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REPORT MRS. MEIR ORDERED SECURITY SERVICES TO PLACE MEMBERS OF HER CABINET UNDER SURVEILLANCE IN 1970 Tried To Halt Leaks Of Classified Information To The Nation's Press

JERUSALEM, May 23 (JTA)--The newspaper Haaretz said today that Premier Golda Meir ordered the security services in 1970 to place members of her cabinet under surveillance in order to trace the source of leaks of classified information to the press. According to Haaretz political correspondent, Dan Margalit, the order was rescinded after a protest by Gahal leader Menachem Begin who was a member of Mrs. Meir's coalition government at the time.

The newspaper said that the Premier was disturbed by a series of leaks to the press in 1970 which included material sent by the Cabinet secretary to various ministers. Mrs. Meir ordered an investigation and interrogation of her ministers. Most of them cooperated with the security services.

But Begin raised the matter at a Cabinet meeting and managed to convince Justice Minister Yaacov Shimshon Shapiro of his point of view. Begin insisted that the security services were answerable to the Cabinet, not the other way around, and Mrs. Meir's initiative was dropped. Margalit wrote, His article alleged similarities between the 1970 incident and the current Watergate scandal in Washington. Haaretz recently accused the authorities of tapping telephone calls by its military correspondent.

PARLIAMENT DEBATE ON RECOMMENDATION TO STRIP MSI LEADER OF HIS IMMUNITY

ROME, May 23 (JTA)--Parliament today began a debate on a recommendation to strip neo-fascist leader Giorgio Almirante of his parliamentary immunity so that he can be tried in a criminal court. Almirante faces a charge of resurrecting fascism with his ultra-right Italian Social Movement (MSI), Italy's fourth largest political force with 2.8 million votes in the 1972 general election. 56 deputies and 26 senators.

The Italian constitution and a 1952 special law ban the resurgence of fascism under any shape or name. But Almirante says his movement is a "law and order" party and has declared he will welcome a trial in order to clear it of the fascist taint. Some political commentators said that if Almirante is acquitted, he will receive a hefty propaganda boost.

A Parliamentary committee voted 15-3 last night to recommend Almirante's trial. Those voting against included two neo-fascists and a Christian Democrat. Debate in the Parliament itself is expected to last at least two days. The Senate already has stripped immunity from two of its neo-fascist members, including Francesco (Ciccio) Franco, leader of the right-wing revolt in Southern Reggio Calabria.

FATHER OF SOVIET JEWISH PRISONER TOLD HE MUST LEAVE COUNTRY BY THURSDAY OR BE FORCIBLY OUSTED

TEL AVIV, May 23 (JTA)--Moshe Mendelevich, whose son, Josef, is serving a 12-year prison sentence imposed in the 1970 Leningrad hijack trial, may be forcibly ousted tomorrow

from the Soviet Union, Jewish sources in the Soviet Union reported today. In a telephone call to friends here the sources confirmed an earlier report that Mendelevich was told by Soviet authorities that his citizenship has been revoked and that he must be out of the country by May 24.

The Mendelevich family applied for exit visas in 1969. But following Josef's arrest and imprisonment his father declared that he would not leave the Soviet Union as long as his son was in jail. Mendelevich is permitted to visit his son four times a year.

Last month he was summoned to the visa bureau in Riga and told that his visa application had been approved and was given until May 24 to leave. He was told that if he doesn't leave he would be placed aboard a plane. The sources said he was called to the visa bureau again yesterday and told he had 48 hours to depart Russia. They said that Mendelevich suffers from a heart condition which could prove fatal if force is used against him.

FIRST COMMERCIAL ISRAEL-MADE AIRCRAFT ON DISPLAY IN AIR SHOW

PARIS, May 23 (JTA)--The first commercial aircraft manufactured in Israel—the Arava and the Jet Commadore—arrived here today to go on display at the International Air Show. Nearly two million aviation experts, sight-seers and potential buyers are expected to attend the show. Elkana Gali, a spokesman for Israel Aircraft Industries which manufactures the planes, said its 1973 line has been sold out but it is accepting orders for 1974 models.

