

**NEW MIDEAST PEACE PROPOSALS
APPEAR TO HAVE JORDAN'S SUPPORT**
By Gil Sedan and Hugh Orgel

JERUSALEM, Oct. 22 (JTA) -- Wide differences over procedure continue to bedevil the Middle East peace process, according to media reports here and abroad Thursday.

There are also contradictory accounts of what, if any, new ideas U.S. Secretary of State George Shultz conveyed to King Hussein of Jordan when they met in London this week, immediately following Shultz's three-day visit to Israel.

An international peace conference appears to be in limbo for the time being, owing largely to the unbending opposition of Premier Yitzhak Shamir. Instead, the Israeli media reported this week, a proposal was made to Hussein for bilateral negotiations between Israel and Jordan to be sponsored jointly by the two superpowers -- the United States and the Soviet Union.

Al Hamishmar reported Thursday that Hussein apparently has not completely rejected the idea and agreed to have Shultz discuss it with Soviet Foreign Minister Eduard Shevardnadze, with whom he is meeting in Moscow Thursday and Friday.

But, according to the report, Hussein will insist that the two superpowers have equal weight and that their sponsorship serve as the framework for bilateral Israeli-Jordanian talks, not simply a formality.

Political observers here pointed out that even if Hussein were prepared to settle for a U.S.-Soviet "umbrella" as a substitute for an international conference, there is a large gap between his and Shamir's views on the role of the superpowers and the role of the Soviet Union relative to that of the United States.

Maariv quoted political sources in Cairo as saying that the Jordanian ruler insists on convening an international conference in a form acceptable to the Arabs and the Soviet Union.

Hussein Meets With Soviet

Following his talk with Shultz in London, Hussein reportedly met with a high-ranking Soviet official, apparently the deputy foreign minister, Yuri Vorontsov, and assured him that Jordan supports Moscow's position on everything connected with the peace process in the Middle East.

The king is also reported to have told the Soviet official that the gap has widened between himself and the American administration on the Middle East.

The Jerusalem Post reported Thursday that Hussein told Shultz that he (Hussein) would react to new proposals only after the Arab summit meeting in Amman Nov. 8.

Although Haaretz reported earlier this week that Shamir and Foreign Minister Shimon Peres were in agreement on superpower sponsorship of Israel-Jordan talks, and even hinted that the idea may have come from Shamir, the prime minister's aides reiterated Thursday that he was firmly opposed to both an international conference and negotiations under Soviet-American auspices.

Meanwhile, a report from Helsinki, where Shultz stopped over Wednesday before going to

Moscow, described the secretary of state as deeply frustrated that the emphasis now is not on the substance of a Middle East peace settlement but on how to get the Israelis and Arabs together at a mutually acceptable forum.

**JEWISH AGENCY BOARD OF GOVERNORS
EXPECTED TO ELECT SOUTH AFRICAN**

By J.J. Goldberg
New York Jewish Week

NEW YORK, Oct. 22 (JTA) -- A wealthy South African Jewish businessman was expected to be chosen Thursday night for the highest position in international Jewish philanthropy -- the chairmanship of the board of governors of the Jewish Agency.

The controversial selection was decided by an eight-member nominating committee in a closed meeting here on the eve of Sukkot, and is expected to be confirmed by the full board meeting now in Jerusalem.

The move came after a months-long tug-of-war between Israel's political establishment and the leadership of Jewish philanthropies worldwide over the choice of new leaders for the troubled Jewish Agency. Diaspora leaders have become increasingly strident in their criticism of how the Jewish Agency administers its social service programs in Israel.

The candidacy of the South African, Mendel Kaplan of Johannesburg, had been greeted with discomfort by both Israelis and Americans in the Jewish Agency's leadership.

"It just wouldn't look very good these days to have the Jewish Agency run out of Johannesburg," said one high-ranking leader in the U.S. Jewish federation community, who asked not to be identified.

The Israelis, however, were reluctant to exercise their right of veto, fearing a diaspora backlash against the unpopular Israeli candidate for a parallel post -- chairmanship of the Jewish Agency Executive.

