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SHAMIR ABSOLVED OF ANY WRONGDOING IN 1984 ARAB BUS HIJACKERS' KILLINGS

By Hugh Orgel

TEL AVIV, Dec. 29 (JTA) -- Premier Yitzhak Shamir has been absolved of any wrongdoing in the 1984 killing of two captured Arab bus hijackers by Israeli agents and the subsequent cover-up of what came to be known as the Shin Bet affair.

But the findings of the special committee set up by the Justice Ministry to investigate the episode, touched off a vituperative quarrel between Labor and Likud only hours after the 65-page document was published at Shamir's request Sunday night.

Likud spokesmen hailed the report and demanded that Laborites apologize to the Prime Minister for their "blood libel" that he was in any way involved. Critics of the report claimed it whitewashed the political echelons which bore ultimate responsibility for the activities of Shin Bet, Israel's internal secret service.

Not Implicated in Cover-Up Attempts

The special committee, a panel of lawyers headed by Attorney General Yosef Harish, found that Shamir, who was Premier at the time of the incident, did not order the killings and was not implicated in attempts to cover them up. Their report castigated the then Shin Bet chief, Avraham Shalom, who claimed he acted on orders from a higher authority.

It was Shalom's testimony before a government-appointed committee that cast a shadow on Shamir's role, since the Prime Minister was the highest political figure and bore ultimate responsibility for the Shin Bet. The committee was chaired by Gen. (Res.) Meir Zorea.

Zorea was sharply critical of the panel's report Monday. Calling the incident one of the biggest scandals in Israel's history, he said on an Israel Radio interview that while the findings were legally in order, the panel failed to place any blame on the political establishment for its failure to act after it became apparent that a wrong had been committed.

"Everyone was happy, though something disgusting had been done," Zorea said. He admitted his committee had been misled by Shalom's testimony "and in the end nobody was found guilty or punished because of the Presidential pardon."

Criticizes Presidential Pardons

Zorea was referring to the pardons granted by President Chaim Herzog to Shalom and several of his associates though none was ever charged with an offense. He criticized Labor Party leader Shimon Peres, who became Premier shortly after the incident, for going along with the Presidential pardon and for not forcing Shalom to resign. Shalom did resign, but only after the scandal broke earlier this year.

Labor Party spokesmen, including Abba Eban, chairman of the Knesset's Foreign Affairs and Security Committee, also criticized the panel, not for its findings but for overlooking political responsibility. Likud, however, lauded Shamir for

his "fortitude" and "resolute stand" in the face of "blood libels" and "calumny" by the Labor Party.

Laborites promptly noted that it was Likud which stubbornly opposed any investigation into the affair by the police, legal authorities or a government commission when it first surfaced.

A First In Greek-Israeli Relations: GREEK PARLIAMENTARY DELEGATION TO VISIT ISRAEL NEXT MAY

By Jean Cohen

ATHENS, Dec. 29 (JTA) -- The Speaker of the Greek Parliament, Yiannis Alevras, has accepted an invitation to visit Israel, extended by his counterpart, Knesset Speaker Shlomo Hillel. He will make the visit in May 1987 as the head of a Greek Parliamentary delegation.

The invitation was conveyed to Alevras by Moshe Gilboa, Israel's diplomatic representative here. Although Gilboa holds the rank of Ambassador, Greece and Israel do not have diplomatic ties on the Ambassadorial level and their relations until recently have been cool.

The fact that Alevras accepted the invitation without hesitation and immediately set a date was considered significant by diplomatic observers here. The Speaker is one of the two closest associates and confidants of Prime Minister Andreas Papandreu and apparently had Papandreu's blessings to make the trip.

The State-owned radio and television highlighted it in their newscasts, something not done when Israeli and Greek officials exchanged visits in the past. According to Gilboa, Alevras' forthcoming trip to Israel will be of special importance to relations between the two countries. He noted it will be the first time a Greek Parliamentary delegation has visited the Jewish State.

