

# JTA daily news bulletin

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## Eban Sees Possibility Of Direct Settlement Between Israel, Palestinian Arabs

LONDON, July 14 (JTA)--Israel's Foreign Minister Abba Eban indicated in an interview published here today that there was a possibility of some sort of direct settlement between Israel and the Palestinian Arab community although such an arrangement would be no substitute for general peace treaties with the neighboring Arab states.

According to an article in the Sunday Observer, Mr. Eban said that Israel was not now negotiating any solution based on a separate Palestinian state. However, the Israeli diplomat stated, "I think the longer Jordan repulses negotiations, the stronger will be the impulse among Palestine Arab leaders to work out the best settlement they can with Israel, and the longer Jordan abstains from negotiating, the greater will be the tendency in Israel to explore that possibility."

Mr. Eban also commented on the joint Soviet-Egyptian statement issued on President Nasser's departure from Moscow last week which called for Israel's total withdrawal from the occupied Arab territories. "They have not even said that if we were miraculously persuaded to put ourselves back to the June 4, 1967 positions that they would end their conflict with us," he said. "On the contrary, it would continue until what they call the 'rights of the Palestinian people' have been fully satisfied."

Mr. Eban noted that his Government had made it clear to the United Nations peace envoy, Ambassador Gunnar V. Jarring, that it did not see the present cease-fire lines as ideal or permanent. "We are prepared to replace them by agreed and secure territorial boundaries and we have suggested an agenda for peace talks in which we stressed that boundaries with Egypt and Jordan are open for negotiation," Mr. Eban declared. He also rejected the reported offer by Cairo to permit Israeli cargoes, though not Israeli-flag ships, to navigate the Suez Canal in return for a pull-back of Israeli troops from the canal's east bank. "This does not interest us. Once we abandon the principle of equality we go back to the belligerency that has tormented the region all these years," Mr. Eban said.

He said that if "Palestinian Arab leaders were to seek to negotiate with us on a settlement of all questions between them and us, most of my colleagues and I would favor exploring such a possibility." Mr. Eban thought that the Palestine Arab community could serve as a "bridge to the Arab governments favoring peace, or failing, they could reach an arrangement with Israel that could create and expand the possibility of co-existence which has already emerged."

(Reporting on talks held with Mr. Jarring, Mr. Eban told the Israel Cabinet Sunday that the UN envoy does not regard his mission as nearing its end. He said that Gideon Raphael, director-general of the Foreign Ministry, told Dr. Jarring in their London talks last week that Israel pledges to support his mission.)

## Nasser Reportedly Favors Political Solution But Does Not Rule Out Recourse To War

LONDON, July 14 (JTA)--President Nasser of Egypt reportedly told Soviet Leaders during his talks in Moscow last week that he favored a political solution in the Middle East deadlock but was prepared to go to war again. There was no indication, however, of whether the Russians agreed to give Mr. Nasser what he apparently sought during his stay in the Soviet capital -- more and speedier arms deliveries. According to an account of the Moscow talks by Mohammad Hassein Heykal, editor of the semi-official Cairo daily Al Ahram who accompanied Mr. Nasser, the Egyptian leader took a tough stand and informed the Kremlin leaders that he adhered to what amounts to the Khartoum formula of August, 1967 -- no negotiations, no peace and no recognition of Israel. The series of "no's" was delivered at a session reportedly devoted to the question of a political solution, Mr. Heykal wrote in Al Ahram yesterday. The question of what to do if a political solution failed was reportedly confined to private meetings at which the only conferees were Mr. Nasser, Soviet Premier Alexei N. Kosygin, President Nikolai V. Podgorny and Communist Party Chief Leonid I. Brezhnev.