Gali said that over a half dozen countries have already purchased the Israeli planes and that an undisclosed number of Israeli-made missiles have been sold abroad. He refused to disclose the buyers. Israel's new "Shafir" missile and the surface-to-surface "Gabriel" missile, a sea-borne weapon, are also on display here.

Gali said that three-fourths of Israel Aircraft Industry production is devoted to military needs and the rest is for the civilian market. He said the company showed a \$2 million profit in 1972.

ISRAEL IS NOT AFFECTED BY SENATE COMMITTEE'S ACTION TO TERMINATE MILITARY AID GRANTS TO COUNTRIES

WASHINGTON, May 23 (JTA)--Israel is not affected by the Senate Foreign Relations Committee's action to terminate U.S. government grants of military assistance to foreign countries by July 1, 1977. The committee yesterday set aside the Administration's bill calling for grant aid of \$1.3 billion and adopted the proposal of its chairman, Sen. J. William Fulbright (D., Ark.) to provide \$740 million for fiscal year 1974 which begins July 1.

Under the Fulbright bill, however, sales of equipment on credit are not affected. Israel has never received free military assistance, but it has purchased close to \$1 billion in supplies in the 22 years between 1950-1972, a Pentagon report has disclosed. Countries such as Jordan which received \$91 million in grant aid during

the 1950-1972 period would be deprived of such assistance under the Fulbright bill.

A Foreign Relations Committee staff specialist explained that the Fulbright bill would phase out grant assistance over the next four years beginning July 1. At the same time, a new program of low interest rates for loans to buy equipment would be provided to those countries with which they could purchase equipment. The original vote on the Fulbright bill was 13-3. Sens. Hugh Scott (R. Pa.), Robert Griffin (R. Mich) and Gale W. McGee (D. Wyo) backing the Administration measure, voted against it. Sen. Jacob K. Javits (R. NY), who was absent when the vote was taken, was polled today and he favored the Fulbright measure.

The House Foreign Affairs Committee is holding hearings on the Administration bill. Both in the Fulbright bill and the Administration's legislation, Israel is earmarked for \$300 million in military credit for purchases of equipment. Foreign military aid, a standard section of U.S. government policy since the end of World War II, has been provided to dozens of countries. A Pentagon report, made available within the past week, showed that \$35.5 billion in equipment was given away in the 22-year period between 1950-1972. Europe heads the list with more than \$14 billion.

Breakdown By Countries

By countries, Iran was given \$833 million; Iraq, over \$46 million (none since the Six-Day War); Jordan, \$91 million; Lebanon, \$10 million; Saudi Arabia, \$36 million; and Syria, \$57 million (none since 1967). Egypt and Israel, never received grant aid.

In the military sales program, Israel bought on credit \$993 million since 1950. Iran's purchases totaled \$793 million; Saudi Arabia, \$300 million; Jordan, \$13 million; and Lebanon, \$4 million. Syria's purchases were negligible.

Unofficially, it was pointed out that Egypt, Syria and Iraq received vast quantities of military equipment since the Six-Day War. France, Britain and other countries also shipped munitions in large amounts to the Middle East in the 20-year period. In the current fiscal year ending next June 30, Israel's purchases have been \$207 million and Iran's were \$263 million, and Saudi Arabia, \$14 million. Lebanon's purchases totaled only \$41,000.

Neither Israeli nor Egyptian military personnel received training from the United States under the military assistance program in the years since 1950, according to the Pentagon report. World-wide, more than 390,000 foreigners were trained by the U.S..

INVESTMENTS OF \$1.9 BILLION SOUGHT FOR INDUSTRIAL EXPANSION, DEVELOPMENT

TEL AVIV, May 23 (JTA)--Finance Minister Pinhas Sapir said today that Israel is seeking investments totaling at least \$1.9 billion for industrial expansion and development in a variety of fields over the next few years. He said the country would seek part of these investments from businessmen from Israel and abroad who will be attending the Third International Economic Conference for Israel which opens Sunday in Jerusalem.

Sapir said Israel wanted about \$500 million for investment in the oil and petrochemical industry, not including the oil presently produced by the fields in Sinai. He said another \$400 million was required to expand the merchant marine and to alleviate the current shortages of cement and newsprint.

