized hundreds of teen-aged Arab girls and others on the West Bank earlier this month, a WHO spokesman announced today.

The spokesman said that Dr. Gustav Wettorazi, who headed the medical team, reported that the Israeli health authorities and Arab medical people had been most helpful. Wettorazi was accompanied by Dr. Robert Ballance, a hygienist, who took specimens on the spot. They have been sent to the WHO laboratory in England for analysis.

There was no indication today of the nature of findings the WHO doctors will report. But several Arab states have asked that the matter be placed on the agenda of the WHO General Assembly which opens here on May 3. Halfan Maller, Secretary General of the WHO, said this request would be debated at the Assembly.

VEIL WARNS OF DETERIORATION OF ISRAEL'S IMAGE IN EUROPEAN CIRCLES

By Edwin Eytan

PARIS, April 25 (JTA) — Simone Veil, a former President of the European Parliament, warned yesterday of serious, steady deterioration of Israel's image in European circles. Veil said most European parliamentarians now see Israel as "a colonial power" and are unaware of the history of Zionism and of Israel's humanitarian philosophy.

Speaking at a seminar for Jewish intellectuals organized by the French branch of the World Jewish Congress, Veil said she has been observing this deterioration with "alarm and concern". The situation has become "catastrophic" in recent months, she said.

According to Veil, this process started in June, 1980 with the Venice Declaration issued by the European Economic Community (EEC) member-states calling for the PLO's "association" in future Middle East peace talks. Veil said that since then, Israel's popularity has been on the wane and reached an all-time low with the war in Lebanon last summer. The European Parliament, elected by the EEC's 10 member-states was traditionally known for its strong pro-Israel sentiments. Veil said that changed three years ago.

NAZI LITERATURE IN BUENOS AIRES

SAO PAULO, April 25 (JTA) — Nazi literature and propaganda, banned in Argentina three years ago, has returned to the newsstands of Buenos Aires, according to a report in O Estado Sao Paulo by its Buenos Aires correspondent, Hugo Martinez.

The propaganda emanates from the Aryan Nationalist Party (Partido Nacionalista Integral). It features photographs of Hitler and praise for the "martyrs of nationalism" including war criminals Kaltenbrunner, Alfred Rosenberg, Hans Frank, Julius Streicher, editor of the virulently anti-Semitic "Der Sturmer," and six other top Nazis condemned at the Nuremberg trials, Martinez reported. Wide publicity is given a book called "The History of the European SS" authored by Leon Degrelle.

Martinez recalled that the Federal Police banned the sale and circulation of Nazi propaganda in Argentina three years ago in response to complaints from democratic groups and Jewish organizations. But the same works, produced in Argentina, are reappearing. Only the name of the publishing house has changed — from Militancia to Avanzada.

According to Martinez, "There are many indications that certain sections of the Federal Police and Army admire the Nazi cause and means of internal security. Although the Argentine Federal Police has perfected the technique of banning publications, it fails to do so in this case," Martinez reported.

TEHIYA LEADER SAYS LACK OF SETTLEMENTS ON THE WEST BANK WOULD CONSTITUTE OBSTACLE TO PEACE

By David Friedman

WASHINGTON, April 25 (JTA) — Geula Cohen, a leader of Israel's ultra-nationalist Tehiya party, declared here that rather than Israeli settlements on the West Bank being obstacles to peace, the lack of such settlements would constitute such an obstacle.

"A Palestinian state is an obstacle to peace," Cohen, one of Tehiya's three Knesset members, stressed at a meeting with several Jewish media reporters at the Israel Embassy last Thursday. "A Palestinian state is an obstacle to peace" because it would lead to increased Soviet penetration in the Middle East, she said.

Cohen, who is in the U.S. to speak to students and persons considering aliyah, presented her views here to members of Congress and to State Department officials, including Elliott Abrams, Assistant Secretary of State for Human Rights and Humanitarian Affairs. She said that several of the Congressmen appeared to sympathize with her views but that Abrams listened and expressed no opinion.

The "mistaken" and "lousy policy" of the U.S. is allowing the Soviet Union to gain greater influence in the Middle East, Cohen charged. She said Israel has "given in to stay friends with the U.S." but by making concessions to Washington "we weaken ourselves and are less of an asset to the U.S."

Dream For The Middle East

Cohen said her dream for the Middle East is "neutralization" from both superpowers. But since this is not possible now, she preferred friendship with the U.S. because as a Jew she "shares" common values with the U.S. But she noted that if U.S. policy leads to a Palestinian state and an increased Soviet threat, then perhaps Israel should seek friendship with the Soviet Union. She said Israel's "first value is to be alive" and then it can think about democracy and other factors.

