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Israel's Foreign Currency Reserves Drop To \$510 Million -- A Danger Point, Officials Say

JERUSALEM, Oct. 14 (JTA) -- Israel's foreign currency reserves, a constant source of concern to the tiny nation, dropped to a point in September that some economists consider to be the danger level, the Bank of Israel said today. Urgent corrective measures were required by the Government, officials said, but there was no indication that they would be taken.

The Bank said that the treasury's reserves fell by another \$25 million last month and now stand at \$510 million. The reserves are now barely sufficient to finance three months' imports. Officials said that foreign currency reserve losses since April total \$185 million because of increased military spending which now amounts to \$3 million a day.

Israel is spending 21 percent of its gross national product on its military budget -- almost twice that of its pre-June, 1967 defense budget. The problem was discussed by Mrs. Golda Meir, Israel's Premier, when she conferred last month with President M. Nixon in Washington. She asked for \$1 billion in United States aid over a five year period to help stem the foreign currency drain.

United States Urges Avoidance Of Any Assault On Territorial Integrity Of Lebanon

WASHINGTON, Oct. 14 (JTA) -- The United States Information Agency, in a broadcast to the Middle East yesterday, said the U.S. was "very concerned" about incidents on the Israeli-Lebanon border and urged that any assault on Lebanon's territorial integrity be avoided.

The broadcast followed a weekend address here by Joseph J. Sisco, Assistant Scoretary of State for Near Eastern Affairs, before the Middle East Institute. In his remarks, Mr. Sisco stressed that the U.S, took a strong position against any "aggression" that might be waged against Lebanon. He also said that the U.S, was convinced that a common basis of understanding between the U.S, the Soviet Union, Britain and France was really "a basic precondition" for peace in the Middle East.

The USIA broadcast said that the U.S. was seriously concerned over recent incidents of violence on the Lebanese border and "dataches great importance to the national independence and territorial integrity" of Lebanon. It said, "We would view with greatest concern any threat to that integrity from any source." The broadcast obviously reflected the position voiced by Mr. Sisco.

A statement issued yesterday by the U.S. Embassy in Beirut also said that the U.S. would view with "greatest concern" any threat to the territorial integrity or independence of Lebanon. The statement denied that the U.S. was acting as "fisrael's lawyer" in Mideast talks with the Soviet Union. It said that American participation in the Big Power talks was based on the "considered judgment" that if left to themselves, Israel and the Arab states could not achieve peace.

(Lebanon's Foreign Minister, Youssef Salem, said in Beirut that his Government was satisfied with the statement, adding that "we would have wished the statement to cover all Arab states, with which we have full solidarity.")

(In Jerusalem, diplomatic circles said that Israel has often been told by Washington of active American interest in preserving Lebanon's territorial integrity and the present regime.)

(Israell sources in Washington could not explain the meaning or the timing of the U.S. statements but thought that they were not necessarily directed at Israel but rather possibly at guerrillas and Arab regimes that have caused Lebanon trouble. There has not been trouble on the Israel-Lebanon border in recent days except for a brief raid recently to route a nest of guerrillas. The border has been the scene of tensions in recent months because of El Fatah attacks from Mount Hermon, in Lebanon, against Israel and Israeli reprisals.)

Allon Outlines Proposed 'Home Rule' Plan For Arabs Of Occupied West Bank

JERUSALEM, Oct. 14 (JTA) — A proposed interim plan to give West Bank Arabs a large measure of 'home rule'' as a step on the road to a final peace settlement was unveiled by Deputy Premier Yigal Allon here yesterday, Mr. Allon introduced the suggested program during a question period at a meeting of the Foreign Press Association. He stressed that the plan was his own concept and did not represent a Government view. He conceded that it had drawn mixed reactions from his Cabinet colleagues. Arab leaders to whom he had spoken about it had made favorable comments, he said.

Under the proposal, Arab mayors and village chiefs in the occupied Judaea and Samaria districts would function within the framework of the military government but would be responsible for all municipal affairs. The Arabs would also be responsible for education, religious affairs, commerce, international trade, and local police, Mr. Allon said. Israel would retain decisive responsibility in security matters. The 650,000 West Bank Arabs presently handle some of these affairs, but in close lietsen with officials of the pertinent Israeli ministries.

Mr. Allon stressed that the initiative for his "home rule" plan must come from the Arabs. He acknowledged that Arab leaders are fearful of criticism or worse from the Arab states and Arab guerrilla groups if they cooperate too closely with the Israelis. But, he said, he did not see how any Arab rulers could logically object to the concept of Arabs under occupation taking responsibility for their own affairs. He said the plan did not represent a permanent solution but was merely a stage on the road to reace.

