

Vol. LXII - 67th Year

Tuesday, September 18, 1984

No. 175

PORTUGAL WILL HONOR COMMITMENT TO OPEN A RESIDENT EMBASSY IN ISRAEL

By David Landau

JERUSALEM, Sept. 17 (JTA) — Premier Shimon Peres has received personal assurances from Premier Mario Suarez of Portugal that he will honor the commitment he gave Peres some time ago to open a resident Embassy in Israel when Peres becomes Prime Minister.

The message was delivered by Jose Luis Nunes, a key Suarez political aide, who called on Peres here yesterday. The Israeli Premier responded with a warm invitation to Suarez to visit Israel. Nunes heads the Socialist faction in the Portuguese parliament.

Peres and Suarez are both members of the Socialist International. Portugal and Israel established diplomatic relations in the 1970's. Israel opened a resident Embassy in Lisbon but until now Portugal has been represented in Israel by a non-resident Ambassador.

MONDALE: REAGAN HAS 'SQUANDERED' THE PROMISE OF CAMP DAVID

By David Friedman

WASHINGTON, Sept. 17 (JTA) — Former Vice President Walter Mondale today accused President Reagan of having "squandered the promise of Camp David" and being "essentially absent" from the Middle East peace effort.

The Democratic candidate for the Presidency also told Jewish supporters that he will personally take charge of the peace effort, "scrap" Reagan's September 1, 1982 Mideast peace initiative and move the United States Embassy from Tel Aviv to Jerusalem.

"I will lead the search for peace personally, using the weight and influence of the Presidency," he told some 300 Jewish leaders and elected officials from across the country who met at the Capital Hilton Hotel here to establish the Leadership for Mondale-Ferraro which will press the Democratic campaign in the Jewish community.

"Only the President leading our government can make a difference" in the Mideast peace effort, Mondale said. He noted that he has "25 years of knowledge, experience, background and commitment" and therefore "I'll know what I'm doing."

Says Reagan Is Absent From Mideast Peace Effort

Mondale charged that by being absent, Reagan has left Mideast policy to others such as the State Department and Defense Secretary Caspar Weinberger. Mayor Edward Koch of New York City, who introduced Mondale, charged that Reagan "is keeping Caspar Weinberger muzzled" during the campaign. "But if Reagan is re-elected, Weinberger will be back and that will mean nothing but trouble, tsuris for Israel," Koch said.

Noting that this was the sixth anniversary of the signing of the Camp David agreement, Mondale said "That was a day that we proved what leadership can do"

He charged that the Reagan Administration "took over when there was hope" but then "instead they proposed a policy of illusion" in the Middle East. He charged that the Administration's illusions

were that it could "enter into a policy of strategic cooperation with Arab countries to fight the Soviet Union"; that "if they were tough enough on Israel somehow Hussein and other Arab leaders would sit down and talk" and "if they were tougher on Israel Syria would behave as a responsible nation in international society."

Denounces Concessions To Arabs

Mondale said that Reagan had abandoned Camp David and the Israeli-Egyptian peace treaty and the situation with Egypt now was "in reverse" from peace. "We have entered into a cold peace with negotiations in cold storage," he said. He denounced the Administration for supplying arms to Saudi Arabia and proposing arms for Jordan and for having had secret talks with the Palestine Liberation Organization.

Mondale said that the Reagan initiative "made concessions to Arabs at Israel's expense before talks even started." He said this violated the Camp David agreement. "It didn't work," he said. "The Arabs pocketed the concessions but refused to talk."

Outline Of Mondale's Policy If Elected

Outlining what would be his own policy if elected, Mondale declared "I will once again make America's relationship to Israel the cornerstone of Middle East policy. We will stand strongly and publicly with Israel. We are not embarrassed by our support for Israel, we proclaim it."

He stressed that "I will make it clear that the path to peace starts with direct negotiations with Israel. I won't impose solutions on our friends. I will support and defend Camp David and make it clear that peace cannot come without full recognition of Israel's right to exist. I will scrap the failed Reagan plan and give the new Israel government time to develop its own policy with the Arabs. I will strengthen strategic cooperation with Israel."

"I will end the fiction that Jerusalem is not the capital of that good country. For more than 10 years I have supported moving our Embassy there and as President I will do it."

