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ISRAEL HAILS SCALI'S WARNING TO SECURITY COUNCIL NOT TO CHANGE WORDING OF RESOLUTION 242

JERUSALEM, May 30 (JTA)--Jerusalem sources greeted with warm satisfaction today the statement made yesterday in Washington by John Scali, the U.S. Ambassador to the United Nations, that Washington opposes any change in Resolution 242 and that he would take "whatever action may be necessary" to prevent such change.

The sources here said Israel had been urging the U.S. for some time to take a firm stand before the Security Council session against changes in Resolution 242 in order to deter Arabs from seeking any such changes. This public statement by Scali was just the commitment Israel desired, the sources said. It was clear from Scali's statement that the U.S. would not allow any serious anti-Israel resolution to be voted by the Council.

The sources added that the U.S. position is not yet quite so firm regarding the possible suggestion of an advisory committee of Security Council members which France or Britain or the Arabs may urge to be set up to help peace efforts in the Mideast. Israel is opposed to this, believing that no new mechanisms are needed, but rather new readiness to talk. Washington also opposes the idea--but it is not clear whether it would use its veto against its adoption. Contacts on this are proceeding between U.S. Assistant Secretary of State for Near Eastern Affairs Joseph J. Sisco and Israeli Ambassador Yitzhak Dintz.

REPORT SOVIET AUTHORITIES CANCEL SHOW TRIAL OF 100 MINSK JEWS

Kipnis Released, Davidovich Case Dropped

TEL AVIV, May 30 (JTA)--Soviet authorities have apparently decided to call off a planned show trial that reportedly would have involved some 100 Jews in Minsk accused of establishing a "Zionist underground" there. According to Jewish sources in the USSR, reached by telephone today, Gedaliya Kipnis, who spent five months in jail pending the trial, has been released.

The other Jews had been undergoing questioning for some time but none had been detained. The sources said that Yefim Davidovitz, a former Red Army officer who has been awaiting trial in Minsk on charges of Zionist and anti-Soviet activities, has been informed by the authorities that they have decided to drop the case.

KNESSETERS BUGGED ABOUT BUGGING

JERUSALEM, May 30 (JTA)--The Knesset today voted down motions by two opposition MKs to debate the subject of wire-tapping and bugging in Israel. The matter was raised by Uri Avneri of the Haolam Hazeh faction, and Shmuel Tamir of the Free Center. Avneri likened the situation to the Watergate scandal in Washington and said the government should have learned from the American experience.

Justice Minister Yaacov Shimson Shapiro, to whom Avneri had submitted a series of parliamentary questions relating to wire-tapping, said he did not object to a debate but wanted

more time to study the questions and reply to them. Avneri demanded that he answer the questions immediately.

He wanted to know which agencies were permitted to be bugged; what government authority authorized bugging; what happens to the information so obtained, how is it filed and who has access to it; and what guarantees there are that bugging is not used against newspapermen or political adversaries. Shapiro refused to answer any of the questions at this time.

Avneri recalled that the military correspondent of the newspaper Haaretz had charged recently that his telephone was bugged. Tamir claimed that when he appeared at a major trial in the 1950s his phone was bugged. Both MKs recalled that 11 years ago a Gahal MK had initiated a private members bill to bring bugging under legal control--but it never came to a vote.

They contended that foot-dragging by the government was responsible. Shapiro said the bill had simply foundered in the Knesset legal committee despite government efforts to keep it alive.

ISRAEL MUM ON CONTACTS WITH U.S. OVER ARMS DEAL WITH ARAB STATES

JERUSALEM, May 30 (JTA)--Officials here are tight-lipped about ongoing U.S.-Israel contacts regarding planned American arms sales to Saudi Arabia and Kuwait. The official admitted that these contacts are taking place following Foreign Minister Abba Eban's formal expression of deep concern during his Knesset speech Monday. But they would not say what Israel was asking for; whether for more arms for itself or for a last-minute change of mind in Washington or at least a slow down in the planned timetable of arms deliveries to the Arab states.

Observers pointed out that the Saudis have recently negotiated arms deals on a huge scale with the U.S., France and Britain. The type of weaponry is more sophisticated than anything in the Arab arsenals until now and their use against Israel would constitute a real change in the military power balance, the observers said.

