

**Peres Reports To Cabinet:
U.S. OFFERS ISRAEL MORATORIUM
ON \$500 MILLION DEBT DUE IN
NEXT THREE MONTHS**

By David Landau

JERUSALEM, Oct. 15 (JTA) — Premier Shimon Peres confirmed to the Cabinet today that the U.S. government has suggested a moratorium on the payment by Israel of \$500 million in debts which fall due over the next three months.

Peres explained that the idea — advanced to him, he stressed, by Administration and Congressional leaders — is that before the three months elapse Congress will vote additional aid for Israel of at least the \$500 million, and possibly more, thereby effectively cancelling the debts.

Initial reports of this hitherto secret, but crucially important, concession were broadcast by Israel Radio's Washington correspondent this morning.

Assurances Given By U.S. Leaders

Peres told the ministers at a special Cabinet session convened to discuss his trip last week to the U.S., that he and Deputy Premier Yitzhak Shamir had initially balked at the idea of debt-deferment, given the distasteful aura surrounding the idea.

But top American leaders had assured him that in all that touched upon Israel's credit worthiness on the money markets America's own public expressions of confidence, such as that by President Reagan at the White House last week, would secure required loans for Israel. There was no pretending to the outside world, the American leaders stressed, that Israel did not face an immediate economic crisis.

The \$500 million, coupled with Washington's agreement to pay the entire \$1.2 billion in economic aid for fiscal 1985 immediately means that Israel's dwindling coffers are to be replenished forthwith to the substantial tune of \$1.7 billion.

Peres stressed, however, that this transient relief does not in any way relieve Israel of the need to attend to its crushing economic crisis — especially the raging inflation.

Since his return from the U.S. yesterday, Peres has laid primary emphasis on the urgent need to reach a wage-price "package deal" involving all sectors of the economy.

Americans Understand Israel's Dilemma

In his report to the Cabinet, Peres emphasized the Administration's solid acceptance of his contention that Israel's fundamental problem was the dilemma between its defense needs and its economic challenges. Israeli aides quoted Peres as saying in Washington, to top U.S. leaders: "If you had an Israel in Southeast Asia, or in Central America, you would look different there." His inference — and it was entirely endorsed by Reagan and Secretary of State George Shultz, according to the aides — was that Israel's defensive capability was a strategic boon to the West, and at the same time was the root-cause of Israel's present economic predicament.

The aides said Peres did not conceal his reservations over economic policy during the Likud years. But he stressed that a modicum of consumer relaxation was understandable after the decades of strain and hardship. In the end, the bulk of Israel's effort still went to defense, not luxuries.

**PERES: CABINET TO CONSIDER
OPTIONS WITHIN 3-4 WEEKS REGARDING
AN IDF WITHDRAWAL FROM SOUTH LEBANON**
By Hugh Orgel

TEL AVIV, Oct. 15 (JTA) — Premier Shimon Peres said yesterday that there was a "visual error" — a misreading both in the U.S. and Israel — of his recent remarks with respect to a future withdrawal of the Israeli Defense Force from Lebanon. He also stressed that Israel's plans were not influenced by Syria.

Peres spoke to reporters on his return from a seven day visit to the U.S. which included two days of talks with President Reagan, Secretary of State George Shultz, Defense Secretary Caspar Weinberger and other top Administration officials in Washington. He was accompanied at those meetings by Deputy Premier and Foreign Minister Yitzhak Shamir.

Peres told reporters that what he said before and during his American trip and what he reiterates now is that within the next 3-4 weeks the Cabinet will consider various options prepared by the Defense Ministry for an IDF withdrawal from south Lebanon that will ensure the safety of Israel's northern border.

He emphasized that he did not say there would be a decision to withdraw within three weeks and a pull-back within 6-9 months. The Defense Ministry has prepared various options and these will be considered by the Cabinet within 3-4 weeks, Peres repeated.

He said there was a mistaken impression that Syria has become central to events in the region. Israel does not need Syrian assent to withdraw from Lebanon, Peres said, but Syria should take into consideration the various options open to Israel and know that withdrawal would be an Israeli decision. "Not everything depends on Damascus," the Premier said.

Peres was fulsome in his praise for the reception he and Shamir received in Washington. He said they found a "receptive ear" for Israel's economic and political problems.