SHAMIR TO THE USSR: LET JEWS WHO DON'T WISH TO LIVE THERE COME TO ISRAEL

By David Landau

JERUSALEM, Dec. 29 (JTA) -- Premier Yitzhak Shamir called on the Soviet Union Sunday to "give us our two million brethren who no longer want to live there." He stressed that "We have no fight with the government or the people of the USSR."

Shamir spoke at a mass meeting of solidarity with Soviet Jewry here, also attended by Vice Premier and Foreign Minister Shimon Peres, leading Soviet Jewry activists who have immigrated to Israel and representatives of Israeli political parties.

Natan Shcharansky, one of the most famous of the activists, urged President Reagan to link all U.S.-Soviet negotiations with the issue of free emigration for Soviet Jews.

Meanwhile, President Chaim Herzog and Shamir received Chanukah greetings from six leading Soviet refuseniks. Their typewritten message, brought here by Robert Loup, a former United Jewish Appeal national chairman, drew an analogy between the struggle of the Maccabees and that of Jews in the Soviet Union.

The message was signed by Alexander Lerner, Maria and Vladimir Slepak, Lev and Tatiana Upshitzer and Yuli Kushrovsky. It said they were praying that "God will give us renewed strength to continue and that the Chanukah lights will illuminate the way for those of us who have problems in fulfilling our dream to go to Israel and to return home."

NEW DEVELOPMENT IN DEMJANJUK TRIAL

By Hugh Orgel

TEL AVIV, Dec. 29 (JTA) -- The three-judge panel trying John Demjanjuk granted the suspected Nazi war criminal a one-month postponement Monday at the request of his American attorney, Mark O'Connor, to allow him additional time to study prosecution documents.

The trial of the Ukrainian-born former resident of Cleveland, Ohio, opened formally in a Jerusalem District Court on November 26 but was adjourned until January 19 after a 40-minute preliminary hearing. It is now scheduled to resume February 15.

The accused was represented at Monday's postponement hearing by an Israeli lawyer, Yoram Schechtel, who agreed to assist O'Connor in preparing the defense. Schechtel will not take an active part in the trial but will be available for consultation by O'Connor on points of Israeli law.

The judges were critical of the American lawyer for what they saw as undue delay in preparing his case. O'Connor had asked for several postponements on grounds that he had been unable to find an Israeli colleague willing to participate in Demjanjuk's defense. The court noted Monday that Schechtel's presence indicated that he has solved that problem.

Demjanjuk, the first suspected war criminal ever extradited to Israel for trial, has been charged with war crimes, crimes against humanity and crimes against persecuted people. He is alleged to be the Treblinka death camp guard known by inmates as "Ivan the Terrible" for his brutality, and directly responsible for the deaths of tens of thousands of Jews and others. "Ivan" allegedly operated the gas chambers.

Demjanjuk's defense hinges on mistaken identity. The panel hearing the case consists of Supreme Court Justice Dov Levin and District Court judges Dalia Lerner and Zvi Tal.

SHARIR PUTTING HIS RESIGNATION ON 'FREEZE' AT THE REQUEST OF SHAMIR

By Gil Seda

JERUSALEM, Dec. 29 (JTA). -- Justice Minister Avraham Sharir said Monday he was putting his resignation on "freeze" at the request of Premier Yitzhak Shamir, until a replacement can be found. Sharir, who announced last Friday that he would resign, is expected to remain in office for at least another month.

Shamir rejected Sharir's proposal that he reappoint Yitzhak Modai who resigned as Justice Minister last August. Modai quit after a bitter personal confrontation with then Premier Shimon Peres and presently serves as a Minister-Without-Portfolio. Peres and his Labor Party colleagues have made it clear they would not accept Modai's return to the Justice Ministry.

Likud's choice of a replacement, acceptable to Labor, is Transport Minister Haim Corfu. But Corfu has adamantly refused the job, saying he is perfectly happy heading the Transport Ministry

and has a number of projects he wants to complete before the tenure of the Labor-Likud unity coalition government expires in two years.

