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ISRAEL SEEKING CLARIFICATION OF U.S. ARMS DEAL WITH SAUDI ARABIA, KUWAIT Eban Says Quantity and Quality Of Weapons In Arab Hands Affecting Israel's Security

JERUSALEM, May 28 (JTA)--Foreign Minister Abba Eban told the Knesset today that contacts were proceeding with the U.S. Government at the present time to clarify American arms deals with Saudi Arabia and Kuwait. While stressing that U.S. Middle East policy has not changed, Eban said the quantity and quality of weapons in Arab hands affected Israel's security because, despite their deep divisions, the Arab states comprise "a sort of common market" when it comes to arms and "are united in their hatred of Israel."

Eban said that Israel's "mutual links of confidence with the U.S. enable us to clarify frankly" such problems. Official sources here have indicated concern over reports that the U.S. plans to sell \$1 billion worth of arms to Kuwait and Saudi Arabia. Although the arms sales are intended to bolster the pro-Western Persian Gulf states against the Soviet-backed regime in Iraq, Israel fears that at least some of the weapons may eventually reach Egypt.

The arms deal with Saudi Arabia is said to include the purchase by that country of more than \$500 million in U.S. naval craft, military communications equipment and training assistance. U.S. Government officials have indicated that as many as 19 naval craft may be sold to Saudi Arabia and that Kuwait is negotiating for the purchase of an additional \$500 million worth of weaponry including tanks and planes.

Eban said that Israel understood the need to establish relative security in the Persian Gulf area. But he cited the recent transfer of French Mirage jets bought by Libya to Egypt and the presence in Egypt of British Hunters from Iraq and Saudi Arabia as ample proof that weapons are interchangeable between the Arab states despite their ideological differences and rivalries.

In a Knesset speech that touched on a wide range of foreign policy matters, Eban said that Israel was unwilling to play a part in the artificially created war fever currently generated by Cairo. He said that Israel was nevertheless reacting with military alertness.

Rejects Changes In Resolution 242

The Foreign Minister rejected in advance any changes in Resolution 242 which the Arabs might attempt to push through during the Security Council's Middle East debate next month. He said that Israel "would not be bound by any addition or explanation or new formulation which denies us the right to fix the peace borders through negotiation and free agreement." He said that any such new formulation would deprive Resolution 242 of its universal acceptability.

Eban also rejected proposals for new UN committees or representatives for the Middle East. He said that "if there were willingness to negotiate there would be no lack of channels of communications or machinery for it." He said several Security Council members have come around to agreeing with Israel on this in recent weeks. The Foreign Minister denied

emphatically that Israel had missed any opportunities for peace negotiations since the 1967 war. He said the fact that various opportunities were not fruitful was not the fault of Israel.

Eban reported that Israel's direct contacts with African leaders in recent months have had some success in countering the effects of Arab "money diplomacy" in Africa. While he would not detail Israel's efforts, he said that the summit meeting of the Organization for African Unity (OAU) now going on in Addis Ababa has witnessed the rejection by several African leaders of Libyan-led attempts to interfere in the affairs of African states.

Eban noted Israel's new diplomatic ties with South Vietnam and said he hoped for ties one day with Hanoi. He said he also hoped for a more realistic policy toward Israel by the Peoples Republic of China which presently supports the most radical of the Arab terrorist groups.

SECURITY MEASURES HIKED FOR SIX-DAY-WAR ANNIVERSARY

TEL AVIV, May 28 (JTA)--Israeli security authorities and services in Israel and abroad are stepping up precautionary measures in preparation for the eve of the sixth anniversary of the Six-Day War, June 5. Similar measures were also taken on the eve of Independence Day and on other dates when Arab terrorists might demonstrate. These include Nov. 2, the anniversary of the signing of the Balfour Declaration, and Oct. 29, the day the United Nations established the Jewish State.

It is believed here that Arab terrorists may use June 5 as a day for activity to prove that the recent developments in Lebanon have not undermined their ability to carry out actions against Israel. It was pointed out that because of measures taken in the past by Israelis several acts of sabotage were forestalled.