**U.S. ADMINISTRATION AFFIRMS IT DOES
NOT WANT TO BE MEDIATOR IN EFFORT
FOR ISRAELI WITHDRAWAL FROM LEBANON**
By David Friedman

WASHINGTON, Oct. 15 (JTA) — The Reagan Administration made it clear again today that it does not want to be a mediator at this time in the effort for an Israeli withdrawal from south Lebanon. State Department spokesman John Hughes stressed that the United States continues to be in an "exploratory mode" and is "not negotiating" because all of the parties involved are "quite far apart."

Hughes said there needs to be "compromise" on the part of the various countries involved. While he did not go into details, he said one of the difficulties is the need to ensure the security of Israel's northern border.

Israeli Premier Shimon Peres, on returning to Israel from the U.S. yesterday, said he could submit a plan

for withdrawal to the Cabinet within a month. Hughes said any such timetable was an "Israeli affair, not ours."

But he stressed that the U.S. wanted to be helpful. He indicated that Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, would continue to visit Israel, Lebanon and Syria to discuss the positions of the three countries, but would not be negotiating or mediating.

In another matter, Hughes seemed to throw cold water on a report from Israel that the U.S. has agreed to delay Israeli payments on its debts for several months in order to help it with its economic difficulties. Hughes stressed that during Peres' meetings in Washington many solutions were talked about on a "contingency" basis. But he said no decision was made on what the U.S. will do or whether it will have to do anything. (Separate story, P.1.)

WEINBERGER IN ISRAEL TO HOLD TALKS WITH PERES AND RABIN

By Hugh Orgel

TEL AVIV, Oct. 15 (JTA) -- United States Secretary of Defense Caspar Weinberger arrived in Israel today, at the start of a 36-hour visit.

He came to Israel from talks with government leaders in Egypt, and was greeted at the airport by Defense Minister Yitzhak Rabin and senior Defense Ministry and army officers.

Weinberger is to hold talks with Rabin at the Defense Ministry in Tel Aviv tomorrow and later to meet Premier Shimon Peres in Jerusalem. The U.S. official will also visit the American-built Ramon Air Force base in the northern Negev.

In welcoming Weinberger, Rabin said his visit illustrated the deepening of friendly relations between the two defense systems. Weinberger said his talks, especially those with Peres, would be a continuation of conversations started in Washington last week.

Israeli officials say the main thrust of the talks here would be an economic and technical cooperation between Israel and the U.S. in the defense fields. They said that the Israeli side does not plan to raise the matter of Lebanon and the IDF presence and withdrawal there, though they would answer any points raised by Weinberger.

MUBARAK-MITTERRAND TALKS SLATED FOR LATER THIS MONTH IN PARIS

PARIS, Oct. 15 (JTA) -- Egyptian President Hosni Mubarak will visit Paris later this month for talks with President Francois Mitterrand. The two will meet before Mitterrand's forthcoming trip to Damascus next month and before Israeli Premier Shimon Peres' expected visit to Paris. In spite of French official denials, there are continued unconfirmed reports of a possible French diplomatic initiative in the Middle East.

Mitterrand, these reports say, would like to improve his public image through a success in foreign affairs to compensate for internal economic difficulties. The French openly say that since the failure of America's policy in Lebanon, the field is open for other Western initiatives in the area.

C.O.L. INDEX IN RECORD RISE IN SEPT.; INFLATION RATE AT 900-1,000%

By Hugh Orgel

TEL AVIV, Oct. 15 (JTA) -- The cost-of-living index soared by 21.4 percent during September, the largest monthly increase yet recorded, the

Central Bureau of Statistics reported today. Over the past 12 months, the C.O.L. index has risen by 450 percent, but according to the Bureau the inflation rate for 1984 will be much higher. It is presently at an annual rate of between 900-1,000 percent and the rate in October, to be announced next month, is expected to exceed September's.

Wage earners will be paid a 17 percent C.O.L. increment at the end of this month. The increment amounts to 80 percent of last month's C.O.L. increase. Histadrut leaders were not available for comment on the latest bad news. But there are mounting demands for weekly payments of salaries.

Workers complain that by the time they receive their monthly pay checks, their value has declined by 20-25 percent because the C.O.L. increments are derived from a price index 2-4 weeks old.

3,000 PEOPLE RALLY FOR SOVIET JEWS

By Michael Solomon

MONTREAL, Oct. 15 (JTA) -- About 3,000 persons held a mass demonstration on behalf of Soviet Jews in downtown Montreal yesterday and then marched on the Soviet Consulate where, facing barred doors, they demanded human rights for Soviet Jewry and the right to emigrate.