Mondale also said that he will provide the new Israel government with the support it needs to get its economy back on its feet. He stressed that "all my life I have fought for Israel and against anti-Semitism." He noted that he has done this together with the Jewish community.

'All Bigotry Is Obscene'

"We believe in America free of racism, anti-Semitism and moral McCarthyism," Mondale declared. "All bigotry is obscene, whether it comes from the extremist preachers who captured the Republican convention, Rabbi Kahane or the pulpit of Louis Farrakhan."

Mondale received a standing ovation when at the conclusion he declared: "I would rather lose with your help than win without it." But he added, "I will win with your help."

In introducing Mondale, Koch said in 1980 he believed that "Ronald Reagan's position on Israel was better than Jimmy Carter's" but "in 1984 Fritz Mondale's position on Israel is better than Ronald Reagan's."

PERES TO MEET WITH REAGAN IN WASHINGTON ON OCTOBER 8

By David Landau

JERUSALEM, Sept. 17 (JTA) — Premier Shimon Peres will meet with President Reagan in Washington on October 8, it was announced here today. The arrangements were concluded this morning at a meeting of Peres with U.S. Ambassador Samuel Lewis. Peres will also confer in Washington with Secretary of State George Shultz and their talks are expected to focus on economic matters.

Peres' two-day working visit to Washington, less than a month from now, establishes the time frame in which the new Labor-Likud unity government must set in motion its economic austerity program.

Peres is expected to seek additional large economic aid from the U.S., beyond the \$2.5 billion the Reagan Administration has allocated in outright grants for fiscal 1985. The unity government's economic program therefore must be seen as viable in the U.S. by the time Peres meets with the President and Secretary of State.

Lewis told reporters today that while Presidents campaigning for reelection have little time to see visiting foreign dignitaries, Israel's "special relationship" with the U.S. made a difference in this case. He said there was "great receptivity" in Washington to the new Premier and the unity government.

Peres will be preceded to Washington by Finance Minister Yitzhak Modai who will hold talks with top Administration officials later this month. Modai and his Treasury team met this evening with a delegation of the Manufacturers Association to enlist the support of Israeli industrialists for a government-labor-management "package deal" to freeze wages and prices.

SHEKEL DEVALUED BY NINE PERCENT TO OFFICIAL RATE OF ABOUT 400 TO \$1

By David Landau

JERUSALEM, Sept. 17 (JTA) — The Shekel was devalued by nine percent last night in an effort to stem the panic buying of Dollars by the public. Finance Minister Yitzhak Modai called it a moderate devaluation. He said bringing the Shekel down to an official rate of about 400 to \$1 would not be followed by any more "big devaluations" and should calm public fears.

Economics Minister Gad Yaacobi reported today that the government's coffers were emptied of more than \$60 million last Friday alone as the public rushed to buy Dollars in anticipation of a further devaluation of the Shekel. The lower the Shekel the more expensive the Dollar on both the official and the black markets.

Bank of Israel sources who had been opposed to a new devaluation said today that they could live with the nine percent reduction if it is followed quickly by a broad economic austerity program. The government is in fact preparing sweeping economic measures. The nine percent devaluation and a corresponding nine percent increase in fuel prices announced last night were preliminary moves.

Mapping An Austerity Plan

Senior Cabinet ministers met with Histadrut leaders for three hours last night and both sides reported progress toward a "package deal" of wage and price freezes. Histadrut Secretary General Yisrael Kessar said he would cooperate if the "load falls equally" on all sectors of the economy.

The government is mapping its own economic austerity plan in addition to seeking wage and price restraint from labor and employers. The new unity government resolved at its first Cabinet meeting yesterday to slash \$1 billion from its fiscal budget. Premier Shimon Peres, Modai, Yaacobi and Deputy Premier Yitzhak Shamir were empowered to discuss spending cuts with each minister individually and to reach agreement on precisely how much is to be trimmed from each ministry's budget.

Half of the \$1 billion cut is expected to come from reduced operating costs and half by sharp reductions in government subsidies for basic commodities. An even steeper rise in fuel prices is expected in the next few weeks and the prices of other basics will go up by two dozen or more percentage points.

Press reports today predicted slashed in health, education and welfare expenditures in the amount of about \$250 million. That would mean major reductions in government aid programs for all citizens. Modai reportedly will raise the value-added tax (VAT), the sales tax and property tax.

