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Israel Anticipates No Egyptian Confrontation; Suez Moves Seen As Pressure Tactic

JERUSALEM, Sept. 19 (JTA).—Israel does not believe that Egypt is seeking an all-out military confrontation at this time, but neither is she seeking peace, authoritative diplomatic sources said here today. According to these sources, Egypt's military escalation along the Suez Canal does not foreshadow a general flare-up but may be Egypt's way of locusing attention on the area to create pressure for the withdrawal of Israeli forces from the east bank of the canal. They said that Egypt may be seeking a partial settlement that would lead to the canal's reopening. But Israel stands firm that a withdrawal from the canal can take place only in the context of a formal peace treaty and that there must be freedom of passage for ships of all flags, including Israel's.

These sources conceded that time has not conclusively worked in Israel's favor. The world and the United Nations have not shown any more readiness to accept the fact of Israel's presence on the Suez Canal and in other Arab areas than they did 15 months ago. On the other hand, they said, the situation from Israel's standpoint is better now than it was after the Sinai campaign of 1956 when the UN demanded Israel's withdrawal under pain of sanctions. "With this reality in mind, one can say that the immediate political aims of Israel have been achieved," they said,

According to the diplomatic sources, Israel's argument at the forthcoming session of the UN General Assembly will be to press for peace based on agreed-upon contractual obligations and to expose Egyptian responsibility for the lack of progress toward peace. They said that questions on the Egyptian interpretation of the phrase "just and lasting peace" — found in the UN's Nov. 22, 1967 peace resolution — submitted to Cairo over the past few weeks through UN peace envoy Dr. Gunnar V. Jarring were answered by the Egyptians in a "rude and irrelevant manner."

(A London Daily Telegraph dispatch from Cairo today contradicted recent press reports that the Egyptian capital was in the throes of "war fever." According to correspondent Eric Downton, "as far as I can judge, major hostilities are not imminent unless Israel strikes exceed the major incident level." Mr. Downton reported that Cairo was as normal as it has been at any time since the June, 196 war. The public learns from the press that the Army has been strengthened along the Suez Canal to counter possible Israeli attacks, he said, "but the official Egyptian attitude is still one of hope for a peaceful solution through the United Nations resolution, although preparations are being made in the event the Jarring mission fails," according to the writer.)

Eban Says Israel Not Disappointed Or Surprised By UN Vote

JERUSALEM, Sept. 19 (JTA)--Foreign Minister Abba Eban told a press conference here today that Israel was neither disappointed nor surprised by the "tepid" resolution adopted by the Security Council yesterday calling on Israel and the Arabs to observe the cease-fire. The resolution marked the end of a session called at the urgent request of Israel last month in connection with the Egyptian commando raid across the Suez Canal Aug. 26 in which two Israeli soldiers were killed and a third was kidnapped. The document made no reference to Israel's complaint.

"Disappointment presupposes some hope," Mr. Eban said, "But Israel knew beforehand that the character and composition and shortcomings of the Security Council seal its lips and paralyze its hands," He said that Israel's complaint had a two-fold purpose – to make it clear to Egypt that Israel will not always be on the receiving end of incidents and to impress world opinion with Egypt's guilt for the escalation along the Suez Canal. The Foreign Minister said that there were some members of the Security Council who wanted to state Egypt's guilt in a resolution, "but the automatic Soviet support of the Arabs and the Big Powers' unwillingness to become involved in a direct confrontation over the Middle East issue brought this attempt to nought," he said.

Jordanian Foreign Minister Assails Humphrey And Nixon

JERUSALEM, Sept. 19 (JTA).—Jordan today accused both Presidential candidates Hubert H, Humphrey and Richard M, Nixon of heightening Middle East tensions by making allegedly reckless campaign promises to Israel, Jordanian Foreign Minister Abdel Moneim Rifai attacked Mr. Humphrey and Mr. Nixon in an angry statement in Cairo. His comments followed Egyptian claims that a U.S. armor shipment arrived in Israel. Mr. Rifai h.aped special scorn on Mr. Nixon for stating that the military balance should be tipped in Israel's favor to deter aggression.

Lucius D, Battle, U.S. Assistant Secretary of State for Near Eastern Affairs, met with Egyptian Foreign Minister Mahmoud Riad for an hour today. Mr. Battle termed the meeting "useful and very friendly." Mr. Battle refused to comment on reports that he brought a personal message from President Johnson or Secretary of State Dean Rusk to President Nasser.

Thant Urges Arab States, Israel, To Help Jarring Achieve Mid-East Peace

UNITED NATIONS, N.Y., Sept. 19 (JTA).—Viewing the current situation in the Middle East as one of the principal factors that make for "a bleak and gloomy" picture of the world situation at present, Secretary-General U Thant today called upon the Arab states and Israel to help Dr. Gunnar V, Jarring, his special Middle East peace envoy, achieve a peaceful settlement in the Middle East.