The demonstrators massed first in Dominion Square, carrying flags, banners and slogans. A band played Jewish and Israeli folk songs. Pupils and teachers from every Jewish day school in the area participated as did the two Jewish members of Parliament from the Montreal area, Sheila Finestone and Gerry Wiener. Herbert Marx, a member of the Quebec National Assembly, and Mayor J. Lang of Cote St. Luke were also present along with leaders of suburban communities.

After Rabbi David Sabbad read the invocation in French, the 3,000 demonstrators marched the several blocks to the Soviet Consulate. There, Irving Cotler, a professor of law at McGill University, indicted the Soviet government for raising anti-Semitism "to the level of a State religion."

"I say to the representatives of the Soviet Union opposite me behind closed doors, J'Accuse for the crime of inhumanity and crimes against humanity," Cotler declared. He vowed, "We shall not take leave of this assembly without resolving to do something every day on behalf of Soviet Jews."

A large menorah was raised in front of the Consulate. Each of its seven candles was lighted by a child on behalf of Jewish prisoners in the USSR.

PROTEST AGAINST NEO-NAZI CONVENTION

BONN, Oct. 15 (JTA) -- About 600 trade unionists and others are protesting in Darmstadt against the convention there of the young guard of the neo-Nazi National Democratic Party (NPD). The demonstrations began over the weekend and continued today.

The protest was organized mainly by the local branch of the DGB trade union movement. Participants carried banners calling for a ban on all neo-Nazi organizations in West Germany. The NPD youth paraded through the nearby town of Bensheim Saturday with signs denouncing "the infiltration of Germany by foreign elements." There was a small counter-demonstration but no clashes were reported.

The convention in Darmstadt is protected by the police. Local authorities told reporters there was no legal way to prevent the gathering because it was declared a private meeting, closed to the public.

INCOMING SENATE EXPECTED TO BE BOUND TO RATIFY GENOCIDE CONVENTION

By David Friedman

WASHINGTON, Oct. 15 (JTA) -- The Senate is expected to be bound morally, if not legally, to ratify the United Nations Convention against genocide when the new Congress, the 99th, convenes in January.

Just before adjourning last week, the Senate accepted by an 87-2 vote a resolution expressing the Senate's support for the "principles" of the 35-year-old treaty and asserting that it "declares its intention to act expeditiously" to ratify the Convention next year. Sens. John East (R. NC) and Steven Symms (R. Idaho) voted against the resolution.

Sen. Charles Percy (R. Ill.), chairman of the Senate Foreign Relations Committee, said his committee would move expeditiously next year to get the resolution on the Senate floor again.

The resolution was suggested by Senate Majority Leader Howard Baker (R. Tenn.) when it became apparent during the debate last Wednesday that Sen. Jesse Helms (R. NC) and other opponents of ratification could prevent it by offering numerous amendments.

'A Significant Step Forward'

Sen. Christopher Dodd (D. Conn.), who agreed to the resolution in a conference with Baker and Helms, said that while he would have preferred immediate ratification, he realized it was not going to happen and saw the resolution as a "significant step forward."

The Convention on the Prevention and Punishment of the Crime of Genocide was signed by President Truman on December 11, 1948. Although supported by every President since Truman, except Eisenhower, it has failed ratification in the Senate because of conservative opposition.

New life was given to the treaty this year on September 5 when President Reagan, who had been silent on the issue, announced his support of it on the eve of a speech to B'nai B'rith International.

Helms and others opposed to ratification want amendments to prevent the treaty from superseding the U.S. Constitution. In the debate Wednesday, Helms called the treaty just a "noble gesture." But Dodd noted that symbols are useful in reflecting basic values and stressed that adoption of the Convention would "symbolize a commitment to the significance of human life, to a just world order and to the role of law."

Sen. Rudy Boschwitz (R. Minn.), who led the floor fight for ratification, noted that "most of my family ... were among the more than six million Jews who perished in the Nazi Holocaust against the Jewish people."

Several of the pro-ratification speakers paid tribute to the late Raphael Lemkin, a Polish-born Jew who emigrated to the U.S. in 1941 and who was an adviser to Supreme Court Justice Robert Jackson when he was a prosecutor at the Nuremberg war crimes trials. Lemkin is credited with introducing the term genocide.

