

**UNREST CONTINUES IN THE TERRITORIES**

By David Landau

JERUSALEM, Dec. 10 (JTA) -- Unrest continued in the administered territories Wednesday for the seventh straight day as the response by the Israel Defense Force was beginning to be questioned at home.

A 16-year-old Arab student was wounded in the hand during disturbances in Gaza Wednesday. Four Arab youths, two of them minors, have been killed since violence erupted at Bir Zeit University near Ramallah in the West Bank on December 4. About a score of Palestinians have been wounded and a similar number of Israelis, military and civilian, have been injured by rocks.

But despite official statements endorsing the behavior of the Israel Defense Force, there is mounting concern and criticism here over the use of live ammunition by soldiers and border police to quell violent demonstrations. According to The Jerusalem Post, Vice Premier and Foreign Minister Shimon Peres and Defense Minister Yitzhak Rabin will face tough questioning at a caucus of Labor Party Ministers Wednesday night.

Much of the concern is over Israel's image abroad and that the killing of Palestinian youths, whether intentional or not, gives momentum to the disturbances rather than restoring calm which is the IDF's stated purpose.

The newspaper Davar reported Wednesday that the fatal shooting of two 22-year-old Bir Zeit University students on December 4, the incident that triggered the week of violence, was the work of a professional IDF officer "known to have extremist views close to the extremist settlers" in the West Bank. Davar said IDF reservists serving in the area have complained about this officer through army channels.

Meanwhile, the IDF is continuing its investigation into the fatal shooting of a 12-year-old Palestinian boy at the Balata refugee camp near Nablus Monday. Rabin reported Tuesday that forensic examination of the bullets removed from his body showed they could not have been fired from any weapon used by the IDF.

**WIESEL URGES HELP FOR THE PALESTINIAN PEOPLE BUT SAYS THAT TERRORISM IS NOT THE WAY**

OSLO, Dec. 10 (JTA) -- Elie Wiesel, the author, lecturer and humanitarian who has devoted most of his life's work to bearing witness to the Holocaust, received the 1986 Nobel Peace Prize here Wednesday and, in his acceptance speech, urged help for the Palestinian people, for whom terrorism was no answer.

He also linked the internal exile of Soviet dissident Andrei Sakharov, the denial of Polish Solidarity leader Lech Walesa's right to dissent, and the imprisonment of Black South African civil rights leader Nelson Mandela as "disgrace" of identical magnitude.

"Human rights are being violated on every continent. More people are oppressed than free," the 58-year-old Wiesel, a survivor of Auschwitz, told the assembled dignitaries from all parts of the world. "And then, too, there are the Palestin-

ians to whose plight I am sensitive but whose methods I deplore," Wiesel said.

"Violence and terrorism are not the answer. Something must be done about their suffering and soon," he said. "I trust Israel, for I have faith in the Jewish people. Let Israel be given a chance, let hatred and danger be removed from her horizons, and there will be peace in and around the Holy Land."

Wiesel added, "It would be unnatural for me not to make Jewish priorities my own: Israel, Soviet Jewry, Jews in the Arab lands. But there are others as important ... Apartheid is, in my view, as abhorrent as anti-Semitism ... Wherever men or women are persecuted because of their race, religion of political views, that place must -- at that moment -- become the center of the universe."

Wiesel, born in Rumania and now a U.S. citizen, heads the United States Holocaust Memorial Council. He is credited with being the first to use the term "Holocaust" to describe the Nazi extermination of six million Jews. He said he plans to use the \$250,000 Nobel Prize money to establish a Human Rights Foundation, the first act of which would be to organize a conference on combating hatred.

Egil Aarvik, chairman of the Norwegian Nobel Committee, said in presenting the Peace Prize to Wiesel that it was given "in recognition of this particular human spirit's victory over the powers of death and degradation and as a support to the rebellion of good against evil in the world."

Wiesel said at a press conference before the award ceremonies that he was optimistic about his forthcoming meeting with Soviet leader Mikhail Gorbachev to discuss easing restrictions on the emigration of Jews and non-Jews from the USSR.