According to Jewish Agency power-sharing rules, the chairman of the executive is filled by the World Zionist Organization, and the chairman of the board of governors is filled by the philanthropies -- with the "advice and consent" of the other.

Both incumbents, executive committee chairman Leon (Arye) Dulzin of Jerusalem and governing board chairman Jerold Hoffberger of Baltimore, are about to step down.

Kaplan has been promoting himself as Hoffberger's successor since last winter. His candidacy, which was not taken seriously by federation leaders in this country until weeks ago, had the solid backing of philanthropists outside the United States who demanded a turn at chairing the board.

The board chairmanship had been in U.S. hands since the board's founding in the 1971 Jewish Agency reconstitution.

According to informed sources, Kaplan claimed he had the backing of Israeli Premier Yitzhak Shamir and Foreign Minister Shimon Peres. Aides to Peres, however, said he was concerned at the diplomatic implications for Israel

of having a South African in the highly visible post. An energetic, globe-trotting fund raiser who has served as chairman of the worldwide Keren Hayesod and treasurer of the World Jewish Congress, Kaplan's own political views were not at issue -- although some liberal South African Jews claimed he "travels with the kind of people" identified with the ruling National Party, which instituted the apartheid system in 1949.

Most American philanthropic leaders interviewed echoed the view of nominating committee member Henry Taub of New Jersey, chairman of the United Israel Appeal, who called Kaplan "a liberal in the Jewish tradition" who has "at great risk expressed his well-documented opposition to apartheid."

Chicagoan Was Primary Opponent

Kaplan's primary opponent was Chicago businessman Raymond Epstein, chairman of the Jewish Agency's budget and finance committee and a former chairman of the Council of Jewish Federations in North America.

It appeared, however, that the five Americans on the nominating committee -- including the top lay leaders of the national United Jewish Appeal, the United Israel Appeal and the Council of Jewish Federations -- deferred to the strong feelings of delegates from Australia, Canada and France.

The 74-member board of governors is evenly divided between representatives of Zionist and philanthropic concerns -- 22 of whom are Americans named by Jewish federations.

Meanwhile, the WZO leaders in the Jewish Agency were speaking out firmly against Kaplan's candidacy in the days preceding the board meeting.

"American Jewry is the largest community in the diaspora, and it's important that the chairman's job go to an American," said Dulzin in a recent interview.

That view was echoed by the agency's number-two Israeli, treasurer Akiva Lewinsky, who added that the agency would be in a delicate position if Israeli-South African relations deteriorated.

Would Not Recommend Vote

Lewinsky conceded in an interview that he would not recommend the Israelis exercise a veto against Kaplan, largely because it might backfire against Lewinsky himself.

A kibbutz member and former managing director of Bank Hapoalim, Lewinsky is the leading candidate to succeed Dulzin as chairman of the executive. He was nominated last spring by the Israel Labor Party.

His nomination has touched off protests from a number of U.S. philanthropists who fear he is too much a part of the system they are seeking to change.

Likud, however, has been unable to provide an opponent.

Thus, it is possible that Lewinsky could be elected at the Jewish Agency congress by acclaim -- only to face a possible veto from diaspora philanthropists.

The choice of Kaplan as board chairman appeared intended to forestall that eventuality, in part because he spends half of each year in Jerusalem and could serve as the philanthropists' "eyes and ears" in agency management, U.S. philanthropic sources said.

TEL AVIV STOCK MARKET UP

By Hugh Orgel

TEL AVIV, Oct. 22 (JTA) -- The Tel Aviv Stock Exchange bounced back again Thursday in brisk trading, recovering 5-7 percent of the 18-20 percent it lost in share prices this week. But observers said it was still too early to forecast how the exchange would behave in the coming days.

The Bank of Israel reported that conversion to cash orders for some 66 percent of the commercial bank shares which had been frozen to totalled 1.4 billion shekels (\$875 million) out of 2 billion shekels (\$1.25 billion) held by the public. The funds will be deposited in the investors' accounts on Oct. 30.

Capital markets commissioner Yehuda Drori said he expected no dramatic effects on the economy from the large amounts of cash that will be injected by the end of the month with the share payments.

He estimated that half of the sums cashed in will be deposited almost immediately in savings plans or be invested. The balance would not necessarily be used to finance consumption, he added.

