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**ISRAELI-LEBANESE TALKS BEGIN**

By David Landau and Hugh Orgel

**JERUSALEM, Nov. 8 (JTA)** — Israeli and Lebanese military delegations met at the Lebanese border village of Nakura Thursday to begin negotiations aimed at the withdrawal of the Israel Defense Force from south Lebanon.

The talks are being held at the headquarters of the United Nations Interim Force in Lebanon (UNIFIL) and are officially under UN auspices. UNIFIL commander, Gen. William Callaghan of Ireland, is attending, but the Israelis and Lebanese disagree sharply on the nature of the UN role.

Brig. Gen. Amos Gilboah who heads the Israeli delegation, stated his government's position that the UN is simply the "host" and Callaghan an "observer." Israel insists the meetings are a bilateral matter between Israel and Lebanon.

The head of the Lebanese delegation, Brig. Gen. Mohammed El-Hajj, maintains Beirut's position that the talks are being held in the framework of the old Mixed Armistice Commission, a relic of Israel's war for independence in 1948-49 which Israel claims was abrogated by Lebanon in 1967, and views the UN as a mediator with Callaghan serving as chairman.

The six senior army officers each country sent to Nakura sit at a triangular table at the center of which is the blue UN flag. Thursday's session, closed to the press, was said to have been devoted to procedural matters. The only point of agreement was that future sessions will be held on Mondays, Wednesday and Fridays.

**Substantial Matters At Future Sessions**

The delegations will tackle substantive matters at the future sessions. As far as Israel is concerned, the substance and almost sole concern of these talks is the continued security of Israel's northern borders once the IDF pulls out of south Lebanon.

But the Israelis appear far from convinced that the Beirut government, with the best of intentions, can deliver on this. Sources in Jerusalem said on the eve of the talks that the "really major" decisions will not come out of the meetings at Nakura but from the parallel, indirect negotiations being conducted between Israel and Syria through the offices of the United States.

**Israel's Objective In The Talks**

Israelis want the security provisions enshrined in a formal document to emerge officially from the Nakura meetings. They stress, however, that this would be something of a rubber stamp endorsing agreements that will, hopefully, be reached in the covert bargaining between Israel and Syria via the U.S. The sources give both channels of negotiations — the formal talks at Nakura and "discreet" contacts elsewhere — only a 50-50 chance to succeed.

They cited Syria's traditional obduracy and Lebanon's apparently irreconcilable internal divisions as the two major obstacles. The Israelis hope, however, that when the talks reach a crucial stage, Washington will dispatch a high level political figure, possibly even Secretary of State George Shultz, to clinch the deal.

The sources insist that in expressing that wish they do not disparage the current diplomacy of Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs. Murphy is the Reagan Administration's top Middle East aide presently in the region.

The State Department has repeatedly defined his mission as "fact-finding" and "exploratory" and says the U.S. has no intention of assuming a mediator's role as long as the positions of the principal parties — Israel, Lebanon and Syria — remain far apart.

Nevertheless, Israelis consider Murphy an important channel of communications. They note that Syria, for all of its recalcitrance, has displayed a readiness in principle to talk. Its positions on Israel's specific demands for security arrangements however are uniformly negative.

**Israel Has Four Demands**

Israel has four demands: A Syrian pledge, given directly, or indirectly through the U.S., not to deploy its forces in Lebanon further south once the IDF evacuates; another Syrian pledge not to permit the Palestine Liberation Organization to infiltrate through Syrian lines into south Lebanon after the IDF leaves; the continuation of the Israel-supported South Lebanese Army (SLA), commanded by Gen. Antoine Lahad, in its role of maintaining security in the strip of territory just north of the Israeli border; and expansion of UNIFIL to maintain security north and east of the region the IDF will evacuate.

The inducement for Syria is the removal of the Israeli forces now facing its army in Lebanon's Bekaa Valley and their potential threat to Damascus.

**Issue Of UNIFIL**

Defense Minister Yitzhak Rabin, who is the unity government's key policymaker with respect to Lebanon, has said publicly that he would agree to a "symbolic" presence of UNIFIL right up to the Israeli border, something Israel has rejected in the past. But Rabin insists that Lahad's force must have effective control of the border area because the Lebanese regular army is not capable of such a role.