Eban Tells UJA Mission That American And Israeli Peace Interests Converge

JERUSALEM, Oct. 14 (JTA) -- Foreign Minister Abba Eban said here today that American and Israeli interests converged because the United States was not looking for new places to intervene and Israel was fully capable of defending Itself provided that it has the necessary equipment. Mr. Eban spoke to members of the United Jewish Appeal study mission.

He said the U.S. was not faced with the problem of leaving Israel to perish or getting itself involved in "another Vietnam," It has the alternative of equipping Israel to defend itself, he said. Replying to questions about possible Soviet intervention in a Middle East conflict, the Foreign Minister noted that during the Six-Day War, Washington and Moscow assured each other that "if you keep out, we shall keep out." He said that "everything suggests" that "this message still stands in 1969" and that the Arab-Israel conflict was a local one and can be kept localized.

Americans Can Now Become Israeli Citizens, Serve In Armed Forces, And Keep Citizenshij

TEL AVIV, Oct. 14 (JTA) -A United States Embassy spokesman said here today that Americans could no longer lose their citizenship if they become citizens of Israel or serve in Israel's armed forces. He said that the "new interpretation" of U.S. regulations governing dual citizenship announced early this year by Attorney General John Mitchell applies to Americans in all foreign countries.

According to the Embassy official, an American could lose his U.S. citizenship only if he renounced it, injured American interests or fought against the U.S. He observed that the <u>latter</u> situation was not likely to arise in Israel. Another basis for revoking American citizenship would be active participation in the politics of a foreign country not simply by voting but by running for public office, he said.

Construction Begins On Village To Serve Etzion Bloc, Captured During Six-Day War

JERUSALEM, Oct. 14 (JTA) — Construction began yesterday on a village that will serve as the regional center for a group of settlements south of Jerusalem that were captured in the Six-Day War after 19 years of Arab occupation, Ground-breaking ceremonies were held on a leveled hilltop where the village serving the so-called Etzion bloc will be built. The settlements of Kfar Etzion and Rosh Tsurim, captured by the Jordanian Arab Legion in 1948, have already been revived. A third settlement is planned in the near future.

The regional center is a joint project of the Jewish Agency's settlement department and the Ministry of Housing. It will contain an elementary school, a building to house the Har Etzion Yeshiva, varicus workshops, a music center and immigrants' hostels.

Israel Describes Egyptian Report Of Successful Canal Zone Commando Raid As 'Fantasy'

TEL AVIV, Oct. 14 (JTA) -- An Israeli military spokesman described as "fantasy" today an Egyptian report of a commando raid across the Suez Canal which allegedly took a heavy toll of Israeli lives and caused severe damages to military positions. The spokesman said the Egyptians fired several rounds of mortar shells into the Kabrit area but "we know nothing of a raid, damages or losses."

The Cairo report said commando units armed with rockets attacked Israeli infantry, tank and mortar positions on the east bank of the Canal near Kabrit, 25 miles north of Port Suez. The report said the commandos planted mines and destroyed two Israeli armored vehicles killing all of their occupants. The Egyptian spokesman claimed that explosions and fires caused by the attack' were seen from the Egyptian side and that the Israelis suffered "heavy losses in tanks, other arms and personnel." He said there were no Egyptian casualties.

Israeli jets yesterday attacked a guerrilla camp near Salt, 20 miles inside Jordanian territory. A military spokesman said the assault lasted "a few minutes" and that all planes returned safely to base. In a related development, a committee has been set up to investigate the crash of a light airplane in the southern Sinai desert yesterday in which three Israeli Army officers and two privates were killed.

A Ramallah military tribunal imposed a life sentence at hard labor yesterday on Ahmoud Attaya Annan, a member of a sabotage gang captured in a battle with Israeli forces near Jericho last December. An Israeli colonel was killed in the clash. Annan was the sixth member of the gang to receive the maximum sentence.

Eight Israeli Arabs living in Tel Aviv were jailed today after police found an automatic rifle under a mattress in their apartment. A court ordered them held, pending further investigation, on suspicion of illegal possession of firearms and attempted establishment of a hostile underground cell. They are the first Arabs to be arrested in Tel Aviv on suspicion of membership in a hostile organization. Tel Aviv, once known as the world's only all-Jewish city, now has several thousand Arab residents and many more working in it.