Mr. Thant spoke at a luncheon tendered by the United Nations Correspondents Association in connection with the organization's Hammarskjold Memorial Scholarship Fund. Without mentioning either Israel or any of the Arab states, he declared that "the crisis situation" in the Middle East, along with the Vietnam war and the recent Soviet action in Czechoslovakia, cast a dark shadow over the entire world.

"So far as the Middle East is concerned," he said, "we have witnessed a period of tension and frustration, tension in the area and frustration on the part of the peace-makers, why special representative, Ambassador Jarring, has carried on his mission, tensciously and discreetly. However, his tireless efforts within the framework of the Security Council resolution of Nov. 22, 1967 have so far not led to concrete results. Here again, the UN can contribute to a peaceful settlement only if there is a will to peace with justice on the part of the parties directly involved."

Return Of Jarring To UN Generates 'Atmosphere Of Guarded Expectation'

UNITED NATIONS, N.Y., Sept. 19 (JTA)--Ambassador Gunnar V. Jarring's return here next Monday has generated, at least in a few United Nations missions, an "atmosphere of guarded expectation" that his presence and that of Middle East foreign ministers may create the possibility of moving peace forward.

There is "no feeling that Dr. Jarring," Secretary-General U Thant's special Middle East peace envoy, "has reached a wall" in his efforts to bring the Arabs and Israel together, a well-informed source said today. There is no sign of weakening of Egyptian or Jordanian support for the mission, it was reported. The envoy has just completed another circuit of Middle East capitals.

The Arab world is expected to remain as actively anti-Israel in its political behavior in the coming 23rd General Assembly as in the past. The Middle East deadlock looms as a major issue facing the Assembly, which is convening Tuesday, and will probably surface in debates in the Assembly's various organs. The Czechoslovakia issue is seen by some observers as the number one issue confronting the Assembly because questions of peace and the integrity of states in Europe will have worldwide repercussions, not excluding the Middle East, a diplomatic observer said.

Israel is preparing to combat Arab political maneuvering — from its usual power bloc disadvantage in the Security Council and General Assembly — without certain knowledge of what diplomatic tactics the Arabs are planning.

There are a number of open questions. Will the 22nd General Assembly, slated to reconvene monday, vote to transfer its sole remaining agenda item, the Middle East, to the new Assembly? Such action is expected, Will the Arabs seek to activate the item and enter into a broad political debate on the Middle East in the Assembly? Or will the existence of the Nov. 22, 1967 Security Council peace resolution and the Jarring mission lead the Arabs not to press the issue? Will the question of Jerusalem come up?

There is every expectation that the "humanitarian" issue — the question of sending another than tenvoy to the Middle East to look into the situation of civilians in the occupied territories — will be raised. A Security Council meeting, called by Senegal and Pakistan, is slated on the issue tomorrow, and the subject could crop up in general debate in the Assembly, Israel is expected to hold fast to her position that no emissary will be permitted to examine the situation of the Arabs in occupied territories unless the Arab states consent to permit a similar probe of Jews within their national boundaries.

One diplomatic aim of Israel will be to limit the "danger" of an Arab political offensive, an observer said, Israel also will seek to avoid aggrevation of resolutions already adopted and to avoid new ones. New military conflicts during the life of the Assembly could of course provoke new debate. There is no certainty that the Security Council would be inactive during the Assembly sessions.

Israel foresees no likelihood that the Arabs' friends, including the Soviet Union, will relent in long-established support, and indeed will continue giving active encouragement to them. This is especially true in the case of Egypt because of its heavy military and other dependence on Moscow.

Child Injured In Mortar Shelling Of Beisan Valley Moshav By Jordanians

TEL AVIV, Sept. 19 (JTA).—A child was injured last night in a brief mortar shelling by Jordanians of Moshav Yardena in the Beisan Valley, a military spokesman reported. Israeli forces returned the fire and silenced the Jordanian positions, he said. The shelling was one of several incidents of shooting and sabotage. A sabotage attempt was made on a small bridge near Nachal Oz in the Gaza area but no damage was caused and traffic was not interrupted. A water storage tank near Moshav Avivim on the Lebanese border was damaged by an explosion and another explosion damaged a stable and killed two goats. A military spokesman said Israeli artitlery fired on military targets inside of Jordan and that fires were observed near Shuni village, opposite the Beisan area. Villagers were seen fleeling with their beloignigs.

One of Israel's first television broadcasts will be the video-taped trial of a Gaza judge accused of having organized a terrorist group and of having collected intelligence for Egypt. The trial of Judge Adeb Shunrad. 46. will be taped for future telecast, it was announced here.