Israel would like to see UNIFIL expanded from its present 5,800 soldiers to 10,000. Rabin has called UNIFIL's role "vital", a sharp departure from the rhetoric and attitudes of the previous Likud-led government which had been openly hostile to the UN force.

Meanwhile, Murphy is expected to remain in the area while the Nakura talks proceed. State Department denials notwithstanding, the Israelis consider his shuttling between capitals to be part of a behind-the-scenes mediating effort by the U.S.

**ISRAELI SOLDIER KILLED, FOUR WOUNDED IN TERRORIST ATTACK IN CENTRAL SIDON**  
 By Hugh Orgel

**TEL AVIV, Nov. 8 (JTA)** — An Israeli soldier was killed yesterday and four others were wounded when an unarmed personnel carrier truck was attacked by three terrorists in the central square of Sidon in south Lebanon. The death of the soldier brought to 601 the number of fatalities sustained by the Israel Defense Force in Lebanon since the IDF invaded that country in June, 1982. The three terrorists were apprehended.

According to military sources, the truck was part of an IDF convoy which included a jeep. It was described as a "safari" vehicle, with a roof and open sides. Sold-

ters sit back-to-back on two parallel benches on the truck and face outwards with their weapons primed to fire on attackers from either side.

The truck was passing through "Sand Square" in central Sidon, a junction where the main north-south and east-west highways meet. It is heavily travelled by IDF units and has been frequently the scene of attacks.

As the vehicle passed a parked car in the square, three terrorists emerged, opened fire on the convoy at close range and tried to escape in their car, military sources said.

#### PROPOSALS PENDING FOR SWEEPING CUTS IN GOVERNMENT EXPENDITURES

By David Landau

JERUSALEM, Nov. 8 (JTA)--Finance Minister Yitzhak Modai promised yesterday to present the Cabinet, within two weeks, with proposals for sweeping cuts in government expenditures that will eliminate entire areas of government activities.

His pledge, to the Knesset Finance Committee, was welcomed by economic experts who have insisted all along that Israelis will have to face further deep and painful retrenchment if the country's grave economic crisis is to be solved. They have warned that without drastic fiscal measures during the "breathing space" allowed by the three-month wage-price-tax freeze package that took effect this week, the economic recovery program cannot succeed.

Modai's promise was greeted with skepticism by at least one member of the Finance Committee, former Finance Minister Yoram Aridor who charged that earlier Cabinet decisions to slash the budget have never been implemented.

#### Price Freeze Bedeviled By Uncertainty

The price freeze, meanwhile, was bedeviled by uncertainty and confusion. It had hardly taken effect when the Ministry of Commerce and Industry was forced to publish a revised list of the maximum prices allowable on some 400 household staples which are said to account for about 80 percent of the average family's monthly budget.

The original price list, published Tuesday, was assailed by retailers and consumers alike for alleged errors. In some cases, retailers claimed they were already selling many items at lower prices than those on the government's list.

Consumers protested that the frozen price of many goods was much too high while merchants complained that others were too low and would cause them undue hardship. The discrepancies apparently were corrected in the revised price list published yesterday.

Justice Minister Moshe Nissim, acting Minister of Commerce and Industry in the absence of Ariel Sharon who is in the U.S., is furious with the television media for having reported Tuesday night that an early price list prepared by the government was "destroyed" at the demand of manufacturers who threatened to walk out of the price freeze agreement. Nissim called the report blatantly false, demanded a retraction from the media and threatened legal action if it was not forthcoming.

#### Criticism Of Government's Retreat

There has been much criticism as well of the government's apparent retreat under pressure from Histadrut last Sunday over the price of fuel and other subsidized items. Modai had hoped to exclude those items from the price freeze and allow them to rise, albeit

slowly and under strict supervision by the Treasury. But Histadrut Secretary General Yisrael Kesar accused the government of reneging on the original freeze package agreement which he said applied to "all" items.

The situation is still not clear. Energy Minister Moshe Shahal, a Laborite, said yesterday that there would be no rise in the price of fuel this month but refused to commit himself for December. He maintained that the government had the right to raise the price of items it subsidizes, contending that strictly speaking this was not an increase but an "adjustment" to keep such items in line with the falling value of the Shekel against foreign currencies.