Al Ahram quoted Mr. Nasser as having said, at a more broadly-attended meeting: "Regarding a political settlement and its possibilities, we are not intransigent, nor do we allow ourselves to indulge in the illusion of dictating terms. But there are the possible and the impossible things. Accepting negotiations with Israel is impossible and I do not accept it. Recognition of Israel is impossible and I cannot do it. Conclusion of peace with Israel is impossible and I cannot do it. This is my stand and on its basis we have provided the opportunity for a political settlement."

According to Al Ahram, the Egyptian president told the Soviet leaders that a military approach was advantageous, especially for Arab morale, but that if he could "eliminate the traces of Israeli aggression" through political action, "this is an approach no patriot can reject." Mr. Heykal made no mention in his article of the Russian stand on additional arms for Egypt but observed that the Soviets wished to avoid a "hot confrontation" with the United States because that would result in universal destruction.

### Arab States Have More And Better Arms Than Before War, Washington Paper Reports

WASHINGTON, July 14 (JTA)--Arab nations have more and better arms than before the Six-Day War, the Washington Daily News reported yesterday. The newspaper reported that 3,500 Russians are in Egypt for military training purposes, 100 in Syria, and 700 in Iraq. The newspaper reported that before June, 1967, Egypt had 12 SU-7 jet bombers. It lost seven in the war, but now has 70; it lost 130 MIG-21s, has 120 new ones; lost 100 MIG-15s and MIG-17s, now has received 100 MIG-19s. Tanks have been replaced with up to 1,000 new models.

Iraq requested and got fast jet fighters instead of heavy bombers. It now has SU-7s and many MIGs, the Daily News reported, adding that Syria had no SU-7s before the war and now has 50. It lost 30 of its 45 MIG-21s, now has 70. Tanks have been replaced by up to 250 new ones.

### Sapir Says Gov't Policy Is To Sell Its Enterprises, Not Go Into Business

TEL AVIV, July 14 (JTA)--Israel's Finance Minister Pinhas Sapir told a group of visiting Americans today that it was his Government's policy not to go into business but to sell government-owned enterprises to private investors whenever possible. Mr. Sapir, who spoke to the United Jewish Appeal Young Leadership Mission, said that efforts to encourage foreign investments in Israel resulted in the approval of \$11 million worth of such investments during the first six months of 1968, four times the number approved during the same period last year.

According to Mr. Sapir, 90 percent of the new investments have already gotten started. Preparations are being made for production and architects are planning their commercial facilities. During the first half of 1967, only \$2.8 million in new investments reached the starting stage, he said.

### Middle East Seen As Topic In Upcoming Talks With High-Ranking U.S. Officials

JERUSALEM, July 14 (JTA)--Israel Government officials prepared for meetings with four high ranking American statesmen who were due here today for a series of talks that were regarded as crucial to the ongoing Middle East crisis.

Ambassador George Ball, newly appointed United States chief representative to the United Nations, was expected, accompanied by Assistant Secretary of State Joseph Sisco and Alfred Atherton, chief of the Arab-Israel desk in the State Department. Mr. Sisco heads the international organization's division of the State Department which includes the UN. They were to be met by U.S. Ambassador Walworth Barbour and by Gideon Rafael, director-general of the Israel Foreign Ministry. Expected to land several hours earlier was McGeorge Bundy, president of the Ford Foundation and a former White House advisor on international affairs, who was coming as a guest of the Government. He is chairman of President Johnson's advisory committee on the Middle East.

Mr. Ball, Mr. Sisco and Mr. Atherton were scheduled to have several talks tomorrow and Tuesday with Foreign Minister Abba Eban and other Foreign Ministry officials. They were to be received tomorrow by Prime Minister Levi Eshkol. They were also scheduled to confer with Deputy Prime Minister Yigal Allon and with Defense Minister Gen. Moshe Dayan, and were scheduled to leave for Amman, Jordan, Tuesday via the Allenby Bridge. Mr. Bundy's visit officially was in connection with Ford Foundation matters but it was almost certain that he was to discuss the Middle East situation in meetings with Mr. Eshkol, Mr. Eban, Gen. Dayan and Maj. Gen. Chaim Bar-Lev, Chief of Staff of Israel's armed forces. Mr. Bundy, who has already visited Egypt and Lebanon, was expected to go to Jordan following talks here.