British Foreign Secretary Hints in House Of Commons That Israel May Get Chieftain Tanks

LONDON, Oct. 14 (JTA) — Foreign Secretary Michael Stewart hinted yesterday that Israel may get the Chieftain tanks which it is seeking from Britain. He asked members of the House of Commons not to press the Government on reports that two sample Chieftains had been sent to Israel because it was not the custom to discuss arms sales in detail and talks with Israel on this particular issue were continuing.

Mr. Stewart said in reply to questions that Britain intended to fulfill its agreement to sell Chieftain tanks to Libya despite reports that the leftist military regime that deposed King Idris dld not intend to renew the Anglo-Libyan treaty of friendship and alliance. He said the Libyan sale was conditional onuse of the tanks for defense and that this aspect of the agreement had been made public, Mr. Stewart said that Libya had declared its intention to honor this obligation.

He also assured the House that "in the Four Power (Mideast) talks, we should not agree to anything which teopardizes Israel's security."

In another development, a career diplomat who resigned from the foreign service over Britain's role in the 1956 Suez crisis has taken over responsibility for Middle Eastern affairs in a reshuffling within the Department of Commonwealth and Foreign Affairs of the Foreign Office. You Luard, Undersecretary, who has considerable experience in the Middle East, will be in charge of matters of that region which were previously handled by Minister of State Goronwy Roberts. Mr. Roberts was frequently the Government spokesman on Middle East affairs in the House of Common was frequently the Government spokesman on Middle East affairs in the House of Common was frequently the Government spokesman on Middle East affairs in the House of Common was fined to the control of the

George Thomson, who has special responsibility for Common Market affairs, is now Deputy Foreign Secretary. He and Mr. Stewart, as senior ministers, have overall responsibility for the Middle East.

Jews Across Nation Plan To Participate In Vietnam Moratorium Day Activities

NEW YORK, Oct. 14 (JTA) -- Jewish religious and secular leaders, organizations and individuals across the nation were planning to sponsor and participate in Vietnam Moratorium activities tomorrow.

A typical statement of Moratorium supporters was issued by Dr. Bernard Mandelbaum, president of the Jewish Theological Seminary of America (Conservative). Indicating that he was speaking as a private citizen and not in his professional capacity, Dr. Mandelbaum said "it is clear that in any nation the response of the people to its Government must be listened to.

**Today, when our young people have shown such wisdom, intelligence and desire to be constructive, it is incumbent upon all of us to attend to them. I sincerely hope that this demonstration will motivate our leaders to speed our disengagement in Victnam where the war is unfair to the Vietnamese and to the Americans."

Students of the Seminary, Yeshiva University (Orthodox) and Hebrew Union College-Jewish Institute of Religion (Reform) planned to participate in a joint prayer service in the morning at Dag Hammarskjold Plaza near the United Nations. In addition, special services with sermons on the war were planned in synagogues everywhere.

A number of Jewish agencies indicated that they would hold their own programs and let their employes leave work early in order to participate in local or community-wide programs where they live. Rabbis in various cities joined to sign petitions opposing the war.

A typical anti-war position was announced by the executive committee of the National Association of Jewish Center Workers which, in voting support for the Moratorium, noted that it had been on record for three years as calling on Presidents to stop the bombing in Vietnam, "sit down with the National Liberation Front and move quickly toward a negotiated peace."

One of the New York events planned is a noon worship service at the House of Living Judaism on Fifth Ave. sponsored by the Union of American Hebrew Congregations (Reform).

Israel Tells Swiss Charges Against Aide in Alleged Jet Plans Theft Are 'Unwarranted'

JERUSALEM, Oct. 14 (JTA) -- The Israel Government has informed Switzerland that it considered charges against its military attache in Berne, Col. Zvi Allon, to be "unwarranted" and expressed regret that the Swiss Government has seen fit to declare him persona non grata.

The Israell statement was contained in a note handed to the Swiss Ambassador, Hans Hess, by Gideon Rafael, director general of the Foreign Ministry. It was in reply to a Swiss note foct, 6 which accused Col. Allon of alleged involvement in the theft of the jet engine plans from the Sulzer works in Winterthur by a Swiss national, Alfred Frauenknecht. According to a Ministry spokesman, the Israeli reply dented any knowledge of activities on the part of Embassy personnel in Bern which could be construed as injurious to Swiss security or national interests, It emphasized that Israeli Embassy personnel are required to respect the national security of Switzerland at all times.

Col. Allon was expelled from Switzerland on charges that implicated him in the theft of Mirage III-S jet engines which Sulzer manufactures for the Swiss Air force on license from the French firm of Marcel Dassault, Mr. Frauenknecht, a Sulzer employe, was arrested last month for allegedly smuggling plans, models and tooling instructions for the engines to Israell agents in West Germany.