JDC AND SALVADORAN JEWISH COMMUNITY REBUILD KINDERGARTEN

NEW YORK, Dec. 29 (JTA) -- The American Jewish Joint Distribution Committee (JDC) is allocating \$50,000 to help rebuild a kindergarten in San Salvador, the capital of El Salvador, according to Heinz Eppler, president of the JDC. The Estado de Israel, a non-sectarian school serving 300 students, was destroyed by the earthquake in October that left nearly 1,000 people dead and 31,000 families homeless.

"The JDC allocation will match funds contributed by the Salvadoran Jewish community," Eppler said. "The combination of funds will enable the school to be rebuilt." This marks the first time that the international relief agency and the Salvadoran community have collaborated on a project.

The kindergarten was located in a very poor neighborhood of San Salvador. Students will be meeting in tents until the reconstruction is complete.

"The JDC established a 'JDC Open Mailbox' program for Salvadoran earthquake relief in October," noted Ralph Goldman, JDC executive vice president. "This is a mechanism for the American Jewish community to contribute toward non-sectarian relief for victims of major disasters." The program has previously been implemented following disasters in Cambodia, Lebanon, Italy, Ethiopia, Colombia, and Mexico.

Further contributions for El Salvador relief can be mailed to the JDC "Open Mailbox" at 711 Third Avenue, New York, N.Y. 10017.

WZO REORGANIZING ITS EMISSARY SYSTEM

By David Landau

JERUSALEM, Dec. 29 (JTA) -- The World Zionist Organization is going ahead with a radical reorganization of its overseas emissary system. The shlichim (emissaries) will henceforth be representatives of the WZO Executive, rather than of any individual department, and they will be required by contract to engage in aliya, education, youth work, and all other Zionist-related activities as directed by an overall WZO director in each country.

WZO chairman Leon Dulzin told reporters last week the reform would cut down on politicization both in appointments and in deployment within the emissary system. "There will no longer be protectionnaires (the favorite) of the various departments among the shlichim," Dulzin said.

The reform follows a thorough study of the issue by a panel headed by former Supreme Court President Justice Moshe Landau. The emissary system costs the WZO some \$20 million a year--about one-third of its total budget. There are some 700 shlichim.

Dulzin said the reform could save as much as \$4 million. It would go into effect in the four main centers -- North America, Britain, Argentina and France -- in the new fiscal year.

The reformed system will be supervised by a special committee comprising the WZO chairman and treasurer, the chairmen of four key departments, two members of the public and two representatives of the Zionist youth movements.

CONTROVERSY CONTINUES OVER O'CONNOR'S MIDEAST VISIT

By Margie Olster

NEW YORK, Dec. 29 (JTA) -- It appeared almost certain Monday that there would be no meetings between top Israeli leadership and New York Roman Catholic Archbishop John Cardinal O'Connor. The Vatican has prohibited O'Connor from meeting with Israeli government leaders in Jerusalem.

O'Connor said Sunday before arriving in Amman, Jordan, that he had scheduled meetings with President Chaim Herzog, Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres as well as with Jerusalem Mayor Teddy Kollek.

He then asked to meet them outside their offices, to avoid any semblance of official contacts. O'Connor said he changed his schedule after orders from the Vatican to cancel the meetings.

However, O'Connor said Sunday his official meeting with Kollek would proceed as planned. But Herzog, Shamir and Peres said they will not meet with O'Connor outside of their offices in Jerusalem.

O'Connor acknowledged that he had made a mistake in originally scheduling the meetings without Vatican approval and said his mistake had embarrassed some Israeli officials.

Criticism And Approval

Many Jewish leaders in New York were critical of O'Connor's change of plans and noted that he applied a "double standard" by meeting officially with King Hussein of Jordan but not with Israeli leaders. The criticism of the Archbishop, which began over the weekend, continued Monday.

Lester Pollack, president of the Jewish Community Relations Council of New York, urged the Vatican to allow O'Connor to meet with Israeli officials. The Vatican's action "signals a crucial setback in the process of advancing understanding" between the two religions, Pollack said.

Henry Siegman, executive director of the American Jewish Congress, said, "The Vatican's refusal to allow Cardinal O'Connor to visit Israeli government leaders has once again called attention, in a rather unfriendly and abrasive manner, to the Vatican's double standard when it comes to its relations with the Jewish State."