#### Another 'Adjustment' Announced

The Treasury announced another "adjustment" yesterday. It will apply the freeze to the price of imported goods, originally excluded, although not directly. This means that import duties and taxes will be frozen at the rate of 527 Shekels to \$1. The Shekel was pegged at that rate for the duration of the freeze as it applies to local prices quoted in Dollars.

Importers will thus pay lower taxes on the goods they import during the freeze. But they will continue to pay "real" Dollars for their imports and this, it is said, will be the importers' contribution or "sacrifice" to the freeze package.

The Treasury acted to forestall a trend among importers to slow their business to a crawl on grounds that they cannot realize a profit when they must pay for their foreign goods at prevailing market prices but can sell them in Israel only at the frozen price.

#### FIRST TREMORS OF WHAT MIGHT BECOME A SEVERE ECONOMIC RECESSION

By Hugh Orgel and Gil Sedan

TEL AVIV, Nov. 8 (JTA) -- Israel is feeling the first tremors of what may become a severe economic recession as the government, struggling to cope with inflation and growing deficits, has delayed providing funds to local municipalities.

Employees of the Haifa municipality, who went on strike two days ago to protest the non-payment of their October salaries, were joined today by Tel Aviv municipal employees. The League of Local Town Councils is threatening a nationwide one-day strike next week unless government funds are forthcoming to pay salaries.

High school teachers all over the country sent their pupils home at 10 o'clock this morning after learning from their banks that their October pay, due November 1, had not been credited to their accounts. Teachers are paid by the local municipalities.

In Tel Aviv, those employees whose checks are paid through the Bank Leumi returned to their jobs after the bank agreed to loan the city sufficient funds to cover its payroll. But the two other major banks, Bank Hapoalim and the Israel Discount Bank, refused to advance more cash, and workers paid through those institutions walked off the job. The employees include hospital administrators and sanitation workers.

The Tel Aviv and Haifa town councils and those of a number of Arab municipalities have already warned the Interior Ministry that they will not be able to function unless the monthly sums due them are paid.

#### Unemployment At Five-Year High

The bad economic news was compounded by reports that unemployment in Israel has reached a five-year high of 90,000, five percent of the work force. More bankruptcies are feared. Last week Maof, a charter airline, and the once giant Ata textile combine went into receivership.

Meanwhile, the Bank of Israel believes Israel's economy will get worse before it becomes better and that the country already is in an economic recession. A survey by the bank of 113 Israeli companies engaged in manufacturing, construction, commerce and transportation, detected a slowdown, particularly in the commerce and construction branches in the third quarter of the year. However, the bank predicts an increase of exports as a result of decreasing local demands.

#### COURT UPHOLDS RIGHT OF JEWISH DAY SCHOOL TO HOLD SUNDAY CLASSES

By Ben Gallob

NEW YORK, Nov. 8 (JTA) — A New York State appeals court has upheld the right of a Jewish day school to hold Sunday classes which a local zoning board had refused to allow, according to the National Jewish Commission on Law and Public Affairs (COLPA).

The right of the North Shore Hebrew Academy, in Kings Point, N.Y., to hold Sunday classes was sustained by the Appellate Division of the State Supreme Court, sitting in Brooklyn. Dennis Rapps, COLPA executive director, reporting that the appellate court issued its ruling on November 5, said COLPA member Irving Rotter represented the day school in the appeals court hearings.

Rotter said the day school had been operating since the fall of 1977 under a special use permit in a residentially-zoned area of Kings Points, Monday through Friday. In the fall of 1979, the day school began to conduct Sunday classes which exceeded the authority granted the school in the special permit and thus violated Kings Point zoning rules.

When Kings Point officials notified the day school it was violating its permit, the school applied to the Zoning Board for an amendment to the special permit so it could continue the Sunday school classes which it had been holding for about three months.

In February, 1980, the Zoning Board rejected the request for an amendment and issued a warning summons to the school which shortly thereafter suspended the Sunday class which had been in effect.

#### Zoning Board's Reasoning

The Zoning Board declared that it had denied the request for an amendment partly on grounds of insufficient parking facilities for the Sunday program. A Kings Point zoning rule requires one off-street parking place for every two persons accommodated in a facility needing such places. The day school has 30 parking places but nearly 150 students.