Dr. Mann Describes Hadassah Medical Aid To Young Terrorist, Other Arabs

NEW ORLEANS, Oct. 14 (JTA) -- Dr. Kalman J. Mann, director general of the Hadassah Medical Organization in Jerusalem, the largest medical complex in the Mideast, yesterday described the treatment of Arab refugees and terrorists at the Hadassah medical center. In an address before 2,000 delegates to the 55th annual convention of Hadassah, the woman's Zionist organization of America. Dr. Mann related an incident of a would - be terrorist.

A 13-year-old Arab boy from Gaza tried to throw a hand grenade at a passing car, he said, but was a fraction too late and the grenade exploded in his hands. "Soon his blood group was determined and the few pints of that group that we had in store were pumped into his failing circulation." Dr. Mann said. "He was rushed to the operating theater while Jewish civilians and soldiers rolunteered their blood for this young emissary of death. Fifteen pints were administered, his ruptured spleen removed and his torn liver and punctured gut sown together." he said. As the abdominal wounds healed, he continued the Arab was passed on to other surgeons for the repair of his hands and left eve.

Dr. Mann, 58, also cited the case of an East Jerusalem Arab man, a known hemophiliac, who was refused an operation in various European and Mideastern centers, Hemophiliacs can bleed to death because their blood lacks a clotting factor. The operation was performed at the Hadassah Medical Center, he said, where the patient was administered 450 doses of anti-hemophiliac globulin and many pints of fresh blood brought from all over Israel. "The patient received the equivalent of 500 pints of blood," he said, "exhausting the supplies of the Hadassah medical center, a blood bank, and another hospital," Dr. Mann questioned whether any other nation would have contributed so much to aid a "declared enemy" in the incident of the Arab boy or whether such patients anywhere in the world could receive better treatment.

Dr. Mann noted that of 75 open heart operations performed by the cardiac unit, 33 had been done on Arabs. Of a total load of 1,400 patients treated for cancer, 200 were Arab refugees referred to the center by the United Nations Relief and Works Agency for refugees.

Dr. Christian Barnard, the South African heart surgeon who performed the world's first heart transplant operation, received from Hadassah's Mrs. Samuel Halprin, awards committee chairman, the Henrietta Szold award for distinguished contributions to medicine.

Joseph Klarman, world director of Youth Aliyah — the international child welfare movement which rescues Jewish children throughout the world, rehabilitates and educates them and settles them is Israel — told the parley that the greatest danger facing Jewish children in the Diaspora is assimilation. About 90 percent of Jewish children outside Israel, he said, receive only a general Jewish education and "disborb nothing of Jewish consciousness."

Announces Plans To Establish Community College In Israel

A community college that will serve both career oriented and university-bound students in a model educational system will be established in Israel, it was announced at the convention. Mrs. Benjamin Gottesman, national chairman of Hadassah's Israel Education Services, also said that the organization's two principle educational institutions, the Alice Seligsberg Comprehensive High School for girls and the Brandeis Vocational Training Center for boys, would also be combined into one high school.

The new high school and the proposed community college will provide comprehensive education from the seventh grade through two years of college and is intended to serve the Israeli Government as a "model" and "pilot program" in comprehensive education. The concept of the community college, Mrs. Gottesman said, will follow closely ideas of comprehensive education current "in the most advanced thinking about education in the United States." The plan envisages the locally supported community college as the "backstop institution for a policy of a career for all."

The proposed community college, Mrs. Gottesman said, will constitute a new urgently needed educational level in Israel because study in several technologies now can be undertaken only in a high school or university. The two-year community college may well be a chief means of approaching universal higher education in Israel as in the U.S., she added.

Besides an academic curriculum, Mrs. Gottesman said, the proposed college will offer courses of study in medical, chemical, biological, and industrial technology; accounting; electricity and electronics; construction; communication arts including advertising, commercial art, scientific photography and technical writing; rehabilitation therapy; and computer technology.

Pioneer Women Announce 2-Year \$3 Million Fund-Raising Goal For Israel

WASHINGTON, Oct. 14 (JTA) -- The Pioneer Women, a Labor Zionist organization, announced today a new two-year fund raising quota of \$3 million to support its social service projects in Israel. This represents a new record for the 44-year-old organization. The 600 delegates to the 21st blennial convention pledged to support the new objective. The previous was \$2.5 million. The 50,000 member organization supports almost 1,000 social service projects aiding youth, women and children in Israel. These include nurseries, kindergartens, vocational education schools, community centers and Arab women's clubs.