"Apparently, the Vatican had no problem with Cardinal O'Connor's official visits with Jordanian government officials."

Siegman added, "The Vatican's persistent refusal to hold such meetings has therefore little to do with its views regarding the status of Jerusalem and everything to do with a diplomacy that is tilted to the Arab world."

About 20 supporters of the Jewish Defense Group (JDG) staged a demonstration here Sunday outside St. Patrick's Cathedral, where O'Connor has his pulpit, to protest O'Connor's cancellation of the meetings. Yaakov Lloyd of the JDG called the Vatican an enemy of the State of Israel and of the Jews.

But O'Connor received support from Mayor Edward Koch who called on Israeli officials to welcome O'Connor and said the Archbishop was a good friend of Israel and the Jewish people.

Root Of Controversy

At the root of the controversy is the Vatican's refusal to recognize Jerusalem as the capital of Israel and the absence of full diplomatic relations.

Concern over O'Connor's relationship with Israel began after the Archbishop toured Lebanon in June and then called for a homeland for the Palestinian people. Peres, who was Prime Minister at the time, invited O'Connor during an October meeting in New York to visit the country and learn the Israeli side of the conflict.

But O'Connor's visit was complicated by the Vatican relations with Israel. Formally, the Vatican has never had full diplomatic relations with Israel but recognizes its right to exist.

Israeli officials have paid formal visits to the Vatican and only last year Peres met Pope John Paul II in Rome.

The Vatican does have a representative in Israel, an Apostolic Delegate whose rank is lower than that of an ambassador.

Preconditions For Diplomatic Ties

Rabbi Marc Tanenbaum, director of international relations of the American Jewish Committee, reported in a July 17 Daily News Bulletin that O'Connor told him he would support Vatican diplomatic ties with Israel with three preconditions:

Israel should "assist substantially" in finding "a Palestinian homeland;" Israel should help achieve peace in Lebanon; And, Israel should help bring about the security of some eight million Christians living in the Arab world.

Tanenbaum continued that "Not a word was addressed by O'Connor directly nor explicitly to Syria, the Shiite and Sunni Moslems in Lebanon, Iran, nor Libya—all of whom have been active in destabilizing Lebanon and in massacring Christians for their own fanatic purposes of converting the Middle East to an Arab-Moslem hegemony."

PRICES OF IMPORTS TO DECLINE BY SOME 20 PERCENT STARTING JAN. 1

By David Landau

JERUSALEM, Dec. 29 (JTA) -- The prices of a large selection of imports, mainly expensive durables, will fall by as much as 20 percent, beginning on January 1 as Israel complies with tariff agreements it has with the European Economic Community (EEC), the Finance Ministry announced Sunday.

The Ministry warned, however, that if the price drops trigger an unrestrained spending spree by the public, additional taxes and levies would be imposed on the purchases. According to the Treasury, the cumulative effect of the reduced prices of imports would be a one percent fall in the cost-of-living index.

Israel has reciprocal agreements with the EEC calling for significant tariff reductions on industrial products. They have been in effect for several years but the largest is due at the start of the new year. Israel will benefit mainly in the area of agricultural products which will be able to compete favorably on the European market, even with produce from EEC countries. The biggest drop here will be in the price of family-size cars which will fall by about 18 percent.

REMINDER: There will be no Bulletin dated January 1, New Year's Day, a postal holiday.

BEHIND THE HEADLINES A RESCUER COMES OUT OF THE SHADOWS

By Maurice Samuelson

LONDON, Dec. 29 (JTA) -- A man who has secretly worked to rescue Jews from lands of persecution for more than 40 years has finally come out of the shadows.

Shaikhe Dan, 76, is the subject of a six-hour television documentary to be screened in Israel on next year's Independence Day. In it, he will be honored by many of those he brought to the safety of Eretz Yisrael and by Israeli leaders, including some of the people who worked alongside him.

Last week a group of leading British Jews were shown extracts of the program at a special preview at the home of the Israeli Ambassador in London, Yehuda Avner. It was attended by Dan himself and his wife Eva, a member of an illegal aliya transport he organized from Yugoslavia in 1946.