Israeli border police, mounted on jeeps, patrolled Nablus yesterday as 500 local high school girls carried out a peaceful, if occasionally noisy demonstration. The girls, who marched in an orderly manner past the military governor's compound, were protesting the Israeli policy of demolishing houses that belong to or are used by terrorists. They stopped at the recently demolished house of an El Fatah member. But beyond shouts of "Nasser, Nasser" and "Allah is Great," the demonstration was without incident

Herut Party leader Menachem Beigin yesterday repeated his call for the "widespread and rapid" settlement by Israel of the occupied Arab territories. Mr. Beigin, minister-without-portfolio in the national coalition Government, spoke at a meeting of his party's central committee. He said his proposal was necessary "to counter the threats of our enemies."

Israel's Foreign Trade Deficit Rises By \$265 Million For First 6 Months of 1968

JERUSALEM, Sept. 19 (JTA).—Israel's foreign trade deficit rose by \$265 million in the first six months of 1968, double the rise in deficit for the corresponding period last year, it was reported here today. The main cause for the rise was a 42 percent rise in imports compared to only a 16 percent rise in exports. Economic sources said however that much of the imports were of investment goods which reflected an upswing in the country's economy.

Many Czech Jewish Children Sent Abroad Following Invasion By Soviet Union

PRAGUE, Sept. 19 (JTA)--Many Jewish parents in Czechoslovakia have sent their children abroad as a consequence of the Soviet occupation, which has given rise to a climate of ominous fore-boding in the Jewish community, the Jewish Telegraphic Agency learned today. At least 100 Jewish youths have left Czechoslovakia since the Soviet-led invasion on Aug. 21 and more than half of them are in Western countries, Many other youngsters who were abroad at the time have not returned home.

The fears of Czechoslovak Jews were motivated by the strong attacks in the Soviet press which accused "Zionists" of being primarily responsible for the so-called "counter-revolution" in Czechoslovakia, the JTA was told. However, Jews here are confident that the Czech population will not follow any anti-Semitic tendencies as was the case in Poland "because the Czech people were never anti-Semitic and never would be."

Netherlands Government Introduces Draft Bill Outlawing Anti-Semitism, Discrimination

THE HAGUE, Sept. 19 (JTA).—The Netherlands Government has introduced in Parliament a draft law against anti-Semitism and racial discrimination in general. The bill followed Holland's ratification of the United Nations convention against discrimination and is designed to improve existing laws which date from 1933. The new legislation would increase the penalties for racial discrimination.

Belgium Will Ratify Tokyo Air Piracy Pact As Result Of Hijacking Of El Al Plane

BRUSSELS, Sept. 19 (J7A).—The Belgian Government announced today that it will sign the Tokyo convention against aerial piracy. Foreign Minister Pierre Harmel made the announcement in reply to a Parliamentary question. A bill calling for ratification of the treaty was presented in Parliament on July 29 as a consequence of the hijacking of the El Al airliner by Palestinian terrorists on July 23.

British Company Rejects Five-Figure Syrian Contract Because Of Anti-Jewish Clause

LONDON, Sept. 19 (3TA).—A British company rejected a five-figure Syrian contract because it contained an anti-Jewish clause, the Financial Times reported today. The company, which trades with both Israel and the Arab states, requested that its identity remain undisclosed. The offending clause stipulated that the contract would become null and void if its execution was dependent in any way on "direct or indirect relations with Israel...or on suspected persons, especially Jewish." Dr. Alec Lerner, chairman of the Anglo-Israeli Chamber of Commerce, said it was the first proviso against Jews rather than against "Zionists" that he had seen in an Arab trade document.

See Personal Confrontation With Israel As Way Of Returning Alienated To Judaism

HIGHTSTOWN, N.J., Sept. 19 (JTA).—Personal confrontation with Israel was suggested at a seminar here as a way to bring alienated an indifferent Jewish college youth closer to Judaism. The seminar, sponsored by the university service department of the American Zionist Youth Foundation, was attended by 40 graduate students representing 35 campuses in the United States and Canada. Speakers, who included Daniel Isaacman, registrar of Gratz College, and Mordecai Bar-On, head of the Jewish Agency's youth department, said that the young peoples' interest in such causes as peace black nationalism and other issues raised by the New Left, could be related to Jewishalues and tradition.

American-Israeli Shipping Co. President Accuses Japanese Firm Of Discrimination

NEW YORK, Sept. 19 (JTA) -- The representative of Israel's largest shipping company today accused one of Japan's three major trading companies of discrimination against Israel flagships because of pre-ssure from the Arab boyott office. Avner Manor, president of the American-Israeli Shipping Co., North American representatives of the Zim Lines of Haifa, charged that the Marubeni-lida Co. of Japan refused to use ships flying the Israel flag despite a recent commitment promising free choice of flar.