The Zoning Board distinguished Sunday from week days for school functioning on grounds more cars would be used to transport students on Sundays "which would be incompatible with the normal tranquility of the area at that time and on that day of the week."

The day school challenged the Zoning Board ruling in a suit before the State Supreme Court of Nassau county in July 1983. The board's rejection was upheld by Justice Thomas Pantano, supporting the board's arguments on the parking space problem.

The appellate court held that the offside parking requirement could not be constitutionally applied against the day school. The court held that

while the day school was not immune from reasonable regulation of its operations, the school "may not be prohibited from conducting a Sunday educational and religious program for the same reasons which would justify exclusion or restriction of commercial activities."

The appellate court listed these as "including the disruption of the tranquility customarily enjoyed by neighboring property owners on Sunday mornings by the noise and automobile traffic that might be generated by commercial activities."

Rotter said the ruling reaffirmed the principle of governmental accommodation of the needs of religious institutions. He said that while an appeal to the New York State Court of Appeals, the state's highest court, by Kings Point Village was a possibility, village officials had not indicated whether they planned to appeal the appellate court ruling.

#### FIRST JEWISH MEMBER OF THE BRAZILIAN ACADEMY OF LETTERS

RIO DE JANEIRO, Nov. 8 (JTA) — Arnaldo Niskier, a 48-year-old teacher and journalist, this week took his seat in the Brazilian Academy of Letters, the first Jew ever to achieve this prestigious cultural position, the World Jewish Congress reported today.

According to the Latin American branch of the WJC, the solemn investiture ceremony was presided over by Esther de Figueiredo Ferraz, the Minister of Education, Leonel Brizola, the Governor of the State of Rio de Janeiro, and the well-known Brazilian writer, Adonias Filho, who presented Niskier with his ceremonial collar.

Rachel Queroz, the Academy member who had sponsored Niskier's membership, described him in her address of welcome as "the Carioca (resident of Rio), the Brazilian, the Jew," and noted that he was "the first Jew to enter the Academy."

In his speech, Niskier remarked that he occupies seat No. 18 in the Academy — a number which in Hebrew stands for life — and declared that he hoped that this honor would allow him to contribute more widely to the fields of education, culture, and science.

#### LATE NEWS BULLETIN

#### TRIFA FACES EXPULSION FROM PORTUGAL

PARIS (JTA) — The Interior Ministry of Portugal announced Thursday that it will not grant a residence permit to Archbishop Valerian Trifa who was deported from the U.S. last August for his Nazi past. The 70-year-old Rumanian Orthodox prelate now faces expulsion from Portugal. It was not immediately clear which country would accept him. Trifa, a leader of the Rumanian fascist Iron Guard, which massacred Jews during World War II, was admitted to Portugal in August on a temporary visa.

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JERUSALEM (JTA) — About 1,039 children were sexually molested in Israel last year according to a report submitted to Social Affairs Minister Moshe Katzav this week by his ministry's Youth Probation Service. The victims included 865 girls under the age of 14. The largest number of sex molestation incidents involving both sexes — 172 — was reported in the Jerusalem area.

## FRENCH JEWISH LEADER SAYS JEWISH POLITICAL INFLUENCE IN FRANCE HAS GROWN 'TREMENDOUSLY' SINCE END OF WWII

NEW YORK, Nov. 8 (JTA) — Jewish political influence in France has grown "tremendously" since the end of World War II, but French Jews are increasingly concerned about the rising political strength of French rightwing leader Jean-Marie Le Pen, it was reported by Jean-Paul Elkann, president of the Consistoire Israelite de France.

In an address to the Conference of Presidents of Major American Jewish Organizations, Elkann noted that French Jewry now numbers approximately 750,000 persons — triple the pre-war population, the result in large part of an influx of Jews from Algeria, Morocco and Tunisia after those countries gained their independence.

With the growth in population has come "strong support for Israel from all of French Jewry, along with a stronger political profile," Elkann said. Current relations between the French Jewish community and President Francois Mitterrand were "extremely good," he said, noting that the Mitterrand government, like previous governments, provided generous support to Jewish cultural centers and other communal institutions.

