

**U.S.-ISRAELI FREE TRADE PACT
EXPECTED TO WIN CONGRESSIONAL
APPROVAL DESPITE SOME OBJECTIONS**
By Judith Kohn

WASHINGTON, March 6 (JTA) -- United States and Israeli officials today defended the just concluded U.S.-Israel Free Trade Agreement (FTA) before members of Congress as the House Ways and Means Committee opened hearings on the pact.

The new agreement, which provides for the gradual elimination by both countries of tariffs on goods traded between them, is expected to win Congressional approval by early next month. But continued opposition from U.S. manufacturers and reservations about the precedent setting nature of the agreement indicate that some modification will be made before the text is completed and submitted to Congress.

In the hearings today, Assistant U.S. Trade Representative Doral Cooper and Philip Opher of the American-Israel Chamber of Commerce and Industry defended the agreement as an opportunity for both U.S. and Israeli exporters to expand their respective shares of the foreign market.

In particular Cooper noted that the the U.S. would most benefit from the phasing out of tariffs, since a far smaller percentage of U.S. export than Israeli goods exported to the U.S. currently benefit from duty free tariffs.

Pact To Help U.S. In Europe

According to the agreement, tariffs on some goods will be eliminated immediately while duties on goods considered "sensitive" to import competition will be phased out progressively over 10 years. The agreement also provides for the gradual elimination of non-tariff areas, including Israeli export subsidies and its extension of certain credits for export goods.

The agreement, Cooper said, would also permit the U.S. to compete on an equal footing with Israeli producers in Europe. The European Economic Community has already concluded a similar free trade agreement with Israel according to which duties on most manufactured goods will be completely phased out by 1989.

But representatives of the textile and leather industries as well as spokesmen for avocado and rose exporters testified today that the agreement's provision to phase out Israeli export subsidies over a six-year-period was insufficient to protect their industries. They also objected to provisions for Presidential waiver of any law restricting U.S. government procurement of certain goods to domestic producers. Such restrictions are included in the General Agreement on Tariffs and Trade (GATT) which Israel is expected to sign as a provision of the new agreement.

May Set Precedure

While House representatives spoke favorably of the agreement at the hearing today, questions were also raised about the precedent it might set for the conclusion of similar agreements with other countries. Rep. Sam Gibbons (D. Fla.), suggesting that Arab nations might also indicate an interest in such

a pact, said he had spoken with Israeli officials here and was told that "Israelis would welcome" such an arrangement.

Cooper responded that the Administration viewed the new agreement as "a fine framework for future negotiations" on free trade arrangements with other countries.

The Trade and Tariff act of 1984 permitted the President to negotiate an agreement with Israel without the approval of Congress. Unlike a treaty, the agreement requires the approval of the House as well as the Senate.

After hearing today's testimony, which also included statements by Thomas Dine, executive director of the American Israel Public Affairs Committee, and Jay Finkel of the Zionist Organization of America, some Committee members spoke glowingly of the new agreement.

Rep. W. Henson Moore (R. La.), calling the deal "a landmark decision that would help an important ally" said, "This is a fine day indeed."

Coincides With Modai Visit

The agreement has not been officially submitted to Congress as the House prepares to consider modifications for inclusion in a final bill. As it stands now the agreement will be initialed tomorrow at the Executive office.

Today's hearing coincided with Israeli Finance Minister Yitzhak Modai's visit to Washington where he will be pushing for Congressional passage not only of the Free Trade Agreement but of a U.S. aid package for fiscal years 1986 and additional emergency financing. He met today with Secretary of State George Shultz.

The House Committee on Foreign Affairs' subcommittee on Europe and the Middle East began hearings today on the package. In addition to the initialing the new agreement Modai will meet Congressional leaders on both issues tomorrow.

**JEWS WITH UN IN LEBANON
EVACUATED AFTER THREATS**

By Hugh Orgel

TEL AVIV, March 6 (JTA) -- Jews serving with United Nations units in Lebanon have been evacuated to Israel for protection following Shiite Moslem threats on their lives, Israel Radio reported today. The evacuees were said to include 12 observers with the United Nations Interim Force in Lebanon (UNIFIL) and 18 members of administrative staffs.

Two guerrillas were killed today and another was wounded in a clash with an Israeli patrol near Sirje village, north of the Litani River today. There were no Israeli casualties.