FULBRIGHT LAUNCHES STRONGEST ATTACK ON U.S. POLICY TOWARD ISRAEL Claims U.S. Gives Israel Unlimited Support For Unlimited Expansion

WASHINGTON, May 30 (JTA)--Sen. J. William Fulbright (D.Ark) today charged that U.S. policy is to give Israel "unlimited support for unlimited expansion" and "maintenance of the results of the 1967 war."

The chairman of the Senate Foreign Relations Committee, in what was perhaps his strongest public attack yet on U.S. policy towards Israel, urged U.S. cooperation with the oil producing countries and reiterated his advocacy of the Rogers Plan which the Nixon Administration and its author, Secretary of State William P. Rogers had set aside more than two years ago. Essentially the plan called for Israel's withdrawal from virtually all territory it had occupied in the Six-Day War without a negotiated agreement that would give her secure borders.

Fulbright expressed these views towards the close of the first session this morning of two-day hearings he initiated on the energy situation. He

encountered direct and indirect opposition. Midway through the questioning of three experts on oil, Sen. Jacob K. Javits (R.N.Y.) apparently sensing the direction the hearings were to take, declared that their "purpose is to find out how much oil there is" and it is "particularly important not to fuzzi up" the oil situation by putting the blame on hostility between Israel and the Arab states. "There are a lot more reasons than that" for the energy problem, he declared.

S. David Freeman, director of the Ford Foundation's Energy Policy Project who resigned Sept. 1, 1971, as an executive in the President's Office of Science and Technology, provided the basis for most of Fulbright's attack on U.S. policy. In his prepared statement, nearly all of which was devoted to the energy situation, Freeman had pointed out that Venezuela, Indonesia and Iran "are suggesting that oil revenues can be a means for improving the life of people in other nations around the Persian Gulf and in the Middle East."

Probe Alternatives To Oil

In responding to questions from Fulbright, he added that while he conceded it "sounds naive" to cooperate "in making our technology available to bring these people into the twentieth century" he urged "a college try." The State Department, he added, has no plans to make "the brains of industry" available to the Arab countries. "This seems to be the road to peace in the Middle East," he said.

Both Fulbright and Sen. Hubert H. Humphrey (D. Minn.) commended Freeman for his extemporaneous exposition on improving the living conditions of the Arab peoples, the former Vice President saying that he was "right on target" because of the "need for long term building." Fulbright told Freeman that the Rogers Plan "is consistent with what you suggest—a different approach." He said that "We have used twenty-five years of military means—direct or indirect" in the area.

Fulbright asked Freeman and the two other witnesses, Joel Darmstadter and Milton F. Searl, of the Resources for the Future Inc., which the Ford Foundation had established in 1952, whether "there is an alternative to going to the Middle East" for the next five or ten years for U.S. oil requirements. Freeman and Darmstadter agreed there was none, but Searl said "maybe five years—after that we can get it here if we want it."

Israel Supporters Shape U.S. Policy

Fulbright said that it was in the interest of the Middle East and the U.S. that the development of the energy problem focus attention on the area because "out of it something constructive may come about." He charged "tremendous prejudice has grown up in the United States" in the past 25 years against the Arabs "especially those in the Middle East." U.S. policy, he said, has been shaped by "supporters of Israel" who are "especially powerful" and which he could not "for a moment challenge." It was in Israel's interest, he said, that the war settlement receive "highest priority."

Freeman commented that he felt the Arabs should have "something to live for," but he emphasized that there was nothing in U.S. government policy towards the Middle East that he would change "one iota."

Darmstadter, who was born in Germany in 1928, and is now engaged in research dealing with energy conservation possibilities in the

New York metropolitan area, told Fulbright that "The point is" that oil producers like Saudi Arabia show "no disposition" towards responsibility to give preferential treatment to less endowed areas. Taking issue with Fulbright's view, he said, "The problem can be isolated from the Israel-Arab dispute," and from the U.S. balance of payments situation.