LATIN AMERICAN SYMPOSIUM CONDEMNNS SITUATION OF JEWS IN SYRIA, IRAQ

CARACAS, May 28 (JTA)--Strongly worded resolutions calling on Syria and Iraq to end what was termed the "anguished emergency situation" of Jews remaining in those countries were unanimously passed here yesterday by the first Latin American Symposium for The Human Rights of Jews in Arab Lands now ending its second day of deliberations.

The delegates representing Argentina, Bolivia, Costa Rica, Ecuador, Guatemala, Mexico, the Dominican Republic, Uruguay and Venezuela also urged the governments of Latin America to take measures "to facilitate the immigration" of Jews from Arab lands to this part of the world.

Among its other recommendations the parley approved the formation of permanent committees in each South American country with a secretary in Caracas to keep abreast of the situation of Jews in the Arab countries and to coordinate campaigns on their behalf.

BUILDERS TO BE AIDED IN SPEEDING UP HOUSING CONSTRUCTION

JERUSALEM, May 28 (JTA)--The Jewish Agency Board of Governors which ended its meeting here this weekend heard a report from New York building

leader Jack Weiler on a recent tour by Israeli builders of construction-sites and factories in the U.S. and Britain. The tour was organized by the joint Jewish Agency-Ministry of Housing "Technical Assistance Committee on Housing," chaired by Weiler.

The 19 Israeli builders in the group represented some 70 percent of the local industry and they returned with a list of 20 specific recommendations which, if implemented in Israel, would greatly accelerate the pace of building. They spent three weeks in America and one week in Britain and met with top construction men in both countries, Weiler reported.

One of their main recommendations is to adopt the American system of subcontractors for the various professional aspects of building. Thus, an Israeli contractor would no longer have to maintain his own crews of plumbers, electricians, and other workers. But would commission other subcontractors. Time and money would, therefore, be saved, the contractors believe. They also recommended more standardization of building materials—especially metal and wood—and the adoption of the dry-wall system as used in the U.S.

Weiler told the Jewish Telegraphic Agency later he was confident that his committee—now two years old—was beginning to have the desired effect on Israeli building. Top officials, including Finance Minister Pinhas Sapir and Housing Minister Zeev Sharef, had long been convinced of the value of the committee. "They don't think any longer that we're out to make them look silly—they know we want to help," said Weiler.

During the Board of Governors meeting Jewish Agency Chairman Louis Pincus reported that 100,000 Soviet Jews had applied to leave for Israel. The fund-raising committee under Michael Sacher of Britain, heard that prospects of this year's drive attaining last year's record figures were good. However, because of the world money markets situation, a gap was developing between pledges and actual cash grants. The committee resolved to make major efforts to collect cash donations.

TEL AVIV NEW CHIEF RABBIS ELECTED

TEL AVIV, May 28 (JTA)--Rabbi Itzhak Yedidya Fraenkel, for more than 30 years the spiritual leader and rabbi of the Southern Tel Aviv suburbs was elected yesterday as the Ashkenazic Chief Rabbi of Tel Aviv. There were no other candidates and he received 84 votes out of the 95 members of the electoral body that took part in the elections.

The electoral body consists of 32 members of the Municipal Council, 32 members of the Religious Council and 32 representatives of the larger synagogues in the city. One of the electors did not take part because of ill health.

Rabbi Chaim David Halevi was elected as the Sephardic Chief Rabbi. He received 74 votes while the other contender, Rabbi David Chelouche, received only 19. Both rabbis had their first meeting yesterday and assured every one that they will work in mutual cooperation and respect so that the Torah is honored. Rabbis Fraenkel and Halevi replace Rabbis Shlomo Goren and Rabbi Yosef Ovadia who were elected to posts of Chief Rabbis for Israel.

3 TERRORISTS TO BE TRIED

TEL AVIV, May 28 (JTA)--A military tri-

bunal will try three Arab terrorists captured last month after they crossed the Lebanese border and were on their way to Safad to attack civilian targets. The three will be charged with attempted murder.