### Israel Delays Official Reaction On 'Liberty' Disclosures, Awaits Testimony

JERUSALEM, July 14 (JTA)--Officials said this weekend that pending receipt of the transcript of United States Congressional testimony here, there would be no official reaction to the disclosures in Washington that the U.S.S. Liberty, the American electronic intelligence vessel which the Israelis attacked on June 8, 1967, at the height of the Six-Day War, should not have been in the war zone and was there because of a failure of U.S. naval communications.

The disclosures were made in testimony given last April and May and made public last week by the House Defense Appropriations Subcommittee. Much of the detail was reported withheld, apparently for security reasons. The testimony bared a series of blunders and misrouting of messages as a result of which the ship never received orders from the Pentagon to get out of the war zone. Israel was sharply condemned at the time in Congress and in the American press for attacking the ship when it failed to give a proper answer to demands for its identification. Thirty-four of its crew were killed in the attack and 75 wounded. Israel has already paid more than \$3,323,500 to the families of the killed men and to the wounded. Demands were made in Congress this week that these payments be refunded to Israel since the testimony now revealed American errors were responsible for the ship's presence in the war zone.

### Future Claims Against Israel Will Take Into Account New Testimony

WASHINGTON, July 14 (JTA)--Further claims against Israel for damages done to the Liberty will take into consideration the newly published Congressional testimony that a communications foul-up prevented the vessel from receiving orders to move out of the war zone, Government sources said this weekend. However, the State Department's official stand still holds Israel entirely responsible for the accidental attack.

The Defense Department has referred the whole issue to the State Department in light of the testimony. State Department legal officers are studying the testimony and it was conceded that a complicated legal issue of contributory negligence now exists. According to the State Department, Israel's payment of \$3,323,500 to the families of the sailors who were killed represented an acknowledgment of its responsibility. Israel now faces additional claims for compensation of the wounded men and for repair of the damages. But officials hinted that the new disclosures, which indicated that the U.S. considered the Liberty's position off Sinai to have been hazardous, would be taken into account in preparing the final bill.

### Mrs. Meir Will Not Relent On Resignation, Labor Party Secretariat Gets Issue

TEL AVIV, July 14 (JTA)--Mrs. Golda Meir held firm today to her decision to relinquish her post as general-secretary of the Israel Labor Party effective August 1. Efforts to dissuade her, made at a meeting of the party's leadership bureau, were unavailing and Mrs. Meir rejected proposals that she retain the post for some months longer. In view of her determination to retire, the meeting agreed to refer her resignation to the party's secretariat which had originally elected her. It is understood that some Israeli political elements are planning to attempt to bring public pressure to bear on Mrs. Meir to change her mind. Mrs. Meir, who just turned 70, told friends that while she will quit her post, she will not leave political life and will "be there whenever needed."

Talks between the Israeli Labor and Mapam Parties on alignment between the two have resulted in the setting up of two committees -- one to air general issues and the political aspects of such proposals and the second to study the implications of such a union in Histadrut, Israel's labor federation.

### Four Arab Saboteurs Killed, Three Israeli Soldiers Wounded In Weekend Clashes

TEL AVIV, July 14 (JTA)--Four Arab saboteurs were killed and three Israeli soldiers were injured in a series of shooting incidents along the Jordan River over the weekend. In addition, 10 EI Fatah recruits were reportedly killed at a saboteur training center in Jordan when a mine they were handling exploded in their midst. Some of the recruits were reported to be from West Bank villages.

A Tel Aviv District Court imposed a three-year prison sentence over the weekend on Meyir Eilathi, 23, who was found guilty of making contact with Egyptian intelligence with the intention of providing them with secret materials. He had contacted the Egyptian Consul in The Hague while visiting The Netherlands and offered his services. Mr. Eilathi returned to Israel before real contact was made and no material was handed to the Egyptians.