He noted that the largest single investment needed, about \$1 billion, was for the construction of conventional power plants to double Israel's output of electricity over the next eight years. He said a nuclear power plant was being planned for the early 1980s.

Sapir said that Israel is seeking technical and business know-how from abroad. He reported that of the 500 largest American corporations, 45 are already involved in Israeli industry. He said Israel is currently represented on the international trade map by some \$6.5 billion and that this figure is growing.

HIGH COURT DISMISSES BEDOUIN APPEAL ON RAFFAH AREA OUSTER BY MILITARY

JERUSALEM, May 23 (JTA)--The Supreme Court today dismissed an appeal by nine Bedouin tribes against orders by the Military Governor evacuating them from their lands in the Ruffah area near the Gaza Strip. The court ruled that the orders were legitimate and in the interests of national security.

The Bedouins, who lodged their appeal a year ago, complained about the evacuation methods and the seizure of their property by Israeli soldiers. Justice Moshe Landau held that the evacuation orders were issued in accordance with the Geneva and Hague conventions and that there was no reason to suspect the Military Governor's motives. Justice Alfred Vitkon said that security considerations guided the Army's action, and Justice Yitzhak Kister held there were no grounds to intervene in the Military Governor's jurisdiction in the matter.

CEMENT SHORTAGE CAUSING PROBLEMS

TEL AVIV, May 23 (JTA)--An acute cement shortage has developed in Israel causing contractors to seek supplies on the black market or suspend construction. The Nesher Cement Co., a division of Koor Industries, which has the monopoly on cement production in Israel, produces just over 1.5 million tons a year at its three plants against an estimated demand this year for 2.5 million tons.

Nesher, which is obliged to import cement to make up its shortage, appears reluctant to do so. Several shiploads of cement are waiting to unload at Israeli ports but the vessels cannot discharge their cargoes because of the scarcity of facilities to handle bulk cement.

Housing Minister Zeev Sharef, meanwhile, has blamed contractors for undertaking too many building starts. The contractors are blaming the Ports Authority for delays in unloading imported cement. The Ministry of Commerce and Industry is considering a fourth cement plant outside of the Nesher monopoly. Two local firms and two foreign firms are bidding for a license to build and IL200 million cement factory.

A brick inscribed with the words, "The Neo-Nazi Party of Great Britain," was thrown through a window of the B'nai B'rith Hillel House in London today. Apart from the window nothing was damaged and no one was hurt. Hillel House personnel reported receiving four telephone bomb threats today. Police are investigating.

Hilmar Buddee, a 28-year-old former mathematics student, was charged today in West Berlin with planting explosives at the El Al office there in Dec. 1969. The explosives were discovered and defused.

SAPIR DEFENDS 'SPECIAL PROJECTS FUND' FROM OPPOSITION ATTACK

JERUSALEM, May 23 (JTA)--Finance Minister Pinhas Sapir vigorously and vociferously defended his "Special Projects Fund" from attack by opposition Knesset factions today. There was not the slightest stain on the Fund's record, Sapir asserted nothing at all to be ashamed of. The accusations against it, he said, were the product of a few sick minds.

Sapir's special projects fund was attacked by Uri Avneri who demanded that a special government commission should be appointed to investigate it. But his Knesset motion to this effect was defeated by a vote of 33-17. The coalition and religious parties rallied around Sapir. The left and right-wing opposition groups combined to muster the 17 votes.

A public debate on the fund has been proceeding for some time. Sapir has had to defend his activities before the Knesset Finance Committee which, after hearing detailed reports from the Minister himself and his senior fund-raiser, Knesset member Aviad Yaffe, endorsed the fund's activities by a majority. The Cabinet, two weeks ago, also issued a statement expressing satisfaction and admiration at the Fund's successes.

Sapir declared last week that in two years the fund has raised \$280 million from foreign and local donors for educational, health and welfare projects in Israel. The contributions were solicited over and above the donors' regular United Jewish Appeal or United Israel Appeal contributions, Sapir stressed. He also reported fully on the fund at close intervals to the State Controller and to the Knesset Finance Committee.