Cohen suggested that perhaps the "price" of the bombing of the U.S. Embassy in Beirut last week has been a "lesson" for the State Department that while it seeks to win over the Arabs at Israel's expense, instead of receiving "flowers -- they get bombs. But I'm not sure they will learn this lesson," Cohen said.

She added that when King Hussein of Jordan rejected President Reagan's proposals to enter the peace negotiations, Reagan said he "understood" Jordan's reasons, but when Israel rejected the Reagan peace initiative, it was castigated throughout the world. In addition, Cohen charged, Reagan is now suggesting that what Jordan needs to enter negotiations is Syria's approval and to get this the President is promising Syria the Golan Heights.

According to Cohen, Syria is not concerned about the Golan Heights or the Jewish settlements on the West Bank. She said what Syria wants is "the settlement which is called the State of Israel."

Cohen stressed that Israel would not freeze settlements on the West Bank even if Premier Menachem Begin wanted to -- which he doesn't -- she said. She claimed that her three-member Tehiya Knesset faction along with Rabbi Haim Druckman, the Gush Emunim leader who broke from the National Religious Party,

"will not let the government do so." She said that she and the three other MKs provide the majority for Begin's 64-member coalition.

Cohen, who said she favored annexation of the West Bank, complained that the government is going too slow in building settlements there. She was a long-time disciple of Begin but quit his Herut party over the Camp David agreements. She opposed the return of Sinai to Egypt and the dismantling of Jewish settlements there both in the Knesset and at demonstrations at the settlement sites.

She told the Jewish media reporters that she still opposes the autonomy plan because it requires negotiations on sovereignty over the West Bank and Gaza after a five-year period. Cohen said she is "not for discussing our sovereignty" at any time.

According to Cohen, the only "illegal settlements" are not those on the West Bank but those of Zionists in the diaspora.

Says U.S. Role In Lebanon Is 'Entirely Negative'

On Lebanon, Cohen stressed that "I don't want an inch of Lebanon." But she maintained that as long as Syria remains in Lebanon, Israel must retain south Lebanon as a security zone. She said the U.S. marines could not provide security for the area because once "a shot is fired they will run away."

Cohen said the U.S. role in Lebanon has been "entirely negative." She said Israel should not have allowed the U.S. to participate in the negotiations which should have been entirely between Israel and Lebanon. She said Israel is accused of violating Lebanon's sovereignty because its army is in Lebanon, yet Lebanon claims it cannot have a peace treaty with Israel because other Arab countries are opposed.

According to Cohen, with normalization between Israel and Lebanon and open borders, there will be security. "Not normal means war in the Middle East," she said.

Cohen's other passion is the fight for Soviet Jewry. She said she is trying to impress upon the U.S. government that it is wrong to allow into the U.S. as refugees, Soviet Jews who left the USSR with visas to Israel and then decided to go to the U.S. She charged that some American Zionist leaders support this refugee classification, adding that perhaps it is because they themselves feel guilty for not having gone to Israel.

CONTROVERSY OVER A PROJECT

JERUSALEM, April 25 (JTA) — The proposed Mediterranean-Dead Sea canal has emerged as a center of controversy after Energy Minister Yitzhak Moda'i accused the Finance Ministry of diverting about \$100 million, raised for the massive hydroelectric project through the sale of Israel Bonds, to other purposes.

The Finance Ministry did not deny the charge nor did it deny reports that it has had second thoughts about the viability of the canal project. The Ministry maintained that purchasers of Israel Bonds earmarked as "seed money" for the canal were informed that their investments might not in fact be used for it.

Nevertheless, Moda'i's charges and the Treasury's response are likely to have severe repercussions in the U.S. and other countries where the Israel Bond Organization mounted major campaigns to finance the canal. According to Moda'i, the Finance Ministry has been spreading doubts about the efficacy of the project. He accused the Ministry of adopting policies "which stifle development projects and redirect resources, including huge foreign currency loans, to meet current expenditures."

SPECIAL INTERVIEW THE MAIN LESSON OF THE HOLOCAUST

By Yitzhak Rabi

NEW YORK, April 25 (JTA) — Gideon Hausner, chairman of the Council of Yad Vashem in Jerusalem, charged that while the American Gathering of Jewish Holocaust Survivors two weeks ago in Washington was "very touching" and "very strong on the human side," it failed to give prominence to the lessons of the Holocaust.

"The main lesson of the Holocaust is that we have got to have a strong Israel as the only guarantee for the safety of the Jewish people," Hausner said in an interview with the Jewish Telegraphic Agency. "This, however, was not reflected in the speeches of American leaders who addressed the Gathering, especially in President Reagan's and Vice President George Bush's remarks."