A Safad magistrate issued an additional 15-day detention order for them yesterday. Under interrogation the terrorists admitted that they planned to attack the Safad bus terminal, a nearby restaurant and a gasoline station. They also admitted that they crossed the Lebanese border with the knowledge and good wishes of Lebanese soldiers. They said their mission was intended as a reprisal for Israel's shooting down of a Libyan airliner over Sinai last Feb. 21.

Two of the prisoners are from Kalkilya and Tubas in the administered territories. The third, who acted as their guide, is an Israeli Arab from Dier el Hanna, a village in Galilee.

ANDRE BLUMEL, FRENCH ZIONIST LEADER, DIES AT AGE 80

PARIS, May 28 (JTA)--Andre Blumel, a former president of the French Zionist Federation who later became a Paris municipal councillor on the Communist ticket, died here at the age of 80. He had been president of the France-USSR Friendship League. Blumel's family announced that he died early Saturday morning from a heart attack and that his body will be given to Paris University for medical research in accordance with his wishes.

Mr. Blumel, a lifelong Socialist, became Leon Blum's chief of staff in 1936 and played an active role in laying down France's social legislation and the 40-hour week for which the "Popular Front" government is remembered.

A member of the underground resistance during the German occupation of France he was arrested by the Gestapo in 1942 but managed to survive. After the war he became a senior official in the French Ministry of Interior at the time of the "Exodus" affair. He exerted all available pressure to influence the French government to withstand British pressure and prevent the Royal Navy from forcibly disembarking the passengers in France.

Elected president of the French Zionist Federation he resigned in 1960, reportedly in disagreement with the policy of the Israeli government. In 1965 he became a member of the Paris Municipal Council representing the Communist Party and president of the France-USSR Friendship League. During his numerous trips to the Soviet Union he interceded on behalf of Russia's Jews. He tried to attend the Leningrad trials as a legal observer.

50 COUNTRIES BUYING ISRAELI MILITARY INDUSTRY PRODUCTS

TEL AVIV, May 28 (JTA)--Israel's military industry exports last year reached \$108 million—\$36 million more than the previous year. This was reported yesterday by military industry chiefs who said that 50 countries purchase the products of the Israeli military industry.

The details were given at a preview of the military industry pavillion at Israel's economic and industrial exhibition opening tonight. Israel's industrial and economic progress through the 25 years of statehood will be exhibited at the pavillion. Israel's "Gabriel" missile is on public display for the first time at the stand of the Israeli aircraft industry side-by-side with the civilian and military versions of the Arava planes and the Commodore jet executive plane. Marine radar and airfield radar installations are also displayed.

A spokesman for the Israeli aircraft industry has denied French allegations that Israel is producing jet engines for the Mirage interceptors.

1200 DELEGATES FROM 26 COUNTRIES AND 1000 ISRAELI BUSINESSMEN ATTEND PRIME MINISTERS ECONOMIC CONFERENCE

JERUSALEM, May 28 (JTA)--The Prime Ministers' Third Economic Conference opened here last night attended by 1200 delegates from 26 foreign countries and 1000 Israeli businessmen. The purpose of the conference, which will continue through Thursday, is to aid Israeli business and industry with capital and know-how from abroad. Premier Golda Meir established the framework in her opening address in which she declared, "We do not want your help. We dare say we want your participation."

Mrs. Meir was greeted by a standing ovation when she entered the packed convention hall. An even greater crescendo of applause greeted Israel's new President, Prof. Ephraim Katzir, whose inauguration took place in the Knesset last Thursday. Most of the conference's business will be transacted by 15 working committees which moved to Tel Aviv this morning to begin their deliberations.

Highlights of the conference will include the inauguration of a new oil refinery at Ashdod and a new assembly line at the Ford plant in Nazareth. The latter will be formally opened by Henry Ford II, chairman of the Ford Motor Co., who arrived here last night from Detroit in his private plane.

The conference is expected to establish a new \$1 million-a-share investment company financed by foreign capital which will funnel foreign investments into such industries as power plants, oil refineries, petro-chemical plants, the merchant marine, shipbuilding, public transport and tourist facilities.