Meanwhile, two former enemies, the Christian Phalangists and the Druze villagers in the Shouf mountains area of Lebanon, were reported today to be discussing mutual protection against Shiite Moslem attacks after the Israel Defense Force leaves the region. The IDF is engaged in the second stage of its three-stage withdrawal from south Lebanon. It will leave exposed the Christian town of Jezzine and the surrounding area.

A pact between the Phalangists and Druze who have been fighting each other until recently, would

make available to Christian villages a road link to the Phalangist-held port of Joya via Druze-held regions. Access to the port would provide a sea route to Beirut in the event that the coastal road falls into hostile hands.

MUBARAK, EGYPTIAN OFFICIALS, STRESS EGYPTIAN COMMITMENT TO PEACE PROCESS

By Gil Sedan

JERUSALEM, March 6 (JTA) — Israeli journalists attending the 34th Assembly of the International Press Institute in Cairo — the first in an Arab country — received assurances from President Hosni Mubarak and other top Egyptian officials that Egypt is dedicated to its peace with Israel and to helping the overall peace process in the Middle East.

Mubarak, who granted a special interview to Davar editor Hanna Zemer yesterday, pledged that Egypt will honor all of her commitments to Israel, under any circumstances, according to Zemer's dispatch from Cairo. He said Egypt's current political involvement was intended to expand the peace process, not to kill it. He added that improved relations between Egypt and the rest of the Arab world will not harm its relations with Israel.

In another interview, Premier Kamel Hassan Ali told the Davar editor that Egypt would not act hastily to advance the peace process because this will be an extended effort. He said it was not accurate to speak of an Egyptian initiative but rather of Egyptian ideas. Egypt will not mislead Israel and is not seeking to circumvent its peace treaty with Israel, he said.

Hassan Ali predicted improved relations with Israel. He said the Israelis have created the conditions for such improvement by their decisions to withdraw from Lebanon, to improve the quality of life for Arabs in the occupied territories and to resume the negotiations with Egypt over the disputed Taba region.

Egypt's Foreign Minister, Esmat Abdel-Meguid met with the editors of Davar and the Jerusalem Post and a correspondent from Yedioth Achronot. He too maintained that the peace process was an extended one and said Egypt would have chosen the course of peace even if all other parties concerned had rejected it.

Hussein-Arafat Pact Called Historic

Meguid said he thought the agreement between King Hussein of Jordan and Palestine Liberation Organization chief Yasir Arafat on a framework for peace negotiations was an historic turning point in the Middle East and should not be underestimated. What is important about the agreement, announced in Amman February 11, is its contents, not interpretations of them, Meguid said. He added that no chance for peace should be missed.

The Foreign Minister cited the dispute over Taba as the number one problem of bilateral relations between Egypt and Israel. He suggested that Israelis were not aware of how important it is to the Egyptians because the disputed area is tiny.

Meguid praised Israeli Premier Shimon Peres for his role in improving relations with Cairo. The Prime Minister is doing his best. He has shown understanding and flexibility. His decision to withdraw from Lebanon is certainly another point in his favor, Meguid said.

ISRAELIS BOUYED BY SHULTZ LETTER

By David Landau

JERUSALEM, March 6 (JTA) — The Middle East

peace process appeared to get a boost today with reports from Cairo that King Hussein of Jordan, at his meeting with President Hosni Mubarak, endorsed the Egyptian leader's negotiations initiative.

Officials here were cautiously optimistic that statements made after the Mubarak-Hussein meeting had "not closed the door" to the future, positive evolution of Mubarak's initiative. They were more heartened however by Premier Shimon Peres' receipt of a warm and supportive letter today from Secretary of State George Shultz. Shultz offered assurances that the U.S. remains committed to oppose any effort to insinuate the Palestine Liberation Organization into the peace process unless and until the PLO recognizes Israel's right to exist and accepts United Nations Security Council Resolution 242.

Many Israelis, especially leaders of the Likud component of the unity coalition government had expressed concern that Mubarak's proposal for a joint Jordanian-Palestinian delegation to go to Washington to discuss peace negotiations with the Reagan Administration was intended to open contacts between the U.S. and the PLO.