Dan Halperin, formerly Israel's economic affairs minister in Washington, wrote in Maariv Wednesday that since the U.S. government's fiscal year is just beginning, the Wall Street decline will have no effect on U.S. aid to Israel.

It is reasonable to assume, however, that the ability of Jewish philanthropists to fulfill their donation pledges will be affected, since most of them have a great deal of their money invested in the stock market, he wrote.

Yediot Aharonot quoted Deputy Finance Minister Adiel Amorai as saying that the entire \$1.2 billion in U.S. non-military aid for this year will be transferred to Israel in another 10 days, and will not be affected by the American financial crisis.

The aid money will put Israel's foreign currency reserves at some \$5.7 billion, the largest sum in years, and Israel is likely to consider early repayment of debts to the United States, especially those with high interest and less desirable terms.

ARGENTINE PRIEST CRITICIZED

BUENOS AIRES, Oct. 22 (JTA) -- An American Jewish leader urged the Vatican's representative here Wednesday to publicly condemn a blatantly anti-Semitic homily delivered by a Roman Catholic priest in Cordoba Oct. 4, and expressed concern that the Vatican has not yet spoken out.

Seymour Reich, international president of B'nai B'rith, raised the issue at a meeting with the Papal Nuncio, Msgr. Ubaldo Calabresi. He was referring to the monthly Mass honoring "victims of subversion" at which Father Manuel Beltran denounced the "bad Jews" who "surround" the government of President Raul Alfonsin and suggested that the Protocols of the Elders of Zion was a document worth reflecting on.

If only because democracy is still so fragile in Argentina, it is important that the church's reaction to anti-Semitic remarks by an Argentine priest be made public, Reich told Calabresi. Calabresi replied that he had informed Beltran that he was wrong but made no public statement because the incident was an isolated one.

Beltran's audience consisted largely of right-wing military officers who oppose the Alfonsin government because of its efforts to bring to justice military officers who participated in murder, and atrocities when the junta ruled Argentina. The priest differentiated between "bad" and "good" Jews -- the latter being, according to him, those who stay out of public affairs.

He blamed Jews for Argentina's economic and social problems, from divorce to pornography. He recalled that when he was young, he had read the Protocols of the Elders of Zion and said of the notorious anti-Semitic forgery: "I don't know what is its value, but one should think about what is said there."

U.S. ENVOY ENDS CONTROVERSIAL TOUR OF DUTY IN AUSTRIA

By Reinhard Engel

VIENNA, Oct. 22 (JTA) -- United States Ambassador Ronald Lauder formally ended a relatively brief tour of duty here Thursday. It lasted only 19 months, during which he incurred the anger of conservative Austrians for pointedly distancing himself from President Kurt Waldheim, but gained the respect and affection of Austrian Jewry.

Lauder, who is Jewish and is the son of Estee Lauder, head of a worldwide cosmetics business, made his last call at the Foreign Ministry to bid official farewell to Foreign Minister and Vice Chancellor Alois Mock and Secretary General Thomas Klestil. He stressed that good bilateral relations are still developing between Austria and the United States, despite some recent troubles.

Mock heads the conservative People's Party which sponsored Waldheim's candidacy for the office of president in the summer of 1986. It was during that campaign that Jewish groups, led by the World Jewish Congress, exposed Waldheim's involvement in Nazi atrocities when he served as an intelligence officer in the German army in the Balkans during World War II -- an episode that Waldheim had concealed for 40 years, including his two terms as United Nations secretary general.

Waldheim nevertheless won a landslide victory. Revelations of his Nazi associations made him something of a diplomatic pariah. The U.S. Department of Justice placed him on the "watch list" of foreigners inadmissible to the United States. Lauder managed to be absent from the country for Waldheim's inauguration and later had contact with the president on only the most formal occasions.

A Strain On Austrian Relations

The situation put a severe strain on Austria's relations with the Reagan administration which, paradoxically, had preferred a conservative head of state in Austria to a socialist.

On Monday evening, the Vienna Jewish community held a farewell reception for Lauder. He was presented with a gold medal bearing the motto "For the fighters for justice, reconciliation, for peoples and human dignity."