Two of the Arab infiltrators were killed Saturday night in an encounter north of the Damiyah Bridge in the Beisan Valley. Some saboteurs escaped across the Jordan River. The Israeli patrol found rifles, machine guns and a bazooka, all Russian-made, near the slain Arabs. The body of another saboteur was found Saturday night north of the Allenby Bridge near where an Israeli patrol shot and killed a marauder Friday night. Three Israeli soldiers were wounded in that encounter when Jordanian forces on the East Bank opened fire on them in an attempt to help a wounded infiltrator escape. Until the discovery of the body it was believed that the wounded man had gotten away.

### Eban Presents Proposal To Improve Israel's Information Services Overseas

JERUSALEM, July 14 (JTA)--A plan by Foreign Minister Abba Eban has been advanced to strengthen the Israel Information Service's overseas activities through the use of more trained personnel at a cost of about \$1,142,000. Mr. Eban presented his plan to the Cabinet Sunday. Debate is expected to continue next week.

The service had been criticized for a lack of activity overseas following the Six-Day War. Under the Eban plan, a special effort would be made to bring Israel's views to the intellectual community abroad. Almost all foreign capitals would be involved in the plan which calls for the establishment of special information officers in Israeli missions and expanded information activity on university campuses using Israeli professors as lecturers.

### Goldmann Says Memorial Foundation Should Act To Save Alienated Jewish Youth

GENEVA, July 14 (JTA)--Dr. Nahum Goldmann said here today that while it was gratifying that Jewish youth were prepared to go out in large numbers to fight for certain ideals, it was, at the same time "a tragedy that our young men and women look for ideals and values outside of Jewish experience." Dr. Goldmann spoke as president of the Memorial Foundation for Jewish Culture at a meeting attended by 90 delegates representing 40 nations. The Foundation aims to revive Jewish culture and cultural institutions destroyed by the Nazis.

Dr. Goldmann said that "a large part of the Jewish youth of today is alienated from the mainstreams of Jewish life" and warned that "if we don't save most of them, the outlook is bleak indeed." He thought that the Memorial Foundation was best suited to undertake the task because other Jewish establishments could not. "We must look for new ways and means to solve this problem," he said.

Earlier today, Dr. Goldmann addressed the opening session of the annual meeting of the Conference for Jewish Material Claims Against Germany of which he was re-elected president. The Conference utilizes funds received from West Germany under the restitution agreement to provide relief, rehabilitation and resettlement for needy survivors of Nazi persecution living outside Israel. Fifty representatives of 23 Jewish organizations were present. Dr. Goldmann said that no demands could or would be made of West Germany for additional restitution legislation but that implementation of the final two laws now in progress required the Conference to remain in existence.

## Will Ask GOP, Democrats For Platform Plans On Direct Talks, Planes For Israel

WASHINGTON, July 14 (JTA)--The platform committees of both the Republican and Democratic parties will be asked to include in their platform planks on the Middle East a statement of the need for direct peace negotiations between the Arab states and Israel and support for the provision to Israel of "supersonic planes and any other military equipment necessary to enable her to deter threatened aggression." The request will be made to the Democrats for the American-Israel Public Affairs Committee by Rabbi Philip S. Bernstein, its chairman. Irving S. Kane, the Public Affairs Committee's co-chairman, will make the presentation to the Republicans.

In addition to the insistence on peace talks and military aid, the recommendations will call for economic aid to raise living standards of all the peoples in the region, with specific reference to nuclear desalination projects. They will also call for strengthening of existing legislation and administrative procedures to combat the Arab boycott against Americans who do business with Israel.

