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# **PERES WARNS TIES WITH EGYPT WILL WORSEN IF ISRAEL DOES NOT AGREE TO ARBITRATION FOR TABA DISPUTE**

By David Landau

JERUSALEM, June 24 (JTA) — Premier Shimon Peres warned the Knesset Foreign Affairs and Security Committee today that if there is no agreement on arbitration over Taba, Israel's relations with Egypt would deteriorate. Peres said he could not negotiate with Egypt over the terms of the arbitration unless there was first an Israeli decision-in-principle to accept arbitration.

Peres' remarks followed his failure last week to push through the Inner Cabinet his proposal that Israel agree to Egypt's longstanding demand for arbitration over Taba. The Premier proposed that Israel agree to arbitration as part of a package deal, worked out in prior diplomatic negotiations, involving a return to normalization between the two countries.

## **Likud Wants Conciliation First**

The five Likud Ministers in the 10-man Inner Cabinet lined up behind Deputy Premier Yitzhak Shamir, the Likud leader who continues to urge that Israel insist that the process of conciliation be tried before agreeing to submit the Taba dispute to arbitration.

Taba is a small strip of beach south of Eilat, claimed by both Israel and Egypt. Peres has long held that a breakthrough on Taba would lead to an across-the-board rapprochement with Egypt, which in turn would pave the way to a broader effort on the peace front.

Peres said he was "not threatening," but he would not agree to be "an old age pensioner" in the Cabinet. This was a reference to his demand that the Cabinet decide one way or the other — and not present to the outside world an image of policy-paralysis.

## **Egypt Scenario Disclosed**

The Premier disclosed that Egypt suggested a scenario whereby Israel would announce its agreement to arbitration, the terms of reference to be negotiated, and at a summit meeting between Peres and President Hosni Mubarak, the two sides would announce the return of the Egyptian Ambassador to Tel Aviv.

The Ambassador was withdrawn in the fall of 1982, in reaction to the Sabra and Shatila refugee camps massacre. He has never been sent back and his absence has become the symbol of the "cold peace" between Israel and Egypt.

Peres' references to the need to reach agreement on the terms of reference of the arbitration hardly reflected the complexity of this problem. Legal experts here and in Egypt believe that the outcome of the arbitration could well hinge on the wording of the question to be submitted to the arbiter.

Egypt wants a question that relates specifically to the border line during and following the British Mandate period. Israel wants a question more broadly phrased to enable Israeli lawyers to cite evidence pertaining to the Turkish period, especially to the year 1906 when Turkey and Britain agreed on demarcating the border-line between Palestine and Egypt.

# **BOMB BLAST INJURES 8-YEAR-OLD BOY**

JERUSALEM, June 24 (JTA) — An eight-year-old boy was badly injured this evening when an explosive charge went off near a bus stop in a Jerusalem suburb. He was identified as Alon Hananya.

The incident occurred in Neve Yaacov, the northernmost part of the post-1967 new Jewish suburbs ringing the capital.

Police said the bomb was hidden in rocks near the bus stop.

## **MKs WARY OF U.S. PUBLIC OPINION TOWARD ISRAEL OVER HIJACKING**

By David Landau

JERUSALEM, June 24 (JTA) — Israeli lawmakers are growing increasingly sensitive to the temper of American public opinion with respect to the 40 U.S. hostages held by Shiite Moslems in Beirut who demand that Israel free 766 Shiites in the Atlit detention camp. The concern here is that Israel, by not complying, will be held responsible for the hostages' fate.

Israel released 31 of the Atlit prisoners today and returned them to Lebanon in a move it insists was in no way linked to the hostage crisis. When Premier Shimon Peres appeared before the Knesset's Foreign Affairs and Security Committee to brief its members on the release, committee chairman Abba Eban reminded him that Israel's primary asset "for decades" has been sympathetic public opinion and Israel must always be conscious and alert to this.

Other committee members spoke critically of Defense Minister Yitzhak Rabin's remarks on the ABC-TV "Nightline" program last Wednesday in which he insisted that the hijack of TWA Flight 847 was purely an "American problem." In later media statements, Rabin and other Israeli leaders made it a point to express support and sympathy for the U.S. and the American hostages.