STATE ATTORNEY REFUSES TO RETURN PASSPORT TO KAHANE

JERUSALEM, May 30 (JTA)--State Attorney Gavriel Back refused today to return Rabbi Meir Kahane's passport. He said that the leader of the Jewish Defense League, against whom two criminal trials are pending in Israel, would have to apply to a court of appeals.

Rabbi Kahane asked for his passport on grounds that he had to go to the United States on an "urgent mission" to organize American Jewish youth for a major campaign protesting the persecution of Jews in Arab countries and in the Soviet Union. An earlier request by Rabbi Kahane, in which he cited the need to organize support for the JDL as his reason for wanting to return to the U.S., was rejected by the Supreme Court which noted that the JDL is suspected of participating in illegal acts in Israel.

The JDL leader faces trial here for allegedly trying to smuggle arms out of Israel to fight Arab terrorists in Europe. He faces a second trial on charges of sedition in connection with a letter-writing campaign to Arabs in Israel and the administered territories offering them money to leave the country.

Back said today that he was originally inclined to return Rabbi Kahane's passport but changed his mind after receiving additional information on the JDL leader's activities.

UNCOVER STUDENT TERRORIST UNDERGROUND

TEL AVIV, May 30 (JTA)--Security services disclosed today that they have uncovered a terrorist underground made up of students in the West Bank town of Tulkarem. Most of the members were said to be high school students and students at the Kadouri Agricultural School in Tulkarem.

They are suspected of sabotage, including cutting telephone lines near Tulkarem, and attempting to set fire to the local labor exchange and to a water pumping station last month. They are also suspected of printing and distributing anti-Israel leaflets. Police said more arrests in connection with the ring were expected.

The Kadouri Agricultural School was established in the 1930s through the legacy of a wealthy Jew in India. He had apparently intended it as an exclusively Jewish institution but did not specify that in his will. The British Mandatory authorities divided the legacy to establish the Kadouri school for Arabs in Tulkarem and another in the Jewish township of Affulah.

Twenty-nine men, women and children arrived at Kennedy Airport this afternoon on four separate flights to begin new lives in the United States and Canada. It was announced by Gaynor I. Jacobson, executive vice president of United Hias Service. The arrivals, most of them coming to join relatives, were from the Soviet Union, Rumania, Egypt, Morocco, Hungary and Poland, and they will be settled in Los Angeles, Atlanta, Miami, Houston, Philadelphia, Cincinnati, New York City and Montreal. United Hias Service planned the immigration of this group over a period of years.

EBAN: ISRAEL READY TO MEET WITH BOURGUIBA FOR MIDEAST TALKS

JERUSALEM, May 30 (JTA)--Foreign Minister Abba Eban said today that the Israeli Government would readily agree to meet with Tunisia's President Habib Bourguiba for talks on the Middle East conflict. Israel would like to hear from Bourguiba his ideas on where and when such a meeting could take place, Eban said.

Summing up a foreign policy debate in the Knesset, Eban said that when first reports of Bourguiba's newspaper interview in Italy came through last week he had doubted if the Tunisian leader was seriously suggesting himself as mediator, since he was identified with the Arab cause and was not neutral. It appeared from the interview in the Milan newspaper, Corriere Della Sera, that he did not suggest mediation, merely that he wanted to meet with authorized Israeli spokesmen. Israel has always been ready to meet Arab leaders and is still ready, Eban said. The fact that many opportunities for meetings in the past were missed was not Israel's fault, he added.

Eban said that the resolution on the Mideast adopted by the Organization for African Unity (OAU) in Addis Abbaba caused Israel deep displeasure. The Egyptian case was fully stated to the delegates but Israel had had no chance to be heard. On the other hand, Eban pointed out that many African states had refused to be dictated to by the Arabs. This was a reference to the Arab failure to win a resolution urging OAU members to break diplomatic ties with Israel and to Libya's efforts to move OAU headquarters to Cairo.

Direct negotiation was a traditional African way of solving disputes, Eban said, but the OAU apparently felt this did not apply to the Israel-Arab dispute. The OAU also forgot the recommendation of the four African presidents in 1971 for direct negotiations--which Israel had accepted and Egypt rejected, Eban pointed out.