"If paying tribute to the Holocaust should become a substitute for strengthening Israel, it would only detract from the memory of the victims of the Holocaust," Hausner said. He pointed out that weakening Israel by banning the sale of F-16 jet fighters, as Reagan has done, shows that the lessons of the Holocaust have not been learned.

"If one really desires to learn the lessons of the Holocaust, it is not enough to pay lip service, not even to erect a monument (to the memory of the victims). One has got to do something tangible; strengthening Israel," he contended.

New Projects of Yad Vashem

Hausner, who was in New York after attending the Gathering in Washington, said that another purpose for his visit to the United States was to seek the assistance of American Jews for two new projects of Yad Vashem.

One project is the Valley of the Perished Communities, a memorial to the hundreds of Jewish communities that were destroyed by the Nazis. The other project is the publication of the full history of the Holocaust in several volumes. Hausner said that the history of the Holocaust will be written by the "best scholars and experts" in Israel and in other countries. He said this project will probably take seven years to accomplish.

Must Bring War Criminals To Justice

Hausner, who was the prosecutor in the trial of Adolf Eichmann in Jerusalem in 1961-62, said in response to a question that as time passes by it becomes more and more difficult to bring Nazi war criminals still at large to justice.

For one thing, he observed, "Germany is not too keen now in going on with this process of trying war criminals." Many people in Germany would like to put the Nazi era behind them and forget about the whole thing.

For another, he said, there is the age problem of the Nazi war criminals. "These are probably the last years in which we can bring the Nazi war criminals to justice," he noted. "They are aging, and their age becomes more and more an obstacle. We have to move very quickly and try as many as possible. There are still many Nazis on the run, in the U.S., Canada and South America."

Asked to name the three most wanted Nazis today, Hausner listed them as Dr. Joseph Mengele, the "doctor of death" who conducted inhuman experiments and tortured to death thousands of inmates in Auschwitz; Martin Borman, Hitler's deputy in the Nazi Party; and Wilhelm Raucke, who operated the "gas vans" in which many Jews were killed. Hausner said the three are probably living in South America.

Hausner said that Israel will continue to help bring Nazi war criminals to justice, but he discounted the possibility that Israel would again be involved in an Eichmann-style abduction of any Nazi. He was referring to the abduction of Eichmann from Argentina by Israeli agents. "Eichmann was a unique case because of the central role he played in the liquidation of European Jewry," Hausner said.

TURKISH ENVOY DENIES REPORT THAT JEWS IN TURKEY WOULD BE HARMED IF HOLOCAUST MEMORIAL INCLUDES MASSACRE OF ARMENIANS

By David Friedman

WASHINGTON, April 25 (JTA) — The Turkish Ambassador to Washington has denied that he has ever implied that Jews in Turkey would be threatened if the 1914-15 massacre of Armenians in Turkey is included in the Holocaust Memorial Museum being planned for Washington.

Ambassador Sukru Elekdag said he was issuing a statement denying a report in a Washington Post article on the museum April 13, in which a "White House source" implied that the inclusion of the massacre in the museum "might have an impact on Jews in Turkey."

"The proposition that Turkish citizens of the Jewish faith are, in any sense, potentially threatened by the Turkish government or the non-Jewish majority of the Turkish population is utterly groundless," Elekdag said. "That I have ever said anything that would warrant an alternate conclusion is equally untrue."

Rabbi Seymour Siegel, executive director of the U.S. Holocaust Memorial Council, told the Jewish Telegraphic Agency that the committee planning the museum has been instructed by the Council to have the massacre of Armenians included. He noted that one of the most active members of the Council is an Armenian American, Set Momjian, of Huntington Valley, Pennsylvania.

Siegel stressed that he has had "cordial relations" with both the Armenian community in Washington and Turkish diplomats here. He said no Turkish diplomat has ever made "threats" or used "harsh words."

He stressed that he does not believe that the massacre, which occurred under the Ottoman Empire, reflects on the present-day Turkish government.

Elekdag said that Jews in Turkey "enjoy the full rights of and privileges of Turkish citizens." He noted that Turkey provided refuge to Jews fleeing the Spanish Inquisition and for thousands of Jews escaping Nazi-occupied Europe, many of whom became Turkish citizens.

"The implication that Jewish Turks might be victimized because of a Museum in Washington might include reiteration of a 70-year-old misrepresentation regarding the treatment of Armenians during World War I is preposterous," the envoy said.

Noting that 26 Turkish diplomats and their families have been assassinated by Armenian terrorists in recent years, Elekdag declared, "This in no way has affected the condition of life of the 60,000 Turkish citizens of Armenian descent."