Soliciting Methods Explained

Criticism in the press and elsewhere had been leveled particularly at Sapir's soliciting from local entrepreneurs. It was said that there was an ethical flaw in having the same man soliciting donations and allocating loans and grants to the same donor/manufacturer. Sapir stressed that only 10 percent of the fund's revenues were solicited locally and that even many of the so-called local donors in fact had their businesses outside Israel.

In the Knesset today, Sapir recalled that a majority of the Finance Committee, including some Gahal members, had been satisfied that all was above reproach. He repeated that all projects were proposed by relevant government ministries to potential donors. It was not as though he, Sapir, set priorities, he said. The funds themselves were channeled through the Jewish Agency whose internal controller supervised the transactions.

Avneri, charging that the fund was "Israel's Watergate," demanded a commission to investigate if pressures were exerted on donors and whether donors received benefits in return for gifts, and whether any of the money was passed to political parties. He charged that Gahal was in league with Sapir. This prompted Gahal leader Menachem Beigin to reply that a man like Avneri, who had "ruined a generation of Israeli youth with his magazine (Haolam Hazeh) for filthy lucre," has no right to breach to anyone.

Gahal's Haim Corfu suggested Avneri's motion be moved to committee, but this too was voted down. Corfu said his party was not satisfied with the detailed reporting of the fund to the Knesset Finance Committee. Shmuel Tamir, of the Free Center faction, abstained but accused Sapir of diverting some of the funds to the Labor Party. He held up a copy of a receipt for IL 100,000 dated 1969 from "Autocars," a local car manufacturer,

to an undefined "education fund." This, he said, proved that not all the money was for bona fide worthy causes. Sapir shouted at him: "You are the greatest slanderer in the country."

ANTI-SEMITIC GROUP BEING REVIVED

BUENOS AIRES, May 23 (JTA)--The notorious anti-Semitic organization, Alianza Libertadora Nacionalista (National Liberation Alliance), which was famous in the 1940s and 1950s for anti-Jewish actions, anti-Semitic daubings on Jewish buildings, and violence, has been restructured and is ready to continue where it left off 15 years ago when it decided to go underground. The announcement of its resurfacing was made by its founder, Juan Queraltó, who has been in a self-imposed exile in Paraguay for the last 17 years. Queraltó, now 61 years old, said in a statement issued in Paraguay and released here that he will once again head the ALN. In the same statement he expressed thanks to Paraguay's President Gen. Alfredo Stroessner for the protection he extended during his years in exile.

ANARCHIST BOMBER SPENT TWO YEARS IN ISRAEL AS A KIBBUTZ MEMBER

TEL AVIV, May 23 (JTA)--Gianfranco Bertoli, an Italian anarchist arrested in Milan last week for throwing a grenade that killed one person and injured more than 40, spent two years on an Israeli kibbutz as a volunteer, it was disclosed here. The members of Kibbutz Karmiya, a Mapam kibbutz in the Gaza Strip, had no idea that he was a fugitive from Italian police who had entered Israel under a false name with a stolen passport.

Italy, meanwhile has asked police agencies in Israel, France, Switzerland and Britain for help in finding out whether Bertoli's act was part of an international conspiracy to create disorder in Italy. A 35-year-old Arab believed to be from Yemen, was arrested in Venice Saturday on suspicion of being linked in the alleged plot.

According to Israeli officials, Bertoli, 40, arrived in the country two years ago and was directed to Karmiya by a central office that directs all volunteers from abroad to kibbutzim. The kibbutzim are selected without regard to their political affiliations. The officials said that Bertoli carried a valid passport and that he was never suspected or questioned because there was no Interpol bulletin out for a man of his description.

He was known at Kibbutz Karmiya as Massimo Magari. He told the members that he left home because his parents were separated and his girl friend had left him. He spoke little of the past and was apparently well-liked by many of the kibbutz members. When his one-year volunteer term expired he signed up for a second year, saying, "I love the kibbutz way of life."

Mrs. Elisabeth Trepper, wife of World War II master spy, Leopold Trepper, has been issued a visa for travel in the United States; the Trepper Defense Committee in Copenhagen disclosed today. A committee spokesman said she planned to go to the U.S. next month to campaign on her husband's behalf during the visit of Soviet Communist Party Secretary Leonid I. Brezhnev. Trepper, who lives in Warsaw, has been refused an exit visa by Polish authorities.