A Person Of Great Determination

Dan, a tall, white-haired man with a wry sense of humor, emerges as a person of great determination for whom helping a single Jew to reach Israel is as important as helping 1,000.

Among those who pay tribute to his work are Tony Simonds, former commander of M19, the British intelligence unit in Cairo which organized the escape of Allied prisoners from Nazi-occupied Europe; former parachutist Reuven Dafne, assistant director of Yad Vashem; former Premier Shimon Peres; former President Yitzhak Navon and Knesset member Yitzhak Artzi.

Exploits During The War

The program is entitled "Blind Jump," a reference to Dan's exploits as one of the 26 Jews from Palestine parachuted into Nazi-occupied Europe in the midst of World War II. Several lost their lives in this highly risky operation, including two women -- Hanna Senesh and Haviva Reik.

Their mission, organized by British intelligence, was to organize escape routes for captured British and American pilots from occupied Europe. But they also made contact with Jewish community leaders and other anti-German forces.

In the program, Simonds says that the parachutists had only a 10 percent chance of themselves escaping capture by the Nazis. They were double heroes, he says: if caught they could be shot twice -- as enemy agents and as Jews.

Simonds, a pro-Jewish officer who served with Orde Wingate in Palestine, says that M19 had to keep its wartime collaboration with the Jews a strict secret not only because of the Nazis but because of the Palestine police whom he calls "a bloody nuisance." They were so anti-Jewish, he says, that "you would think they were on the wrong side in the war."

An Important Zionist Organizer

Dan is portrayed in the program as the single most important Zionist in organizing aliya from Eastern Europe both during the war and in the decades which followed. He was also involved in tracking war criminals and in securing staging posts for the Zionist arms lift to Palestine in 1948-9.

He was a man of many different aliases, one of which featured in the anti-Semitic Slansky trial in Communist Czechoslovakia.

The program suggests a link between this and the mysterious murder in Prague in 1968 of Charles Jordan, the American Jewish head of the Joint Distribution Committee. Dan is said to have confirmed that he himself was the intended victim of Jordan's killers, who had been confused by the slight similarity in their second names.

JDC APPROVES 1987 BUDGET

NEW YORK, Dec. 29 (JTA) -- The Board of Directors of the American Jewish Joint Distribution Committee approved a \$57 million budget for 1987 at its recent annual meeting.

The budget represents a six percent increase over the 1986 budget of \$54 million. It will fund JDC programs in Israel and more than 30 other countries. JDC president Heinz Eppler called it a responsible budget and said: "It addresses the needs of the Jewish communities around the world."

The annual meeting was the culmination of a week of meetings and programs that illustrate the national and international scope of JDC activities. Committees organized by areas of the world reviewed operations and deliberated questions of program and budget.

Jewish Education Highlighted

Jewish education is a major focus of JDC work in Western Europe and Latin America. Executive vice president Ralph Goldman described a major study of educational programs in France, a joint project of JDC and the Jewish Agency Jewish Education Subcommittee.

"The study will produce an inventory of what exists and a plan for what is needed," Goldman said.

He stressed that the local community is involved with the study. "We are not seeking a JDC program or a Jewish Agency program. Rather, we want to help develop an indigenous French Jewish community program for Jewish education."

Eppler reported on a plan to form a training school, or "seminario," in Argentina for Jewish communal workers. He said that this will strengthen JDC's effort to increase the professionalism of social services in Latin America's Jewish communities.

The Board approved a new direction of service, in which the JDC will reach out to a general community in need, if that will also help a Jewish community.

Focus Of The Plenary

The focus of the plenary luncheon meeting was JDC's work in Israel. The keynote speaker was Avraham Harman, president of Hebrew University from 1968 to 1983 and Ambassador to the United States from 1959 to 1968.

In a summary of current social and political circumstances in Israel, he noted that the JDC, UJA, and similar agencies account for about 10 percent of what is spent on social services and community development.

"That's the context in which I think the JDC and the UJA should view their role in Israel," he said. "You are indispensable to what we want Israel to be, to how we want the people of Israel -- and the new immigrants who join us -- how we want them to live."