**INTERNATIONAL ARBITRATION ON TABA BORDER DISPUTE BEGINS IN GENEVA**  
By Tamar Levy

GENEVA, Dec. 10 (JTA) -- International arbitration of the Israeli-Egyptian border dispute over Taba was formally begun here Wednesday and hailed by the chief delegates of both countries as proof of the workability of their 1979 peace treaty and the importance of resolving such issues by legal means. Both sides pledged to abide by the ruling of the arbitrators which is not expected until 1988.

The formal opening at the historic Geneva Town Hall was a ceremonial occasion attended by the five-member arbitration panel, the full Israeli and Egyptian delegations and the Vice President of the Geneva State Council.

The process actually began on Monday when the Israelis and Egyptians exchanged documents ratified by their respective governments agreeing to arbitration. They remained at a villa in the village of Genthoux, near Geneva, to work out procedural matters.

Robi Sabel, head of the Israeli delegation, noted in his opening speech that "All the nations in the world will be following with fascination the successful implementation of Article VII of the (Camp David) peace treaty and will be

awaiting its outcome with expectation." The arbitration process, he said, "bears witness to the workability and efficiency of the (peace) treaty and will show that disagreement between the two countries can be peacefully resolved by legal means."

The Egyptian chief delegate, Nabil el-Araby, stressed Egypt's desire to reach a "peaceful settlement of international disputes in accordance with international law. This is the only way to achieve a lasting peace," he said.

Taba is a strip of beach on the Red Sea near Eilat claimed by both Israel and Egypt. Israel has already built a resort hotel on the site and Sabel noted in his speech its economic importance for the development of Eilat and the entire southern Negev.

El-Araby recalled that the opening ceremonies coincide with the sixth anniversary of the award of the Nobel Peace Prize to the late President Anwar Sadat of Egypt and former Israeli Premier Menachem Begin on December 10, 1980, for their roles in establishing peace between their countries.

Since then, Israel and Egypt had attempted for years to reach a bilateral settlement of the Taba dispute, without success. On September 11, 1986, they signed a document at Giza, near Cairo, to set up a court of arbitration.

The five international jurists who will hear and study the claims of both sides are Gunnar Lagergren of Sweden, President of the Court; Pierre Bellet of France; Dieterich Schindler of Switzerland; Ruth Lapidot of Israel, and Hamed Sultan of Egypt.

The process will be a lengthy one. The Israeli and Egyptian delegates left for home after the ceremonies. Next May 13, each country will submit a memorandum to the panel and to each other. Five months later, on October 13, the two sides will exchange counter-proposals. Some time in the winter of 1987-88, the panel will visit Taba and afterwards commence deliberations on their ruling.

**SWISS AUTHORITIES BAN ENTRANCE TO TWO FRENCH NEO-NAZI PROPAGANDISTS**  
By Tamar Levy

GENEVA, Dec. 10 (JTA) -- The Justice Ministry has banned entry into Switzerland of Henri Roques and Pierre Guillaume, French neo-Nazi propagandists who deny the Holocaust occurred.

The ban, to be in effect for three years, is based on a 1948 law which prohibits political statements by non-residents without permission. Roques and Guillaume held a press conference here last month to propagate their views though they were denied permission by the police.

The Justice Ministry acted on the complaint of Geneva Police Chief Bernard Ziegler. Unlike France, Switzerland has no law forbidding propaganda against minority groups because of race or religion. The Roques-Guillaume incident may lead to such a measure.

Israel's Ambassador to Switzerland told the Jewish Telegraphic Agency Tuesday that the government is preparing legislation aimed against racist propaganda. It will be introduced in Parliament in February.

Roques and Guillaume came to Geneva last month to speak in support of Mariette Paschoud, a Lausanne high school teacher notorious for anti-Semitic statements, including denial of the

Holocaust. Paschoud was relieved of her duties as a history teacher after parents protested. But she continues to teach French.

**NASSER ORDERED THE SINKING OF ISRAELI SUB DAKAR IN 1968, IT IS REVEALED**  
BY A RETIRED EGYPTIAN NAVAL OFFICER  
By Hugh Orgel

TEL AVIV, Dec. 10 (JTA) -- The Israeli submarine Dakar, posted missing with all hands in 1968, was sunk at the orders of then Egyptian President Gamal Abdel Nasser, according to a retired Egyptian naval officer who says he commanded the operation.

Retired Vice Admiral Samir Shalabi wrote in the current issue of the Cairo weekly A-Shaab that "We carried out the mission near Egyptian territorial waters west of the town of Al-Dakhila on January 25, 1968."