## **Shultz: 'Problem Is Not Israel'**

Secretary of State George Shultz was asked by reporters yesterday if the American people might begin to blame Israel if the hostage crisis was prolonged. Shultz replied, "It's possible, but not justified, and I think it's important to separate those problems as I have been trying to do."

"The problem is not Israel, the problem is not some evil about America. The problem is the people that hijacked that plane, who murdered an American, and who are holding the Americans there hostage. That's the problem," Shultz said.

Both Israel and the U.S. share the dilemma. Both have stressed that they would make no concessions to the hijackers. The Reagan Administration has said repeatedly it would not ask Israel to make concessions. Nevertheless, Washington has not yet devised a way to secure release of the hostages, at least not as far as the public has been informed.

Peres, in his briefing to the Knesset committee, repeated the official position that the release of 31 Shiite prisoners from Atlit was not linked to the hostage crisis but was part of the ongoing repatriation of Lebanese nationals detained by Israel, and that its pace would depend on the security situation in south Lebanon.

But most Israelis are skeptical of this line. (See separate story.) It is generally believed by the public and the Israeli media that the release of the 31 Shiites was a test to see what response it would elicit from the hijackers. The response was negative.

Deputy Premier and Foreign Minister Yitzhak Shamir, interviewed on the ABC-TV "Good Morning America" program today, said Israel's standing in U.S. public opinion was not a consideration in the release of the 31. But observers here are convinced that the government's concern in that respect played an important part. Policymakers hope the release will help end the wave of public and media criticism of Israel in the U.S.

#### Israeli Initiative Urged

Meanwhile, Deputy Premier David Levy, another leader of Likud, called today for an "Israeli initiative" in the hijack crisis. He refused to say the initiative should be release of all of the 766 Shiite prisoners. Likud has been adamantly against their release lest it appear to be a surrender to the hijackers.

Levy, who appeared on a radio interview, did not say what sort of initiative he had in mind. However he urged close and constant coordination with the U.S., and warned that the hijackers must be denied their objective of driving a wedge between Jerusalem and Washington.

Nevertheless, Israel is distancing itself from the hostage crisis. Yesterday it rejected an offer by the Austrian government to mediate between Jerusalem and Nabih Berri, leader of the Shiite militia, Amal, who has undertaken the role of go-between in the hostage crisis. David Kimche, Director General of the Foreign Ministry, told the Austrian Ambassador that Vienna's offer of good offices "should be directed at Mr. Berri, not at us."

#### 31 SHIITE PRISONERS RELEASED AS PUBLIC SKEPTICAL ABOUT EXPLANATION By Hugh Orgel

TEL AVIV, June 24 (JTA) — Israel released 31 Shiites from the Atlit detention camp and transported them to Lebanon today. But few Israelis believe the government's repeated assertions over the past 24 hours that this is in no way linked to the hostage crisis in Beirut.

The released prisoners left the Atlit camp south of Haifa shortly after 10 a.m. in a convoy consisting of two Israel Defense Force jeeps, three tarpaulin covered IDF trucks and a van. It crossed the Lebanese border at Rosh Hanikra and continued to the northern perimeter of the security belt where the freed men were turned over to representatives of the International Red Cross which will return them to their homes in south Lebanon's Shiite community.

The truck convoy was surrounded by scores of local and foreign reporters and television crews when it left Atlit. The prisoners were apparently forced to lie on the floors of the trucks but one of them poked his head out of the tarpaulin cover and, grinning broadly, showed the media that his hands were bound with red cord.

An official statement by the IDF today said the 31 Shiites were released following investigations of the activities that led to their original detention at the Ansar camp in south Lebanon and on the basis of appeals they made to a civilian-military appeals board.

The statement said the freeing of 31 Shiites today was part of an ongoing process by which all Lebanese nationals detained by Israel will be released as the security situation in south Lebanon stabilizes.

In the opinion of most Israelis however, today's release was intended to test the response of Shiite leader Nabih Berri who is serving as an intermediary between the hijackers of TWA Flight 847 and the U.S. with respect to the 40 American hostages. The hijackers demand that Israel free all 766 Shiites held at Atlit. Israel and the U.S. have affirmed repeatedly that neither country will make concessions to the hijackers.

#### More Releases Expected

Some observers here believe Israel will free more Atlit prisoners in small batches over the next few days or weeks but will continue to hold a sizeable number to be exchanged eventually for the American hostages.