Non-PLO Palestinians Stressed

Shultz wrote that Peres' and Mubarak's "concurrence... that non-PLO Palestinians (be) included in a Jordanian delegation" and the Egyptian President's emphasis on direct negotiations, were both factors that would help pave the path to peace, although, the Secretary cautioned, it would be a long path.

Shultz added, according to Israeli sources, that he shared Peres' view that negotiations which would encourage "transitional arrangements as a first step" would be a constructive way to make progress.

Some Israelis close to Peres had feared that Hussein, under pressure from Arab hardliners, would publicly reject Mubarak's initiative, providing Likud with ammunition in their campaign to discredit it. This did not happen. Hussein endorsed negotiations, though with reservations. Nevertheless, political observers here felt he had gone as far as could have been expected, given the exigencies of inter-Arab politics.

According to reports from Cairo, Hussein endorsed the idea of a Jordanian-Palestinian delegation to start a dialogue with Washington but said nothing about negotiating with Israel. Israeli officials stressed that their desire is for peace talks involving Israel, not a first round in which only the Americans and a Jordanian-Palestinian delegation would participate.

They were clearly pleased however that Shultz had seen fit to write to Peres just six days before Mubarak is due in Washington for talks with President Reagan, March 12. The Shultz letter was seen here as a signal to all concerned that the positions long shared by the U.S. and Israel were not in danger of being abandoned.

ARABS FROM TERRITORIES WORK IN ISRAEL

By Hugh Orgel

TEL AVIV, March 6 (JTA) — More than a third of the Arab work force in the West Bank and Gaza Strip were employed in Israel during 1984, mainly in construction and agriculture, the Central Bureau of Statistics reported today.

According to the report, an average of 90,000 workers a week from the territories commuted to jobs in Israel last year, an increase over the 88,000 per week average in 1983. They represented 37 percent of the total work force of 248,000 in the territories. The West Bank supplied 50,000 and 40,000 came from the Gaza Strip. Of those numbers, 44,000 Arabs were employed on construction jobs in Israel, the same as in 1983, and 13,000 worked in agriculture.

KOHL PLEDGES TO ASK STROESSNER ABOUT MENGELE DURING PARAGUAY LEADER'S VISIT TO WEST GERMANY

By David Kantor

BONN, March 6 (JTA) — Chancellor Helmut Kohl said today that he will inquire into the whereabouts of Josef Mengele, the Auschwitz death camp doctor, during the upcoming visit here of President Alfredo Stroessner of Paraguay. He said he would ask what has been done to locate and arrest the Nazi war criminal who is widely believed to be living in Paraguay.

Kohl, leader of the ruling Christian Democratic Union (CDU), and his spokesman, Peter Boenisch, defended the invitation to Stroessner whose right-wing regime has been accused of giving haven to Mengele and protecting him. Kohl told the Cabinet today that his government seeks friendly relations with all states and he rejected political pressure to cancel the Stroessner visit.

Nazi-hunter Beate Klarsfeld last week criticized Bonn for inviting Stroessner who, she said, was responsible for sheltering Mengele. The West German author, Guenther Grass, said in Berlin that the invitation demonstrated a lack of political instinct on the part of Kohl. But according to Boenisch, the Chancellor feels his critics manifest a moral double standard by appealing leftwing regimes while calling for the boycott of rightwing totalitarians.

According to Boenisch, Simon Wiesenthal, who has devoted his life to tracking down Nazi war criminals, said Stroessner's visit was an opportunity to put pressure on Paraguay to locate and arrest Mengele.

JUDGE FINDS 'PROBABLE CAUSE' FOR SENDING ARTUKOVIC BACK TO YUGOSLAVIA

LOS ANGELES, March 6 (JTA) — Federal magistrate Volney Brown Jr. ruled Monday there is "abundant, probable cause" for the extradition of 85 year-old Andrija Artukovic, the former Minister of Interior in the Nazi puppet government in Croatia during World War II.

But Brown specified that Artukovic, wanted by the government of Yugoslavia in connection with the deaths of more than 750,000 persons during the war, including thousands of Jews, could only be tried for one murder, the 1941 murder of Josip Vodic, a former official in the Croatian government.

The magistrate gave the government 60 days stay on his order of extradition, allowing prosecutors to seek further evidence of killings that might warrant a change in the order. In the interim, he awaits additional data from the prosecutor in Zagreb.