That was the date when the Dakar, a British-built submarine of World War II vintage on its delivery voyage to Israel with a crew of 69 was last heard from. It was never determined whether the undersea craft foundered because of the failure of its pressurized hull or other internal difficulties, or was destroyed by enemy action. Until now, Egypt has denied any knowledge of the fate of the Dakar.

Earlier this year, Egypt gave Israel permission to search in its coastal waters for traces of the submarine. The search, carried out with the help of U.S. Navy personnel and equipment, was terminated in October after nothing was found.

Shalabi, in his account of events nearly 19 year ago, wrote: "Our underwater detection system discovered a hostile target. We reported to President Nasser who ordered the Naval Command to locate the target and hit it. Nasser was concerned over a possible attack by Israeli frogmen. Seventeen kilometers from shore, we made contact with the submarine. I gave the order and we dropped 36 depth charges on it, and reported on our success."

The Admiral said "helicopters that arrived on the scene searched for remains of the sub, but there were none."

**FUGITIVE GUSH EMUNIM MEMBER PLEADS GUILTY TO TWO COUNTS**  
By Hugh Orgel

TEL AVIV, Dec. 10 (JTA) -- Fugitive Jewish underground member Ira Rappaport pleaded guilty in Jerusalem district court Wednesday to causing "serious bodily harm" and membership in a terrorist organization, in connection with the June 1980 car bombing that severely injured former Nablus Mayor Bassam Shakaa.

He was released on 10,000 Shekel (about \$6,500) bail pending sentencing in 10 days. Rappaport, the only suspected member of a Jewish terrorist underground in the West Bank to escape arrest two years ago, was taken into custody at Ben Gurion Airport Sunday after returning to Israel voluntarily from the United States.

The "bodily harm" charge was the result of plea bargaining between the prosecution and Rappaport's lawyer, Yaacov Weinroth. More serious charges against him were dropped. Rappaport, who was sent to the U.S. as a Gush Emunim emissary, failed to return to Israel when other members of the Jewish underground were brought to trial.

He claims he was not trying to evade justice but stayed in the U.S. to be with his mother who was ill with cancer. Her disease is now in remission, he said. Rappaport will support his appeal for a light sentence by presenting in court a ruling by an Orthodox rabbi in the U.S. forbidding him to leave because of his mother's health.

#### REFUSENIK'S SON CALLS ON AMERICANS TO STEP UP STRUGGLE FOR SOVIET JEWS

WASHINGTON, Dec. 10 (JTA) -- Former refusenik Aleksandr Slepak told the United Jewish Appeal leadership that the third largest Jewish population in the world is in danger of extinction through persecution and attrition if current Soviet policies prevail.

"Until the Gorbachev regime," Slepak said, "nobody dared to plant guns and drugs on Jewish teachers. Nobody dared to be so bold." He called for "all Americans, Jews and non-Jews, to increase the pressure to secure the freedom of the Jewish people."

His audience, the UJA National Campaign Cabinet, met here this week to shape the issues and establish the framework of fund-raising activities to motivate increased support for the coming UJA/Federation campaign.

Speaking emotionally of his parents, Vladimir and Masha Slepak, whom UJA National chairman Martin Stein visited on a recent trip to Moscow, Slepak said: "We have to make it clear to the Soviets that, whatever the American Administration, we will not accept these ups and downs. My parents and 400,000 other refuseniks have been through five summits. Every time hope. Every time disappointment. Refuseniks have many serious health problems because of the stress; their life is running out."

The Soviets, he warned "will not offer 'presents' during this current period of unrest in the White House." Furthermore, he noted, "The Soviets are blaming Secretary of State (George) Shultz and President Reagan for halting the negotiations on Soviet Jewish emigration that were planned for Reykjavik."

After the failure of those meetings, Slepak, in Reykjavik to plead for his parents' release, asked Soviet representatives, "Who gave you the right to tie human beings to weapons -- literally tying bodies to rockets?"

Setting the stage for campaign planning, Stein vowed, "The UJA will continue to focus the attention of the American community on the plight of Soviet Jewry." He announced that the 1986 campaign has raised \$656.1 million so far and projected a final campaign total of \$693 million.