In addition, he said, government cooperation on the right and supervision of kosher slaughter was "very gratifying."

Kenneth Bialkin, chairman of the Conference, who presided at the meeting, welcomed what he termed "the close and evolving relationship between the Conference and the French Jewish community." Last year Julius Berman, then Conference chairman, and Yehuda Hellman, executive vice chairman, visited Paris at the invitation of major French Jewish organizations. Elkann's appearance before the Conference was a "return visit," Bialkin said.

### Franco-Israeli Relations Assessed

The French Jewish leader, whose organization was called into being by Napoleon in 1808 to represent the Jewish religious communities of France, said that relations between France and Israel had improved considerably since the election of Mitterrand in 1981. However, he said, French policy toward the Jewish State was still influenced by three "negative factors":

The large Arab financial deposits in French banks, which are helping to prop up the weakening French franc; the heavy export trade of the French armaments industry, whose major customers include arms-hungry Arab states; and the continuing effort by France, a former colonial power, to improve relations with its former colonies in Asia and Africa, resulting in French advocacy of Third World positions.

Elkann noted that while PLO chief Yasir Arafat has not been received by Mitterrand or any of his predecessors — the result, he said, of strong representations by French Jewry — numerous ministers have met with the PLO and continue to do so.

At the same time, however, Elkann noted that Mitterrand was the first French President to visit Israel, a visit that created a "more cordial" atmosphere between the two countries.

On the rise of Le Pen, the leader of the National Front, Elkann said the phenomenon was due in part to a jobless rate of 10 percent and a resulting "anti-foreigner" feeling. In last summer's national elections for the Parliament of Europe, the National Front won 11 percent of the vote and as

much as 22 percent in some parts of France, Elkann noted. The Front won 10 seats in the Parliament. While Le Pen himself denies being an anti-Semite, he is "surrounded" by some of the most anti-Semitic figures in French political life, Elkann said.

How to deal with Le Pen confronts the French Jewish community — and anti-conservative forces in the country — with a "very serious" dilemma, Elkann said. From the Socialist Party's point of view, he said, Le Pen's strength splits the conservative forces and therefore can be lived with politically. There is also the view that "the more attention you pay to Le Pen, the more you build him up," Elkann observed.

### Shortage Of Rabbis

A more immediate problem to the French Jewish community, the Consistoire leader said, was a shortage of rabbis. "We lack rabbis in 21 Jewish communities in France," Elkann said, "and we have very few students in our Jewish seminary." He disclosed that efforts are now being made to "borrow" French-speaking rabbis from Israel.

Elkann paid tribute to former Grand Rabbi Jacob Kaplan, "who at the age of 90 still possesses his old vigor of mind and spirit," and his successor, Rene Sirat, the first Sephardic chief rabbi in the history of the French Jewish community. He said that the Ashkenazi and Sephardi Jewish communities have equal representation in the Consistoire, and that "there is no problem whatsoever between the two groups." Within the groups, however, Elkann added with a smile, "we do see problems from time to time."

### ISRAELI PRIVATELY-OWNED CHARTER AIRLINE DECLARES BANKRUPTCY

By Hugh Orgel

TEL AVIV, Nov. 8 (JTA) — Maof, Israel's privately-owned charter airline, declared bankruptcy this week, stranding hundreds of Israeli and foreign tourists here and abroad.

The Civil Aviation Authority has arranged to fly the stranded passengers out of Israeli and European airports. But it was uncertain whether holders of Maof tickets on future flights or would-be travellers who have been paying into the company's savings scheme for vacations next year, will be able to recover their money.

Maof, which owns four Boeing aircraft, applied for receivership last Friday. A Tel Aviv district court appointed Tel Aviv University law professor Yosef Gross temporary receiver. The company posted a \$500,000 bond to allow the receiver to charter aircraft from El Al and Arkia to ferry stranded tourists home.

The company, which began operations three years ago, was the second Israeli company to go into receivership last week, following the Ata textile combine. Maof reportedly is \$10 million in debt. It owes about \$4 million to the Israeli government and the balance to banks. Observers say Maof over-extended itself by offering more charter flights from Israel to Europe than it could handle with its limited experience and financial resources.

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There will be no Daily News Bulletin dated November 12, Veterans Day, a postal holiday.