UN CHIEF HOPES ISRAEL'S NEW PREMIER WILL TAKE HIS APPROACH TOWARD THE WITHDRAWAL OF IDF FROM SOUTH LEBANON

By Yitzhak Rabi

UNITED NATIONS, Sept. 17 (JTA) — Secretary General Javier Perez de Cuellar said here today he hopes that Israel's new Premier, Shimon Peres, will consider the withdrawal of Israeli troops from south Lebanon in line with the proposals given by the Secretary General when he visited Jerusalem last March.

Addressing a press conference on the eve of the opening of the 39th session of the General Assembly tomorrow, de Cuellar said that when he met with then Premier Yitzhak Shamir and Peres, who was at the time leader of the opposition Labor Party, he proposed that Israel withdraw its troops from Lebanon gradually with the assistance of the U.N. peacekeeping forces in the area.

De Cuellar said today that he proposed the idea to Peres and that the newly-elected Premier "listened with great attention and interest." He added that after the Israeli troops complete their withdrawal, his proposals call for the UN forces to hand over the area to the Lebanese government.

(In Jerusalem, last night, Peres told the opening of the annual United Jewish Appeal fund-raising campaign, that he hoped the withdrawal of Israeli troops from Lebanon could be accomplished "in a matter of several months." Defense Minister Yitzhak Rabin also told the UJA gathering that he thought an Israeli withdrawal could be accomplished "not in terms of years, but in a much shorter period of time," but he did not commit himself to any timetable.)

Still Seeks Conference On Mideast Conflict

De Cuellar said, in response to a question, that during the current session of the Assembly he will be meeting with various Foreign Ministers from the Middle East and other countries. He said that one of the issues he will discuss with the Mideast ministers will be the convening of an international peace conference on the Mideast conflict.

The Secretary General was requested by the General Assembly last year to organize such a conference. But he said today that so far he has not received a positive answer from all parties to attend such a conference. Israel rejected the idea a few months ago in a letter to de Cuellar.

MONDALE SAYS HE WILL WORK FOR MIDEAST PEACE IF ELECTED PRESIDENT Says He Will Not Impose Negotiating Initiatives By David Friedman

(Editor's note: This story is being released today with the understanding that it is embargoed for use by subscriber papers until Thursday morning.)

WASHINGTON, Sept. 17 (JTA) — Former Vice President Walter Mondale stressed here today that while he will work for a Middle East peace if elected President, he will never pressure Israel or seek to buy Arab participation through arms sales. "I will not impose negotiating initiatives that undermine Israel's right to negotiate her own security," Mondale said at a press conference with representatives of the Jewish press.

He said that was the problem with President Reagan's September 1, 1982 Middle East peace initiative which, he noted, while "vague, it carries with it the unmistakable signs of the old Rogers plan," a reference to the proposals of Secretary of State William Rogers in the Nixon Administration which Israel opposed.

Would 'Scrap' The Reagan Plan

The Democratic Presidential candidate, who told Jewish supporters earlier in the day that he would "scrap" the Reagan plan, said that his Presidential efforts would be based on the Camp David accords, the Israeli-Egyptian peace treaty and strategic cooperation with Israel.

"These things have to be worked at just as the Egyptian-Israeli peace treaty was, with all the partners equally resolving their differences," he stressed, "I think that only in that context will it make any sense."

Mondale said the Reagan Administration has failed in its efforts to get the moderate Arab states to enter negotiations by selling them arms. He noted that when the U.S. sold Saudi Arabia AWACS planes in 1981, that was supposed to bring about Saudi participation in the peace process. "That didn't last four days," Mondale added.

Scenario With Hussein

The Reagan plan was designed to encourage King Hussein of Jordan to enter negotiations with Israel, Mondale said. He said that as President, he would tell Hussein: "I hope you sit down and negotiate. I can't make you and I'm not going to pressure Israel. But if you sit down, I will sit at the table with you and the Premier of Israel, just as we sat down with Begin and Sadat and we'll try to work out, within the context of Camp David, an agreement that permits peace with Israel and Jordan. I will make clear that I am opposed to a Palestinian state and I will resist it."

Mondale added that "we need an Arab leader with the courage of Sadat. If we don't have one, that's just one of the situations. I think we have to learn to live with it."