Brown warned the prosecuting attorney David Nimmer, during the extradition proceedings last week that the government's case against the ailing Artukovic was in jeopardy because the Yugoslavian indictment failed to link him with specific murders. Despite the warning, Brown announced yesterday that he was satisfied the link to Artukovic had been firmly established in the Vodic case.

Brown also rejected outright defense counsel Gary Fleischman's request that the court appoint an official U.S. observer for the Yugoslavian proceedings to "ensure the minimum standard of justice." He said that after the order of extradition is processed through the courts, and barring any other appeals, it will be up to Secretary of State George Shultz to review all non-judicial areas of the case before delivering Artukovic to Yugoslavian authorities for trial.

Rabbi Marvin Hier of the Simon Wiesenthal Center said Brown's decision "marks the beginning of the end of Artukovic's stay in the United States. It also signals to Nazi war criminals everywhere that there is no time limit, no statute of limitations, on the crimes they committed."

Meanwhile, a federal Appeals Court in New York reserved decision on whether to uphold a U.S. Board of Immigration Appeals ruling last August that Boleslavs Maikavskis of Long Island should be deported for his war crimes. He is accused of assisting in the persecution of some 300 Latvian villagers during World War II and having lied about his past activities when gaining entry to the United States.

RELUCTANT PERES MEETS FALWELL

By Gil Sedan

JERUSALEM, March 6 (JTA) — Premier Shimon Peres received Rev. Jerry Falwell, leader of the Moral Majority, at his office here Sunday. The meeting, described as "modest," was brief and Peres' aides refused to allow photographers to be present.

Peres clearly was less than enthusiastic to meet the American evangelical, a leader of the Christian fundamentalist rightwing in the U.S. who is an outspoken supporter of Israel and once received a medal from Premier Menachem Begin. He agreed apparently because of Falwell's friendship for Israel and because he is admired by President Reagan and is considered to wield considerable influence in American politics.

Falwell told the Israeli Premier at their meeting that he thought Israel is the most important democracy in the area and preserves American influence in face of Soviet threats. "We are for Israel and not for the (Labor) Alignment or the Likud," the conservative cleric said.

At a press conference later, Falwell claimed Peres was his friend. He said he assumed the Premier's advisors were reluctant to schedule their meeting because of pressure from certain American Jewish groups. Many mainstream American Jewish organizations and prominent individuals find the ultra-conservative positions of Falwell and his Moral Majority on social issues abhorrent. But other American Jews advocate friendship with the Christian right because of its consistent support for Israel.

Peres Not At Conference

Peres nevertheless declined an invitation to attend the conference of "The Friendship Journey to Israel—85", headed by Falwell, which opened here Saturday night and ended Tuesday. The 850 delegates were addressed by Likud Minister-Without-Portfolio Moshe Arens, a former Defense Minister. Falwell was received by Deputy Premier and Foreign Minister Yitzhak Shamir, leader of Likud, and by former Defense Minister Ariel Sharon, now the Minister of Commerce and Industry. He also telephoned former Premier Begin at his home and spoke to him for about 15 minutes. Begin has seldom left his home since his retirement in August, 1983.

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TEL AVIV (JTA) — The Israel Philharmonic Orchestra has left for a three-weeks concert tour in the U.S. and Canada, during which it will play 16 concerts under the baton of Zubin Mehta. Soloists playing with the IPO in the U.S. will be Yefim Bronfman, Yehudit Lieber, Uri Pianka and Itzhak Perlman. In Canada the soloists will be 15-year-old violinists Shira Rabin and Roni Shiloh.

AJCONGRESS STUDY PREDICTS U.S. JEWS WILL MAINTAIN POLITICAL INFLUENCE DESPITE DROP IN NUMBERS

WASHINGTON, March 6 (JTA) — The future political impact of American Jewry will depend more on the "perceptions and values" they pass along to American society than on their enthusiasm as voters and financial contributors to political campaigns, according to an American Jewish Congress study.

Despite a projected population decline in American Jewry, the study said it does not foresee any reduction in the Jewish community's political effectiveness, noting that Jews vote and contribute to political campaigns in higher proportion than the general electorate.

The report, however, also underscored the importance of the Jewish community's "high level of integration" in business and community life, thereby creating "circles of access and influence" that extend into the political arena.