Another project under consideration by the conference is the establishment of free trade zones at the ports of Haifa and Eilat where foreign interests will be invited to build factories, warehouses and offices tax free.

The three largest delegations attending the conference are from the United States, headed by Victor Carter; from Western Europe, headed by Francoise Pereire; and from Great Britain, headed by Derrick Kleeman. There is also a delegation from Turkey, a Moslem nation; and from India, which has no diplomatic relations with Israel.

Hopes For Reduction Of Red Tape

Addressing the conference last night, Minister of Trade and Industry Haim Barlev pointed out that although investments increased in Israel last year, it was concentrated in sectors other than industry. Marc Moshevich, president of the Manufacturers Association, drew an enthusiastic response when he expressed the hope that the conference would help reduce the red tape that hampers Israel's business community.

Mrs. Meir was the only one of the long list of opening speakers who did not come with a prepared speech. She said that although she was not in business, she did not believe that big business could work without vision and dreams. She linked Israel's economic development to peace. "With every increase of strength we move closer to peace," she said. "A strong Israel is a must for peace because weakness invites destruction."

Avraham Agmon, director general of the Israeli Treasury, said he hoped the conference would serve as a launching pad for Israel's new five-year economic plan. "We have to double our exports every five years," he said.

Ford Sees Increasing Ties With Israel

Henry Ford II, the Detroit automobile magnate and grandson of the founder of the Ford Motor Co., was the focus of greatest interest when he arrived here. Ford, the guest of the Israel Manufacturers Association which is marking its 50th anniversary, will address the economic conference. He was greeted at the airport by Max Fisher of Detroit, chairman of the Board of Governors of the Jewish Agency.

Ford said at a press conference at Lod Airport that "surveys have indicated that Israel was a good place for investments and the Ford Co. is considering increasing its ties with Israel." He noted that Ford has no direct connection with the Ford assembly plant in Nazareth which assembles Ford trucks and cars from imported components. He said, however, that Ford was now considering buying spare parts from Israeli manufacturers for its plants in Europe. "We are also thinking of contracting out some research work which some of your institutions could do for us and I believe we are already doing something with the Technion," Ford said.

The auto manufacturer noted that Ford products have been barred from Arab states since 1966 by the Arab boycott. "Just the same," he said, "we have managed to sell some trucks to Jordan. I do not see any good in this boycott and I would like to see it lifted," he said. Ford's arrival was marred by the theft of his private car which was brought here from abroad. The vehicle, which reportedly contained valuable documents, was stolen near the Tel Aviv Hilton hotel.

Finance Minister Pinhas Sapir said in an interview prior to the conference's opening that he hoped the gathering would bring about new contacts and new initiatives. He said that Israel is presently represented on the international trade map by some \$6.5 billion. He said he hoped this would increase to \$10 billion in the next five years. Sapir noted that 45 of the 500 largest American corporations are now involved in one way or another in Israel's industry.

JEW NAMED ARGENTINA'S FINANCE MINISTER

BUENOS AIRES, May 28 (JTA)--Jose Bar Gelbard, a Polish-born Jew, has been appointed Finance Minister in Argentina's new government. The appointment was announced Friday at the inauguration of President Hector J. Campora. Gelbard, 56, who came to this country with his parents as a child, is also acting Minister of Commerce and Agriculture until permanent appointments are made. It is believed that his first step will be to tighten currency controls as a step in combatting the skyrocketing inflation.

Israel's Health Minister Victor Shemtov represented the Israeli government at Friday's inaugural ceremonies. The Mapam minister met with Jewish journalists earlier in the day and discussed Israel's hospital system, sanitation developments and health care, especially of Israel's 300,000 persons who are 65 years and older.

Press reports that Egypt is moving troops into the Suez Canal zone were dismissed today by political circles in Jerusalem as nothing more than an attempt by Cairo to create an atmosphere of tension on the eve of the Security Council's Middle East debate and Soviet Communist Party chief Leonid I. Brezhnev's visit to Washington. The circles insisted that the resumption of hostilities between Egypt and Israel was "unlikely" at this time. But the view in these circles is that any Egyptian troop movements could alter the military status quo along the canal.