B'nai B'rith Expresses Disappointment

B'nai B'rith International, meanwhile, has expressed disappointment over the Senate's failure to ratify the genocide Convention before adjournment. Gerald Kraft, president of B'nai B'rith, noted that ratification is "long overdue."

He charged that "the Senate was using procedures to consider the treaty without really attempting to pass it" and "some Senators were hoping to load it with amendments that in reality would nullify the treaty."

The B'nai B'rith leader observed that "baseless and emotional arguments" have blocked ratification for 36 years, playing "into the hands of America's enemies and all foes of human values."

BARBIE EXPECTED TO BE BROUGHT TO TRIAL EARLY NEXT YEAR

By Edwin Eytan

PARIS, Oct. 15 (JTA) -- The preliminary investigation into Klaus Barbie's war-time activities in France is nearly finished and he will be probably brought to trial early next year.

French judicial sources say investigating Magistrate Christian Riss and Lyon Public Prosecutor Louis Foulletier are putting the last touches to the file. Barbie will be indicted for crimes against humanity, which under French law are not covered by the statute of limitations.

Barbie, who served as deputy head of the Gestapo in the city of Lyons practically till the end of the war, was expelled by Bolivia to France last February. He has been held since then at the Saint Luc Prison, a former fort in which Barbie held most of his prisoners during the war.

Riss and Foulletier last week met West German officials familiar with the case and also consulted the available documentation at the Ludwigsburg Center on Nazi crimes.

According to the West German News magazine, Der Spiegel, they also conferred at length with the District Attorney of Cologne, Rudolph Holtfort, generally believed to be the main expert on anti-Jewish war crimes in West Germany. Der Spiegel says he as well as Munich Public Prosecutor Alfred Streim, who first opened a file on Barbie, might be called to testify at his trial.

TWO PROMINENT FRENCH JEWS RECEIVE NATION'S HIGHEST AWARD

By Edwin Eytan

PARIS, Oct. 15 (JTA) -- France's highest award, Grand Officer of the Legion of Honor, was bestowed on two prominent French Jews. President Francois Mitterrand personally presented the decoration to Leo Hamon, a former Minister and law professor, and Marcel Bleustein-Blanchet, dean of France's advertising and broadcasting industries at ceremonies at the Elysee Palace last week.

Hamon, 76, is a professor of law at the Paris Sorbonne. He served as Minister of Information in the Administration of the late President Georges Pompidou and was a personal aide of Gen. Charles de Gaulle during World War II. He heads a pro-Socialist Gaullist party which backed Mitterrand in the 1981 Presidential elections.

Bleustein-Blanchet, 78, heads "Publicis," the country's largest privately-owned advertising agency. In the early 1920's, he established radio broadcasting in France with the creation of the privately-owned Radio Paris. He is active in Jewish affairs and a generous contributor to local Jewish charities.

Among the several ranks of the Legion of Honor, Grand Officer is the highest and is only rarely awarded.

REMINDER: There will be no Daily News Bulletin dated October 19, Succoth holiday.

MAJOR PUBLIC ANTI-SMOKING CAMPAIGN LAUNCHED IN ISRAEL

By Gil Sedan

JERUSALEM, Oct. 15 (JTA) — Health conscious Israelis launched a major public campaign against smoking last week. It received a strong boost from the visit here by the U.S. Surgeon General, Dr. Everett Koop. He is identified with the "warning" that appears on every pack of American-made cigarettes: "The Surgeon General Has Determined That Cigarette Smoking is Dangerous To Your Health."

Koop, a long-time friend of Israel, came here at the initiative of a personal friend of his, Joseph Shane, a prominent Jewish activist from Beverly Hills, Calif. Shane, a strong advocate of the healthy life, was not involved in anti-smoking campaigns until he learned, on an earlier visit to Israel, that more Israelis died from the effects of smoking than were killed in wars or road accidents or left the country to take up permanent residence abroad.

Shane is now underwriting the anti-smoking campaign in the amount of \$1 million a year for the next five years. He hopes to find other donors in the American Jewish community. He brought Koop here to lend his medical knowledge, experience and personal prestige to the anti-smoking cause.

The warning on American cigarette packs appeared long before Koop was appointed Surgeon General by President Reagan. He strengthened the language. The anti-smoking campaign in America was a prolonged struggle with the tobacco companies and their allied interests. It succeeded. The rate of cigarette smoking in the U.S. has been reduced to 30 percent from 42 percent in the early 1970's, according to studies.