As he did in his speech to Jewish supporters from across the country, Mondale stressed he will take a personal hand in helping the Middle East peace effort.

"I know how the bureaucracy works," he said, "I know how to assemble a government that will implement my Presidential policy."

He rejected a suggestion that people like the Rev. Jesse Jackson or Atlanta Mayor Andrew Young, who was U.S. Ambassador to the United Nations under

President Carter, would influence his Middle East policy. Mondale noted that throughout the Democratic primary campaign he made it clear that he did not agree with Jackson's views on the Middle East and stressed that his views are reflected in the strong stand on support of Israel in the Democratic Party platform. "I intend to run American foreign policy when I get elected President and what I do about the Middle East is going to be my policy," Mondale declared.

Mondale also rejected the suggestion that he will be another Joe Clark, the Canadian Prime Minister who called for moving Canada's Embassy to Jerusalem but once elected, backed down under pressure.

"The difference between me and Joe Clark is that he's Joe Clark and I am Walter Mondale," the Democratic candidate said, stressing that the U.S. Embassy in Israel will be moved to Jerusalem when he becomes President.

"I'll bet you that when we open our embassies in Arab capitals we don't clear it with Jerusalem," Mondale said. "I don't see why we have to clear our location of our Embassy in Israel with other countries. I think to do so in fact diminish our sovereign rights of diplomacy."

On other issues, Mondale said he hopes to talk with Israeli Premier Shimon Peres when he comes to the U.S. to meet with Reagan on October 8. He said that when he meets with Soviet Foreign Minister Andrei Gromyko shortly he will raise the plight of Soviet Jews and other human rights issues.

Explains Foul-Up On Anti-Semitism Resolution

Mondale said that the Democratic convention in San Francisco last July failed to adopt a resolution condemning anti-Semitism because of a "screw-up" which was compounded by it being "b. l. i. x. e. d." by the Democratic National Committee. He said that he demanded that the Committee's Executive Committee adopt such a resolution, which it did.

Noting his lifetime of opposing anti-Semitism, Mondale said he publicly condemned, during the campaign, anti-Semitic remarks such as Jackson calling New York City "Hymietown" and statements by Black Muslim leader Louis Farrakhan. He took umbrage at Vice President George Bush's continued claims that he had not spoken out.

Mondale added that the Republicans have failed to mention that during the debate over the AWACS sale to Saudi Arabia, there was a charge that the choice was between "Reagan and Begin," making it appear that those who were opposed to the sale were disloyal.

Mondale said that he has always been and continues to be against quotas.

TEL AVIV (JTA) — A fence on the Israel-Lebanon border which army sources said had been erected to halt cattle from infected herds in Lebanon straying into Israel and to obstruct illegal crossings over the border has been pulled down, Israeli journalists report. South Lebanon Army commander Antoine Lahad reportedly complained that construction of the fence could be construed as a political act. Lebanese sources had complained that the fence had been put up as part of Israeli plans to divert the Wazzani stream into Israel. But Israelis say the Wazzani flows naturally into Israel and there is no need to divert its waters. A United Nations investigating team recently found that Lebanese complaints about water diversion in this area were unfounded.

KENNEDY CRITICIZES VIEW THAT SYRIA HAS BEEN 'HELPFUL' IN THE MIDEAST

BOSTON, Sept. 17 (JTA) -- Sen. Edward Kennedy (D. Mass.) strongly criticized those who say that Syria has been "helpful" in the Middle East, especially when it comes to bringing about peaceful relations between Israel and the Arab states.

"The world knows the truth," he told more than 500 Jewish leaders from the United States and Canada attending the 1984 Israel Bond national leadership conference at the Park Plaza Hotel. "Syria has been most helpful to tension and terrorism, to Soviet adventurism and to the war in Lebanon. And anyone in our government who thinks Syria has been helpful in any other way deserves to be swiftly helped from office."

Kennedy was apparently referring to a statement by Assistant Secretary of State Richard Murphy who told a House Foreign Affairs subcommittee last July that Syria was playing a "helpful role" in Lebanon. He was immediately criticized by some of the subcommittee members. The Conference of Presidents of Major American Jewish Organizations sent a telegram to Secretary of State George Shultz also critical of Murphy's statement.