On Soviet Jewry, Eban said Israel was relying on U.S. Jewish leaders to make their point clear to Soviet Communist Party Secretary Leonid I. Brezhnev--and at the same time to act with wisdom and not rashly. "We don't want action against anyone. We want action for Russian Jewry," he said.

ISRAEL'S INDUSTRIAL PROGRESS DEEMED SATISFACTORY BY BUSINESS LEADERS

TEL AVIV, May 30 (JTA)--Henry Ford II, the Detroit motor magnate, slipped in his hotel room yesterday and broke his arm. But the accident did not interfere with his schedule of meetings with Israeli industrialists and other activities. Ford, who came to Israel as the guest of the Israel Manufacturers Association on the occasion of its 50th anniversary, was at the Caesarea amphitheater last night with his left arm in a plaster cast.

He heard speeches by Premier Golda Meir and Marc Moshehich, president of the Manufacturers Association. Mrs. Meir said Israel was satisfied with its industrial development to date. She said the country has reached a stage when its exports are increasing without the benefit of Zionist sentiments. Israel's products are sought on the world markets for their own merits, she said.

Moshehich rapped critics of Israel's industrial establishment. He said "statements and declarations" were being made against the busi-

ness community at a time when an all-out mutual effort is needed to increase production. Moshehich mentioned no names but it was apparent that he was referring to recent charges by Histadrut Secretary General Yitzhak Ben Aharon that current economic policies were enriching the rich at the expense of the poor.

Second Oil Refinery Inaugurated

In another economic development last night, Finance Minister Pinhas Sapir inaugurated Israel's second oil refinery at Ashdod. The plant will have a 4.2 million ton capacity per annum which, when added to the 6.2 million ton capacity of the Haifa oil refineries, will enable Israel to export a surplus of refined petroleum products. Israel's domestic consumption at present is 7.25 million tons per annum.

Sapir said the opening of the new facility indicated the momentum of Israel's industrial growth. About 65 percent of the equipment at the new refinery was made in Israel. Sapir said that some IL 660 million would be required in the next decade for the expansion of the Haifa and Ashdod refineries.

His remarks were addressed to many of the 1200 foreign businessmen currently attending the Prime Minister's Third Economic Conference here. The conference, which is aimed at bringing foreign capital and know-how into partnership with Israeli industry, opened Monday in Jerusalem and split into 11 committees yesterday for working sessions in Tel Aviv. So far at the sessions there has been criticism of the red tape that hampers investments in Israel and a diversity of opinion among leading Israeli bankers on how foreign investments can best be channeled.

At a meeting of the finance committee chaired by Sapir, Ernest Yaffe, a director of the Bank Leumi, suggested that investments be made through the Israeli stock exchange. Jacob Levinson, of the Bank Hapoalim, proposed the creation of a trust fund to sell shares to Israeli and foreign investors, thus limiting the risks of the latter. Benno Guetter, of the Israel Discount Bank, suggested that investments be channeled to specific projects, supervised in Israel. "It is no good to supply funds and control affairs from abroad," he told the delegates.

It was learned yesterday that several deals have already been consummated between foreign businessmen attending the conference and various Israeli firms.

MINISTER SCORES ANTI-SEMITIC REMARKS BY LABOR LEADER

MONTREAL, May 30 (JTA)--A Quebec labor leader who made anti-Semitic remarks at a pro-Arab gathering here last week was denounced by a Federal minister as "a cheap agitator who represents only himself." Marc Lalonde, the Minister of Health and Welfare, told the Jewish Telegraphic Agency that Michel Chartrand, president of the Montreal branch of the National Trade Union, has "lost his credibility because of his anti-Semitic utterances."

Lalonde said that Chartrand's extremist views have estranged him from his own trade union associates. He suggested that the press ignore Chartrand's remarks since the union official craves publicity, whether good or bad. Lalonde, a close friend of Premier Pierre Elliott Trudeau, was here to address a United Jewish Appeal dinner.

Chartrand, a speaker at the conference of Canadian Arab Societies held here last week, denounced Israel and claimed that Quebec Jews were a privileged minority. "We do not want them to pollute anymore the atmosphere of the country," he said.