#### ALFONSOIN OFFERS TO HOST WORLD GATHERING OF THE WJCONGRESS

BUENOS AIRES, Dec. 10 (JTA) -- President Raul Alfonsin of Argentina has offered to host an international gathering of the World Jewish Congress in Buenos Aires. He extended the invitation to WJC president Edgar Bronfman in the course of a four-hour meeting with a WJC delegation at the Presidential Palace here Monday.

Bronfman is winding up a tour of Latin American countries which included meetings with President Jose Sarney of Brazil and President Julio Maria Sanguinetti of Uruguay.

Alfonsin told him, "With the restoration of democracy in our country, we would be most honored to host the leadership of Jewish commun-

ities around the world in Argentina." Argentine Foreign Minister Dante Caputo participated in the discussions with the WJC group, leaders of the Latin American Jewish Congress and the DAIA, the central representative body of Argentine Jewry.

An official spokesman said "a broad range of political issues" were discussed. The WJC said Alfonsin reported on his recent visit to the Soviet Union and confirmed that Bronfman and other WJC representatives were recently in contact with Soviet officials in the U.S. and Latin America with respect to the situation of Soviet Jews.

Before coming here, the WJC group was told by President Sanguinetti in Montevideo that he would continue to support the cause of Soviet Jewry. He stressed Uruguay's deep commitment to human rights and the struggle against racism and anti-Semitism.

The Argentine Minister of Interior, Antonio Troccoli, had a two-hour meeting with WJC officials focussing on neo-Nazi and anti-Semitic activities in the country. "Remnants of the extreme anti-Semitic right remain in the country, but this government is committed to eradicating those vestiges of hate," Troccoli said.

In each of the countries visited, the WJC delegation submitted to the Foreign Ministries the documents of the United Nations War Crimes Commission relating to the Nazi past of Austrian President Kurt Waldheim. Officials of each government made it clear that there are no plans to invite Waldheim to visit any country in Latin America, the WJC reported.

#### CHRISTOPHER SYKES DEAD AT 79

LONDON, Dec. 10 (JTA) -- Christopher Sykes, author and historian, died Monday at age 79. The son of Sir Mark Sykes, who played a key role in promoting and issuing the Balfour Declaration, Christopher Sykes wrote extensively on Zionism and the rise of Israel.

"Crossroads to Israel" (1965) remains a standard work on the Arab-Israeli conflict, reflecting the author's intimate knowledge of Zionist affairs. He also wrote the definitive biography of Gen. Orde Wingate, the pro-Zionist British officer, whom he greatly admired.

"In 'Two Studies in Virtue' (1953), he portrayed the career of his father, Assistant Secretary to the War Cabinet, who died at a tragically young age shortly after World War I.

#### SON OF PROMINENT MOSCOW REFUSENIKS THREATENED WITH MILITARY CONSCRIPTION

NEW YORK, Dec. 10 (JTA) -- Soviet authorities have threatened Efraim Rozenzstein, the 17-year-old son of prominent Moscow refuseniks Grigory and Natalia Rozenzstein, with military conscription within seven months, thus dimming the family's hope for emigration, it was announced by the National Conference on Soviet Jewry. The family has been refused visas since 1974, on the grounds that Grigory possessed "state secrets" in 1965. Grigory, a doctor of Computer Science, had resigned from his post at the Science Research Institute for Instrument Automation, in anticipation of filing emigration applications for himself, his wife and their two sons, Efraim and Mikhail. Mikhail had applied on his own for a visa in 1978, and was also refused. Official promises to grant a visa never materialized.

## BEHIND THE HEADLINES ECONOMIC GROWTH PLAN FOR ISRAEL

By David Landau

JERUSALEM, Dec. 10 (JTA) -- Lower tax rates and fewer tax concessions are two key elements in a far-reaching economic growth plan now under preparation by the Finance Ministry and the Bank of Israel.

The plan also envisions significant easing of foreign currency restrictions, and a drastic overhaul of Israel's capital market.

The planning has been accelerated in the wake of the new American tax reform -- in part to meet the challenge of the brain drain to the United States.

Finance Minister Moshe Nissim, in a series of interviews over recent days, has deliberately unveiled major elements of the new plan and encouraged public debate.