In that way, these observers say, President Reagan can claim he is not surrendering to terrorist demands and Israel can claim it is simply following normal procedure that existed before there was any hostage crisis.

The newspaper Hadashot said today that Likud members of the unity Cabinet opposed today's release of Shiite prisoners on grounds that it would be seen as a concession to terrorist demands. But Premier Shimon Peres and Defense Minister Yitzhak Rabin were able to win over a majority of the Cabinet to approve the release.

#### Rabin Claims Israel Always Held Responsible

Rabin, in a speech in Tel Aviv today, complained that whenever anything happens in the region, the world seems to look to Israel which by its very existence is held responsible for what happens to other people and is urged to find a solution to problems in which it is not involved.

Rabin also alluded to the futility of Israel's three year war in Lebanon. It not only failed to end terrorism, it led to an increase, he said. "Whoever looks at what is happening at Beirut airport, the hijacked aircraft, the behavior of fanatic Shiite terrorists — and nobody knows what other fanatic terrorist actions they can carry out — and anyone who considers what effect it has had on relations between friendly nations faced with emergencies — and the problems in south Lebanon have not been solved — you sometimes have the impression that you are living in a sort of crazy world," Rabin said.

#### U.S. COMMENTS ON 'JEWISH' HOSTAGES By Theo Stone

WASHINGTON, June 24 (JTA) — The State Department's Office for Counter-Terrorism said today it was "repugnant and reprehensible" for the hijackers of TWA Flight 847 to have separated "Americans of the Jewish faith" from the other hostages "because of 'Jewish-sounding names' or supposed 'Zionist links.'"

But that statement, which gave the impression that the U.S. was confirming that the hostages with Jewish-sounding names are in fact Jewish, was promptly clarified by another State Department spokesman who said the original statement was merely quoting a wire service report.

The statement by the Counter-Terrorism Office noted that Lebanese Justice Minister Nabih Berri, leader of the Shiite Muslim militia, Amal, "has assumed responsibility for the safety of the hostages. We take this assumption of responsibility seriously, and underscore our view that this responsibility extends to all the hostages."

## ADL JOINS OPPOSITION TO STATE FUNDS FOR MUSEUM PLANNED BY WIESENTHAL CENTER

By Ben Gallob

NEW YORK, June 24 (JTA) -- The Los Angeles office of the Anti-Defamation League of B'nai B'rith reported today the "unanimous opposition" of the four California regional ADL offices to a grant pending in the California legislature for \$5 million in state matching funds to enable the Simon Wiesenthal Center to build a "Museum of Tolerance."

Rabbi Marvin Hier, head of both the Wiesenthal Center and Yeshiva University of Los Angeles, which houses the center, has assailed foes of the expected state grant to help build the museum as part of a \$10.5 million expansion project.

The campaign has already raised more than \$10.5 million in private donations. But the grant measure, SB337, has created concern among Jews about its constitutionality and its public policy implications.

### Final Legislature Approval Near

Authored and introduced in February by State Senate President Pro-tem David Roberti, a Los Angeles Democrat, the measure has been approved by two Senate committees, and the full Senate, the last by a 36-1 vote; and two Assembly committees. The Assembly Ways and Means committee approved the measure in late May. Senate Bill 337 now awaits a reexamination in July, under a rule requiring that procedure, after the state budget is approved, on all bills calling for state spending of more than \$1 million.

A major critical position was taken by The Los Angeles Times in an editorial asserting the project would violate the constitutional separation of church and state because it would provide state funds for a religious institution.

A spokesman for the local American Jewish Congress testified that while it favored the museum, it feared that, in funding it, California would set a precedent obligating it to aid other ethnic groups who may also want to build museums. Phil Baum, associate executive director of the AJCongress, told the Jewish Telegraphic Agency that his organization's opposition was not on constitutional grounds.

### Hier Calls Constitutionality Issue Smokescreen

Hier said that he regarded the issue of constitutionality as a smokescreen to masquerade "the real objective" of foes of the grant which, he said, was that the Wiesenthal Center should not be "in control of an impressive museum with the state behind it."

Nevertheless, papers were filed incorporating the Wiesenthal Center as a non-profit corporation, separate from Yeshiva University.