Paul Grosz, president of the Jewish community, who spoke on the occasion, said Lauder had given Austrian Jews more than could have been expected from a foreign envoy. "In an admirable mixture of vision and practical devotion, he showed a deep interest in the Jewish community," Grosz said.

He thanked Lauder for his personal contributions to Jewish projects in Vienna, such as funding a school for Jewish immigrant children from the Soviet Union, for financial help for a religious and cultural center for Soviet Jews and for student exchange programs in collaboration with B'nai B'rith.

Grosz also noted that Lauder recently established a "Foundation for the Preservation and Promotion of Jewish and Minority Cultures in Europe." The foundation will grant funds to Jewish organizations and small communities to support clubs and groups fighting anti-Semitism.

Lauder is expected to be succeeded as ambassador by Vienna-born Henry Anatol Grunwald, who is also Jewish and has just stepped down as publisher of the Time-Life Corp.

NETANYAHU PRESSES SECRETARY GENERAL ON ACCESS TO WAR CRIMES ARCHIVES

By Yitzhak Rabi

UNITED NATIONS, Oct. 22 (JTA) -- U.N. Secretary General Javier Perez de Cuellar promised Binyamin Netanyahu, Israel's ambassador to the United Nations, that he will announce his final position on opening the files of Nazi war criminals at the U.N. archives in Manhattan at the beginning of next month.

The secretary general's pledge was made in the course of a half-hour meeting with Netanyahu Wednesday evening. The Israeli envoy requested the meeting with Perez de Cuellar to urge him not to postpone any longer the decision on opening the files.

Representatives of the 17 former members of the commission met with the secretary general here Sept. 22-23 and Oct. 13 to inform him of their governments' positions on opening the files.

The secretary general was expected to announce his decision following those meetings, but instead it was decided that the secretary general and representatives of the former members of the U.N. War Crimes Commission will meet again at the United Nations on Oct. 30.

Concern About Delay

Netanyahu reportedly expressed his concern to Perez de Cuellar over the continued delay in reaching a decision on the files. The secretary general reportedly told Netanyahu that a number of governments are still debating the issue.

The issue is whether to grant scholars, historians and researchers access to the dossiers on more than 40,000 accused Nazi war criminals. They are presently accessible only to the governments of U.N. members.

Diplomats at the United Nations told the JTA last week that 16 former members of the long-defunct War Crimes Commission have already expressed support for greater access to the files and that only one country, France, has not yet disclosed its position.

But reliable sources told the JTA Thursday that a number of other governments are now saying that they support a rather limited access to the files by historians, scholars and researchers.

Eyal Arad, the spokesman for Israel's U.N. Mission, said after the meeting between Netanyahu and Perez de Cuellar, "We came out of the meeting hopeful that the secretary general is indeed going to make up his mind soon and announce his decision along the lines requested by Israel."

COUPLE HONORS RIGHTEOUS CHRISTIANS WHO SAVED THEM

By Susan Rosenbluth

NEW YORK, Oct. 22 (JTA) -- The intricate mystery of what gives some individuals the courage to risk everything to help others came under scrutiny Tuesday when the recently formed Foundation to Sustain Righteous Christians, a project of the International Center for Holocaust Studies of the Anti-Defamation League of B'nai B'rith, honored two Polish women who had each saved a Jewish life during the Holocaust.

"Stanislawa Bardzik and Kazimiera Jezienicki would have been righteous people at any time or place, but because they performed their acts of mercy in Poland during the early 1940s, it makes them a thousand times more righteous," said Norman Salsitz, a 67-year-old Jewish Holocaust survivor, originally from Poland, who owes his life to Bardzik.

Salsitz's wife, Mania, 65, also originally from Poland, survived the war because Jezienicki allowed her to pose as a governess for four weeks.

The Salsitzes, who now reside in Springfield, N.J., met and married after the war. They immigrated to the United States in 1947.

In 1942, 22-year-old Norman Salsitz had already survived the destruction of the Jewish community in his hometown of Kolbuszowa, including his parents and five sisters, and had managed to escape from a labor camp.

He joined a group of 125 other young Jewish concentration camp escapees. They found a friend in Bardzik, then a 16-year old schoolgirl, and her parents.