Behind the scenes he is working hard to garner political support among both major coalition partners for his program -- which hinges, he insists, on a substantial reduction of government spending in next fiscal year's national budget. The budget debate is due to begin in the Cabinet later this month.

### No Austerity Measures Contemplated

Nissim assured interviewers that he is not contemplating a devaluation of the Shekel or further austerity measures (although there has been intense speculation in this direction in some newspapers).

On the contrary, the Israel-European Economic Community tariff-reduction agreements which go into effect January 1 will mean a lowering in the prices of cars and other consumer durables imported from Europe -- and the government has resolved not to make up the shortfall in added purchase tax.

Government planners believe they can drive inflation even lower than the current 20 percent annual rate -- despite an anticipated rise in consumer spending -- by further substantial cuts in government spending.

Building on the success of the July 1985 economic emergency program, Nissim and bank governor Prof. Michael Bruno, now want to spur the economy into a growth phase. For the worker and for employers, this will mean less direct taxation -- and a much simplified taxation structure that will eliminate the myriad concessions and loopholes that now encrust the Israeli system.

### Aim Of The New Policy

"Our policy is aimed at making it worthwhile for people to work," the Finance Minister told The Jerusalem Post, "(at) encouraging immigration, and at preventing a brain drain."

Under the present tax structure, wages and salaries are taxed at 60 percent over a margin of around \$12,000 annually. This situation has spawned both a massive black market economy and a widespread feeling that work and effort are not worthwhile. Companies, too, are more heavily taxed than almost anywhere in the Western world.

Speaking to Davar, Nissim stressed that there must be no substantial wage rises in the year ahead. He said this was a critical element of his program.

Davar is owned by Histadrut, and Nissim knows he needs the continued cooperation of Histadrut Secretary-General Yisrael Kessar if the recovery-to-growth plan is to succeed. Nissim told

Davar that the touchstone of success for him would be a balanced budget for the coming fiscal year.

### Touchstone Of Success

Certain increases on the expenditure side were already built in, he said: Debt-repayment--including the bank shares which the government undertook to guarantee higher wages for policemen and nurses, two growing population groups that require increased social services.

And certain decreases on the income side had to be anticipated -- especially the unlikelihood of any further emergency aid from the United States as had been forthcoming over the past year (\$1.5 billion).

To reach a balanced budget would therefore require cutbacks in certain areas, Nissim said. There could not -- yet -- be public investment in new building and development projects.

Nor could the justified and meritorious demands of the defense establishment, the Education Ministry or the Welfare Ministry be acceded to, "at least in the coming year, though hopefully we may be able to ease up a little in the year after that," Nissim stated.

Investment, therefore, would have to come largely from the private sector and from overseas. And for this to happen, Nissim said, Israel would need, above all, stability -- hence his solid opposition to a devaluation -- and the steady confidence of the public in that stability.

### DISPUTE OVER TOMATOES RESOLVED

JERUSALEM, Dec. 10 (JTA) -- An inter-ministerial dispute over tomatoes appeared to be resolved. The Agriculture Ministry decided this week not to import them for the time being.

Acting Minister of Agriculture Ezer Weizman seems to have emerged the victor, though he walked off the job in disgust last week when the Finance Ministry announced over his objections that 100 tons of tomatoes would be air-freighted from Spain.

The reason was the seasonal shortage which has sent the price of tomatoes soaring from 2-3 Shekels a kilo to 8-9 Shekels. Weizman, standing in for Agriculture Minister Arieh Nehamkin who is abroad, vetoed the import on grounds that prices will drop sharply when the Jordan Valley crop reaches the market.

But Finance Minister Moshe Nissim overrode Weizman after consulting with Nehamkin by telephone last Wednesday. Nehamkin ordered his aides to go ahead with the import. The Ministry has since discovered that Israeli families are buying tomatoes at the equivalent of \$.25 a pound, despite urgings from consumer organizations to boycott them until the price comes down.

The Ministry also discovered that European tomatoes available here are of a small variety which is unpopular with Israeli consumers. Jordan Valley growers meanwhile promised that their crop will reach the market very soon.

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JERUSALEM (JTA) -- A sign of a possible thaw in Israel's relations with the East European bloc was indicated by the participation for the first time in Israel of 16 East European Bible scholars in the XII Congress of the International Organization for the Study of the Old Testament, held at the Hebrew University.