The ADL opposition statement was the latest major public stand strongly opposing the measure. Although Howard Friedman, a Los Angeles attorney, who is president of the American Jewish Committee, said the bill would create "exceedingly bad public policy," he spoke as an individual. The AJCommittee has not taken any position on the measure.

Gov. George Deukmejian, a Republican, has said he will sign the bill when it arrives on his desk.

The ADL statement was a copy of a letter sent to Roberti on behalf of ADL regional offices in Los Angeles, San Francisco, Santa Ana and San Diego. The letter declared that the four offices covers all of California and that the letter has been sent also to all members of the Legislature and to the Governor.

The letter said the four ADL offices "join the many others who have registered opposition to SB337." The letter listed the Jewish Community Relations Council of San Francisco; the Northern California Jewish Bulletin; Rabbi Alfred Wolf of Wilshire Boulevard Temple, the largest Reform congregation in Los Angeles; Howard Friedman, and Fred Diamant, president of the "1939 Club," an organization comprised of Holocaust survivors.

The letters then listed the wide range of programs sponsored by the ADL opposing the Nazis and the Holocaust, and programs to educate Jews and non-Jews about the Holocaust.

### ADL Suggests Funds Going To State University

In explaining its opposition, the letter said "granting \$5 million in public funds for a museum which would chronicle the Holocaust and the genocides which have befallen so many people during the 20th century is an excellent idea." However, the letter added, "the funds should be given to an appropriate public institution such as the University of California, or the California State University, for this objective."

The ADL letter added that "we believe the museum should be located on public property under the direction of an appropriate public and academic governing body."

### Points To Federal Precedent

The ADL letter also rejected the incorporation of the Wiesenthal Center as a non-religious agency, asserting that while the center incorporated itself, since SB337 was introduced, "so that it is now separate from the religious institution which gave birth to it, the fact remains that present plans call for the museum to be located on the same property as the religious school with an interlocking board of directors" with the Wiesenthal Center.

The letter said it was the ADL's collective judgment that "the crucial issue raised by SB337 is public policy and preserving independent integrity of an institution which will benefit from a grant of \$5 million in public funds."

The letter said that "we fervently believe that your views and those of every member of the California legislature would best be served if our great state followed the precedent set by our federal government which established the U.S. Holocaust Memorial Council without any formal ties to private organizations, sectarian or non-sectarian."

### RABBI MORRIS FINER DEAD AT 73

NEW YORK, June 24 (JTA) -- Rabbi Morris Finer, who was director of community service at Yeshiva University's affiliated Rabbi Isaac Elchanan Theological Seminary (RIETS) for more than three decades, died yesterday at the age of 73 in Jerusalem.

Finer served as the head of the community service division, now the Max Stern Division of Communal Services, at RIETS from 1944 until his retirement in 1978. Born in 1912, Finer received his bachelor's degree from the College of the City of New York in 1934. He was ordained at RIETS in 1937. In 1939, he earned his law degree from Brooklyn Law School. Before going to RIETS, he served as the spiritual leader of congregations in Haverstraw, NY, Astoria, NY, and Tulsa, OK. He moved to Israel in 1981. He was a member of the Rabbinical Council of America.

## BEHIND THE HEADLINES ISRAELI-GERMAN RELATIONS ON SOLID FOOTING DESPITE BURDENS OF THE PAST

By Sheldon Kirshner

(Part I of a 2 part series.)

(Sheldon Kirshner is a reporter for the Canadian Jewish News in Toronto.)

BONN, June 24 (JTA) — When Rolf Pauls, the first West German Ambassador to Israel, presented his credentials to Israeli President Zalman Shazar in the summer of 1965, a poignant moment of history was recorded.

There, in a foyer in Jerusalem, the past merged with the present in what could only be described as an extraordinary ceremony. Twenty years after the collapse of the Third Reich, during which six million European Jews were murdered and starved to death by the Nazis, the representatives of two sovereign nations reached out to each other and made peace.

By all accounts, Israel and West Germany have formed a special relationship since the two established formal diplomatic relations two decades ago. Although it is occasionally burdened by the trauma of the Holocaust, it is on a solid footing in all respects, in the view of diplomats in this sedate German capital on the muddy Rhine.

"Our bilateral relations with West Germany are more extensive perhaps than with any other country except the U.S.," says Yitzhak Ben-Ari, the Israeli Ambassador to Bonn for the past four years.