Mr. Manor cited two problems of last month to back up his charge. One involved a 10,000 ton shipment of coal from Hampton Roads, Va., to Japan which was diverted from the Zim Liner's cargo motorship Beersheva after Marubeni-Iida cabled its American broker, "Sorry, cannot entertain Israeli flag." The other concerned a small parcel of raw silk loaded aboard the Beersheva's sistership, m/v Deganya, for shipment to Kobe but later removed from the vessel on orders from Marubeni-Iida's bank. "Thus, one of Japan's giant firms continues to be pushed about by intimidation of the Arab boyott officials," Mr. Manor said. "Our company," he went on, "considers this a serious infraction of the traditional friendship and liaison that has existed between the nations and industries of Israel and Japan."

The Zim Lines' cargo service between North American ports and Japan, known as the Pacific Star Line, was established in 1961. Mr. Manor said the company intended "to make a forceful protest to the Japanese Government."

Bank Leumi Chairman Says Israel Could Train Arabs In Banking, Technology

NEW YORK, Sept. 19 (JTA).—Israel would prefer to help develop the Middle East together with the Arabs, Dr. Y, Foerder, chairman of the Bank Leumi Le-Israel said yesterday at a luncheon at the Bankers Club here. "We would be willing to train the Arabs, not only in banking, but also in technological fields, as we are doing on a large scale in Africa." he declared. "This would give us greater satisfaction than military victories."

About 100 businessmen, bankers and banking officials attended the luncheon given by the First Inrael Bank and Trust Co. of New York, an affiliate of Bank Leumi. Stressing that commercial banks in Israel are independent of the Government, Dr. Foerder compared the banks and economies of the other countries in the Middle East, including those which have nationalized the foreign banks Egypt, the largest country, might have been expected to lead in Arab banking, Dr. Foerder said, but "the nature of its regime and consequently its chronic lack of foreign exchange have long been restrictive factors in Egyptian banking."

Beirut, he noted, an Arab stronghold of free enterprise, has emerged as the leading financial center of the Arab world. Even after the Intra-Bank affair, he said, and the controls imposed subsequently, Lebanon still has more than 80 registered banks. International liquidity concentrated in the central banks in Israel is \$715 million, as compared to \$281 million in Lebanon, or \$196 million in Egypt, and \$30 million dollars in Syria, Dr. Foerder said.

Libya and the Gulf sheikdoms are other examples of oil-rich centers, but so far only Kuwait has begun to challenge Beirut in the field of banking, he said. Kuwait, with its small population as a gross national product per capita of \$3,290, as compared to \$1,280 in Israel, \$480 in Lebanon and \$267 in Egypt. The banker declared that the percentage of its gross national product which Israel has to spend for defense is out of all proportion, and the expenses are increasing. "Everything possible must be done to secure peace in the Middle East and to utilize the limited resources for more productive purposes," Dr. Foerder said. "Countries which receive armament without counter value pay the highest price that human beings can pay — they give up their freedom," he asserted.

President Johnson Congratulates Dr. Goldstein On 50th Anniversary In Rabbinate

NEW YORK, Sept. 19 (JTA)--President Lyndon B, Johnson sent a message of congratulations to Dr. Israel Goldstein on the occasion of the 50th anniversary of his entry into the American rabbinate. The message was made public by Congregation B'nai Jeshurun here of which Dr. Goldstein is rabbi emeritus. The President wrote, in part, "It must be a source of much satisfaction to you to look back upon the many fruitful years which you have spent in dedicated service to God and to your fellow man. Please accept may warmest good wishes on this joyous day and during the years ahead."

Dr. Goldstein, chairman of the Keren Hayesod, the fund-raising arm of the World Zionist Organization, and who now makes his permanent home in Jerusalem, was honored at golden jubilee services held at B'nai Jeshurun last week. Rabbi Goldstein and his wife, Bertha, also celebrated their 50th wedding anniversary. He took the occasion at services to remark on the serious schism developing in Negro-Jewish relations. He urged fellow Jews not to permit unjustified provocations to turn them away from support of the Negroes' struggle for human rights.

American Legion Urges Washington To Sell Supersonic Jets To Israel

WASHINGTON, Sept. 19 (JTA)--The American Legion has urged the United States Government to sell supersonic military jets to Israel in order "to provide an adequate deterrent force which might prevent future Arab aggression." The Legion's call was contained in a resolution adopted at the veteran organization's national convention in New Orleans last week. It was reported out by the Legion's platform committee today.