The Committee's proposed plank on military assistance to Israel declares that "we will work for effective disarmament agreements but, in the absence of peace treaties and to give effect to our firm commitment to ensure the survival of Israel, we will provide Israel with supersonic planes and any other military equipment necessary to enable her to deter threatened aggression." The proposed plank on a negotiated peace stresses as its objectives, the fixing of permanent boundaries, respect for the integrity and independence of the states involved, freedom of navigation for all through the Suez Canal and the Strait of Tiran, promotion of disarmament agreements, facilitating of refugee resettlement, an end to economic boycotts and access for all faiths to the shrines of Jerusalem.

## Senator Scott Urges President Johnson To Sell Phantom Jets To Israel

WASHINGTON, July 14 (JTA)--Senator Hugh Scott, Pennsylvania Republican, has urged President Johnson to authorize the sale of F-4 Phantom jet fighter-bombers to Israel as a deterrent to aggression. "Israel must have the Phantom Jets to match the performance of the Russian jets in President Nasser's arsenal. Otherwise the precarious balance of strength which is the only restraint upon Nasser, will be upset," he said in a telegram.

Senator Scott said while the recent signing of the nuclear non-proliferation treaty with the Soviet Union "raises hopes" that an arms control agreement can be reached for the Middle East, such efforts require time and "in the meantime, the Soviets continue to arm the Arabs. As long as they do so, the U.S. must help to keep Israel strong."

## Five Major Agreements Reached To Import Israeli Food Products, ATID Reports

NEW YORK, July 14 (JTA)--The food division of American Trade and Industrial Development with Israel, Inc. (ATID) reported today the completion of five major agreements for importation of Israeli food products into the United States and said a number of other deals were scheduled to be closed by the end of July. ATID is a trade and export-promotion body.

Katz-American Food Co. will import tomato products from Miloz, the Federation of Western Galilee Kibbutzim. The imports will include peeled plum tomatoes, tomato paste and tomato sauce and it is estimated that Americans will buy between \$75,000 and \$100,000 worth of Israeli vegetable products in 1968. The company will also import chilled grapefruit sections and the agreement is expected to produce exports for Israel of almost \$1 million in the first year.

L. Fatatato, a large U.S. beer importer, will import 500,000 cases of Israeli beer from Cabeer Industries each year for the next five years. Froumine biscuits and crackers will be imported by A. Goldmark and Sons in a deal which should reach \$100,000 in annual volume, ATID said. New agreements have been made with the World Cheese Co. and another cheese importer for Kfir cheeses of B'nai Brak. The volume in processed gouda cheese spread has already reached \$40,000 in the first three months, it was reported. Pending are agreements for importing cheeses and specialty foods, olives, toilet goods, soaps and additional lines of crackers.

## 33 U.S. Teen-Agers, First Of Three Groups, Leave For High School Study In Israel

NEW YORK, July 14 (JTA)--Thirty-three Americans between 14 and 16 have left for Israel to start a year of high school study in Israel at the Alonei Yitzhak Secondary School near Caesarea, under the American-Israel secondary school program of the Department of Education and Culture of the Jewish Agency for Israel. Twenty-eight are enrolled for second-year high school studies and five for third-year work.

The program, launched during last year for 10th grades, will offer courses for both 10th (sophomore) and 11th (junior) year studies in the 1968-69 school year. Two additional groups will leave New York later this year, and the final enrollment will total 50 -- 35 sophomores and 15 juniors.

## Goldberg Will Attend 50th Anniversary of Hebrew U. Ground-Breaking In Israel

NEW YORK, July 14 (JTA)--Arthur J. Goldberg, former United States Ambassador to the United Nations, will visit Israel July 23 to attend the 50th anniversary celebration of the Hebrew University's groundbreaking ceremony on Mount Scopus and also receive an honorary doctorate from the university. Mr. Goldberg is also expected to meet with Prime Minister Levi Eshkol and other Israeli Government leaders. A Hebrew University spokesman said the former Ambassador will attend the first meeting of the board of directors of the University's Harry S. Truman Peace Center, to which he was recently elected.