Shultz, in his reply, affirmed that Murphy "did not indicate any change in U.S. policy regarding either Lebanon or Syria" and recalled "only too well that Syria obstructed implementation of the May 17 (1983) agreement between Lebanon and Israel, and that Syria's interest and ours were in fundamental conflict during that period." Shultz added that "at the moment" Syrian interests have led them to support the "same goals" as the U.S., "albeit for different reasons than our own."

The Key To Peace

Kennedy, in his address to the Israel Bond conference, declared that "The key to peace between Israel and the Arabs has been within reach for many years, and the Arabs could grasp that key at any time. Israel is ready now. Let its enemies now take the critical step back from the brink of recurring conflict."

Kennedy, referring to the new government in Israel, said: "Today we all share the high hope for the national unity government that has just been approved -- that together Shimon Peres and Yitzhak Shamir will achieve a new spirit of cooperation which can make Israel truly invincible in the defense of freedom -- and the pursuit of peace."

Condemns The Soviet Union

Condemning the Soviets for their actions against Jewish dissidents, the Senator declared: "Soviets may shut down classes in Hebrew, or confiscate books of Jewish learning. They may imprison Zionists, and persecute innocent men and women whose only crime is that they believe in the God of their fathers. But they can never kill the idea of freedom."

He concluded: "We renew our own resolve to advance the cause of Israel -- for it is part of the cause of America itself -- of a world safe not only for our own country, but for the noblest and most decent aspirations of human existence."

The Senator accepted the Bond Organization's first Harry S. Truman Centennial Award posthumously for his brother, President John F. Kennedy. The presentation was made by Billy Goldberg of Houston,

National Chairman of the Truman Centennial Awards program. At an earlier session of the four-day Israel Bond conference, which ended yesterday, Meir Rosenne, Israel's Ambassador to the United States, stated that "the establishment of a national unity government, enjoying a very large majority in the Knesset, will enable Israel to solve its economic problems, to ensure the security of its northern border and to proceed with the peace process."

Rosenne declared that those political prophets who predicted that a divided Israel could not be unified were wrong. "There is no such thing as good Israelis or bad Israelis," he said. "There are just people who want to live in a free land."

"The unprecedented creation of a rotation system and the full parity in the structure of the government is the best evidence of the large national consensus in Israel and the ability of the political leaders of our country to place the interest of the people above any party considerations," the Ambassador said.

SENATE APPROVES RESOLUTION CALLING ON ASSAD TO LET SYRIAN JEWS EMIGRATE

WASHINGTON, Sept. 17 (JTA) -- The Senate has approved a resolution calling on President Hafez Assad of Syria immediately to "permit all members of the Syrian Jewish community to emigrate from Syria to the United States."

The concurrent resolution, approved unanimously last week, introduced by Sen. Daniel Moynihan (D. N.Y.), noted that Assad stated in an interview in 1976 that he would allow the members of the Syrian Jewish community to emigrate to the U.S.

The resolution also noted Syrian restrictions on travel abroad by Syrian Jews, as well as laws requiring that all Jews bear special identification cards, and restrictions on Jewish rights of inheritance. The Syrian government forbids all members of the Syrian Jewish community the right to emigrate.

International attention focused on the estimated 4,000-member Syrian Jewish community when last December, Lillian Antabi Abadi, a 25-year-old Syrian Jewish woman, was found brutally murdered in Aleppo along with her 6-year-old son, Joseph, and her 3-year-old daughter, Sandy.

"If the authorities in Syria desire to improve the currently poor relationship with this country," Moynihan said, "then one way to do it would be to permit those members of the Syrian Jewish community who desire to do so to emigrate to the United States."

Meanwhile, the Senate Foreign Relations Committee last week also approved a resolution sponsored by Committee chairman Charles Percy (R. Ill.) and Clairborne Pell (D. RI) condemning the infringement of religious freedom by Warsaw Pact countries. The resolution charges the Soviet Union with having "severely curtailed the right of Jews to study and practice their religion and to adhere to their religious traditions" and urges their right to emigrate.

TEL AVIV (JTA) -- Aaron Krickstein, the 17-year-old tennis sensation from Grosse Pointe, Michigan, defended his title here by defeating Shahar Perkis, 6-1, 6-4, Saturday to win the \$90,000 Israel Grand Prix Tennis Tournament. The victory Saturday was on the same court where Krickstein last year captured the title of the Tel Aviv tournament, his first international tennis victory.