The report, "The Political Future of American Jews," was released yesterday by Theodore Mann, AJCongress president, at the National Domestic Policy Conference of the AJCongress' leadership at the Shoreham Hotel here. The three day conference concluded yesterday.

Coalitions Increase Impact

The report was prepared for the AJCongress by Earl Rabb, a community relations specialist, and Seymour Martin Lipset, a political sociologist at Stanford University. The report is one of a series of AJCongress-sponsored studies on the future role of American Jews.

The report also stated that joining in coalitions with other groups on issues of widespread concern such as social welfare, often "critically multiplies" the political impact of the Jewish community. Access to other groups, creating a basis for the establishment of coalition activities, has been aided through the high degree of Jewish integration into American society, the report said.

According to the report, this high degree of Jewish integration is reflected in the perception of Israel by a majority of Americans as a Western democracy politically similar and friendly to America.

"The basis for American support for Israel is the prevalent American perception that the support of Israel is important for American national interest," the authors noted. That image, they noted, is strengthened by "the familiar and integrated social presence of the American Jews."

Move From Cities Positive

The report said that contrary to accepted notions, the current Jewish dispersal from inner cities to the suburbs and smaller cities can have a positive effect on their political influence by bringing American Jewish activism to new centers of political power in small residential areas.

The financial contributions of Jews to political campaigns is also important in providing "access" to political candidates, the authors stated. On a national level, the report asserted that American Jews contribute more than a majority of the funds collected by the Democratic Party nationally and as much as a quarter of Republican funds.

Jewish contributions to political causes far beyond the national average is attributed by the report to a long religious tradition of giving to

charitable and communal needs. The Jewish community's contributions to general national elections is 15 to 20 times greater than their proportion to the general population.

Jews Warned Against 'Single Issue' Focus

The report, meanwhile, cautioned Jewish organizations against narrowing their focus of interest and becoming "single-issue" groups. Terming this trend "self ghettoization," it points out that while the Jewish population at large has retained a broad agenda of concerns and continues to be involved in a wide range of general community activities, many Jewish organizations are concentrating too narrowly on Israel.

"American Jewish political effectiveness will depend not on marginal political clout, nor on Israel related activism, but on general Jewish influence in the political process," said the report, adding that in the final analysis, such influence will stem from the perception and the values American Jews impress on the political process and on American policy makers.

JEWS CONCERN ON FARM PROBLEMS URGED

WASHINGTON, March 6 (JTA) — Sen. Carl Levin (D. Mich.) has challenged the American Jewish community to broaden its participation and activities to include economic and social issues as well as such "traditionally" Jewish concerns as Israel, anti-Semitism and church-state relations.

Levin asserted that involvement in broader political issues is necessary for Jewish self-interest due to their relatively limited numbers which require the "security" of participation in larger coalitions.

Levin delivered a keynote address Sunday to American Jewish Congress leaders attending the three-day National Domestic Policy Conference here at the Shoreham Hotel. The conference concluded yesterday.

According to Levin, coalition activity is especially important at a time when large pockets of poverty and unemployment continue to exist, despite some recent positive economic signs. He singled out in particular the loss of many family farms, some of which had been in the same family for generations.

Levin warned that during difficult economic times, "desperate people will look for scapegoats," adding that such scapegoating can sometimes lead to anti-Semitism.

The Senator said that Jewish communal concerns for the less fortunate is rooted in Judaism which stresses "love of justice." He added: "We (Jews) do care when tens of thousands of family farms are going under. It's our tradition."

GREENS REFUSE TO JOIN PRO-ZIONIST GROUP

By David Kantor

BONN, March 6 (JTA) — The Green Party chapter in Bonn has refused to join an association formed by local citizens for the stated purpose of resisting anti-Semitism and anti-Zionism in the Federal Republic.

Another purpose is to erect a memorial in the West German capital to its former Jewish inhabitants who were killed by the Nazis. The local Jewish community has informed the Green Party that they could advance the project only by joining the association. It has declined.

The reference to fighting anti-Zionism is believed to be the reason. While the Greens say they reject anti-Semitism, many are declared anti-Zionists. The party nevertheless has issued a statement supporting the erection of a memorial to Bonn's Jewish victims of Nazism. It would be located on the site of the former Bonn synagogue. But the project has run into difficulties because the local authorities prefer to use the area as a parking lot.