Their eyes sparkling with tears, Salsitz and Bardzik described how grateful the 125 Jews, who were hiding in the woods near the Bardzik's cottage, were for the food, shelter and information the peasant family supplied at tremendous risk to themselves. All knew the penalty for being or assisting a Jew was death.

Bardzik herself was a member of a Polish underground partisan movement, noted for its anti-Semitism. The group, according to Salsitz, was as likely to hunt for Jews as for Nazis. Nevertheless, the young girl smuggled bullets to her Jewish friend when he needed them and kept him and his comrades' whereabouts a secret.

Mania Petranker Salsitz had grown up in an upper-middle-class Jewish family in Stanislawow in southeastern Poland on the Russian border, an area notorious for Ukrainian anti-Semitism. After 1939, the area was occupied by the Russians, and her family barely escaped exile to Siberia. In June 1941, the Nazis appeared.

A petite blonde woman with deep brown eyes, Salsitz recalled that one month after the Nazis' arrival, her 15-year-old sister was taken and the remaining family sent to the ghetto. On Hoshana Raba (the seventh day of Sukkot) that year, her mother was one of 15,000 Jews shot en masse.

Salsitz and her father decided to flee the ghetto together, but they soon became separated, and the 19-year-old girl found herself alone.

Not knowing what else to do, she set out from Krakow, where she knew Michel and Kazimiera Jezienicki, longtime gentile friends of her family, were residing. According to Salsitz, they welcomed her joyfully and vowed to protect her.

Well-to-do, the Jezienickis had no difficulty explaining to their neighbors that the young girl

had been employed as their children's new governess. The problem lay in preventing the Polish neighbors from noticing what Salsitz called "my Semitic eyes."

After four weeks, the Jezienickis suggested to Salsitz, who spoke fluent German, that she continue to pose as a Polish Catholic and look for work as a housekeeper for a German family living in Poland.

"They believed I would be safest in the lions' den because there the Polish police couldn't come and check for the identity papers," she explained.

The plan worked, and eventually she survived the war working as a secretary for a German company operating in Poland.

Grateful to the Righteous Christians to whom they owe their lives, the Salsitzes, over the years, have frequently sent packages with needed supplies to many Polish families who saved Jews during the war.

"People ask me, why do you send gifts to people you don't even know? I tell them, I don't have to know. If you helped any Jew, then you also helped me, and we Jews do not forget," said Norman Salsitz, a semi-retired building developer.

Neither Bardzik, who now resides in Warsaw, nor Jezieicki, now a widow but still in Krakow, said they felt they had behaved particularly righteously during the war. Both women, who spoke in Polish translated by Norman Salsitz, stressed that their ethics had been molded by parents who were staunch Catholics dedicated to the true Christian spirit.

"What we did was not a big deal," said Bardzik. "Everyone who needs help should be helped. Everyone wants to live, and we wanted everyone to survive with us."

ETHIOPIAN DENIES PERES' REQUEST FOR JEWISH EMIGRATION

JERUSALEM, Oct. 22 (JTA) -- Ethiopia has reacted negatively to a request by Foreign Minister Shimon Peres to allow the emigration of 15,000 Jews still living there.

Peres told the Conference on the Demography of the Jewish People here Wednesday that he made the request in a meeting last month in New York with his Ethiopian counterpart, Berhanu Bayih. "But the minister reacted negatively," said Peres. "He argued that if the Jews were permitted to leave, the Moslems and the Christians would ask to do so."

But Peres added that the minister conceded that Christians and Moslems had not asked to leave the country.

LE PEN BANNED FROM GENEVA

By Tamar Levy

GENEVA, Oct. 22 (JTA) -- The authorities of the canton of Geneva have banned Jean-Marie Le Pen, the president of the rightist French National Front Party, from fulfilling a speaking engagement on Nov. 26. Le Pen was expected to speak at a dinner given at the Hotel Intercontinental by the International Circle of Economic and Political Studies. The authorities said his presence would be a threat to public order.

According to a local source, 200-250 guests were invited to the dinner. This is the second time that Le Pen was barred from speaking in Geneva. The first time was in January 1986, when he was invited by Swiss Television.