Heavy Smoking In Israel

In Israel, according to the latest statistics, about 37 percent of the adult population smokes (there is increasingly heavy smoking among juveniles as well). The statistics show that 50 percent of Israeli youths enlisting in the army smoke. Three of every four discharged soldiers smoke, indicating that the habit worsens during military service.

Some of the heaviest smokers are found among the nation's leaders. The late Golda Meir's chain-smoking became something of an international trademark of the former diplomat and Premier. It is a problem in the present government.

Health Minister Mordechai Gur, a military man and former Chief of Staff, complained to Koop that smoking in the Cabinet room was "killing him." Doctors have found that non-smokers can suffer the ill-effects of smoking simply by breathing the air fouled by cigarette smoke.

Former Premier Menachem Begin, a non-smoker, imposed a ban on smoking in the Cabinet room when he took office in 1977. But the new Premier, Shimon Peres, and his Defense Minister, Yitzhak Rabin, both heavy smokers, have lifted it.

Koop, addressing a meeting of 300 anti-smoking campaigners, most of them medical doctors, criticized Israel's ministers for smoking. "They cannot smoke at a time when they are considered to be role models to the nation. They must take a stand for the health of the country which they govern," the Surgeon General said.

According to Shane, "A man quits smoking when he puts down his cigarette. All he has to do is not pick it up again." There is the rub.

CJF ANNOUNCES WINNERS OF THE 1984 SMOLAR AWARDS

NEW YORK, Oct. 15 (JTA) — Barbara Wolf of the North Shore Jewish Journal, Gary Rosenblatt of the Baltimore Jewish Times and Marc Silver of the B'nai B'rith International Jewish Monthly have been named recipients of the 1984 Smolar Awards for Excellence in North American Jewish Journalism, conferred by the Council of Jewish Federations.

Alan Marcovitz of Milwaukee chairs the Smolar Awards Committee, which judged over 100 entries for the 1984 competition and selected 21 finalists, from whom the three winners were chosen.

Editor of the North Shore, Mass., Jewish Journal, Wolf won a Smolar Award in the Human Interest category for "Looking at History," a two-part account of the "unprecedented storm of controversy" created by the Israeli government's decision following World War II to accept German reparation payments.

"Desert Dialogue," a report on the recent "First World Assembly of Young Jewish Leadership," also known as the "Dead Sea Conference," earned Gary Rosenblatt his Smolar Award in the Public Affairs category. One of the 120 young American and Israeli leaders who took part in this Conference which "managed to break down the stereotypes — on both sides," Rosenblatt is the editor of the Baltimore Jewish Times.

Silver, editor of the Jewish Monthly, received the Smolar Award in the category of Magazine Writing for "Celebrating Survival at the American Gathering of Jewish Holocaust Survivors," which he described as a way of "showing the world that, to quote a Yiddish phrase often heard at the Gathering: 'Mir Zyen daw - we are here'."

Established by CJF in 1971 in honor of Boris Smolar, Editor-in-Chief Emeritus of The Jewish Telegraphic Agency, the Smolar Awards are designed to encourage the highest standards in North American Jewish Journalism. The 1984 Awards will be officially conferred at the CJF General Assembly, November 14-18, in Toronto.

JEWISH SOCIALIST NAMED CANADA'S NEXT AMBASSADOR TO UNITED NATIONS

By Ben Kayfetz

TORONTO, Oct. 15 (JTA) — Canada's new Conservative Prime Minister, Brian Mulroney, surprised supporters and opponents alike when he named 46-year-old Stephen Lewis, a life-long Socialist active in the Jewish Community to be Canada's next Ambassador to the United Nations.

Lewis is the former leader of the New Democratic Party in Ontario which his late father had also headed. His grandfather was a member of the Bundists, the Jewish Socialist movement in Czarist Russia. Lewis is also a former chairman of the Histadrut campaign in Ontario and has lectured on the Holocaust in literature.

Although on the opposite side of the political spectrum from Mulroney, Lewis said after accepting the appointment that there were "clearly areas where I could make a contribution without ideological hangups."

JERUSALEM (JTA) — A roadside explosion on the West Bank injured seven Israeli school children Monday, none of them seriously. The incident occurred near Nablus when a bomb detonated close to a bus carrying children on a tour of the area. A military spokesman said two of the youngsters sustained moderate injuries and two were slightly hurt. All were evacuated by helicopter to a hospital in Jerusalem.