### Wide Range Of Relations

Israel, the preeminent military power in the Middle East, and West Germany, the economic behemoth of Europe, enjoy a wide range of relations despite some political differences over the contours of an Arab-Israeli peace settlement.

Trade is booming, and cultural exchanges are far advanced. Tourism, an important factor in the gradual reconciliation between Germans and Jews, is on the upswing again after a partial decline in the wake of Israel's 1982 invasion of Lebanon.

As a result of German war reparation payments, Israel's industrial infrastructure is German to an astonishing degree. Israeli highways are filled with cars bearing the marque of Mercedes, BMW or Audi. In German cities like Bonn, Frankfurt, Cologne or Munich, Israeli agricultural produce ranging from strawberries, melons, citrus and avocados are prominently displayed in market stalls. And in smart boutiques, Israeli products from diamonds to swimsuits are among the prime attractions.

In line with the deep relations the two governments have forged, German political leaders have visited Israel on a fairly regular basis. Cancellor Helmut Kohl paid a 5-day official visit to Israel in the winter of 1984, and Hans-Jochen Vogel, the Social Democrat leader of the opposition, was in the Jewish state recently. Helmut Schmidt, the former Chancellor, turned up in Jerusalem last month, and Bavarian Premier Franz-Josef Strauss flew to Israel in February, after which Israeli Foreign Minister Yitzhak Shamir appeared in Bonn for discussions with Kohl.

Come October, President Richard von Weizsaecker will become the first German head of state to go to Israel. Von Weizsaecker visited Jordan and Egypt four months ago, in the first official visit to the Arab world by a German President.

Considered a friend of Israel and the Jewish people, von Weizsaecker left an indelible impression in the minds of many Israelis and Germans by delivering a powerful speech marking the 40th anniversary of Nazi Germany's unconditional surrender. Warning that "anyone who closes his eyes to the past is blind to the present," he took issue with one of the most cherished defenses of older Germans vis-a-vis the Holocaust.

"When the unspeakable truth of the Holocaust then became known at the end of the war," he said, "all too many of us claimed they had not known anything about it or even suspected anything. Who could remain unsuspecting after the burning of the synagogues, the plundering, the stigmatization with the Star of David, the deprivation of rights, the ceaseless violation of human dignity? Whoever opened his eyes and ears and sought information could not fail to notice that the Jews were being deported."

With such a dark legacy casting its shadow on Germany's history, it is hardly surprising that West Germany has taken special pains to cultivate good relations with Israel, the home of an untold number of survivors.

### Sensitive About Israel's Security

Although West Germany favors self-determination for the Palestinians and subscribes to a 1980 European Economic Community document calling for the inclusion of the PLO in peace talks, the Germans are particularly sensitive to Israel's security.

Alois Mertes, the Minister of State for Foreign Affairs, said recently that his nation's "special responsibility for Israel is an element of credibility and ethics in any good German foreign policy." In another address, Mertes noted: "On account of our past, we share a special degree of responsibility for Israel's right to existence and genuine security within recognized boundaries. This responsibility for the survivors of the genocide perpetrated in the name of Germany is an integral part of the ethics and dignity of this democratic and constitutional Germany."

Kohl, who has referred to himself as "a representative of the new Germany," has stated that Bonn is "particularly attached to Israel, and we stand up for Israel's right to live in freedom and security."

(Tomorrow: Part II)

### TOPIOL RECEIVES UIA-KH AWARD

By David Landau

JERUSALEM, June 24 (JTA) — Melech Topiol, co-chairman of the United Jewish Appeal of France, was awarded the Dr. Israel Goldstein Prize of the United Israel Appeal-Keren Hayesod at ceremonies here yesterday hosted by President Chaim Herzog at the Presidential residence.

The Goldstein Prize is awarded each year to a diaspora Jewish leader in recognition of outstanding contributions to UIA-KH activities. Topiol is a member of the Jewish Telegraphic Agency Board.

The presentation was made by Mendel Kaplan, of South Africa, chairman of the Keren Hayesod's World Board of Trustees. The award is named in honor of Israel Goldstein, a prominent American Zionist leader who served as Keren Hayesod chairman from 1961-1971. Goldstein, 89, has lived in Jerusalem for many years. He was present at the award ceremonies.