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REPORT THAT U.S. IS SELLING ARMS TO KUWAIT, PHANTOM JETS TO SAUDI ARABIA, IS GREAT SHOCK TO ISRAELIS

JERUSALEM, May 31 (JTA)--Concern is mounting in official circles here over reports of large scale U.S. arms sales to Kuwait and Saudi Arabia. According to the reports, the U.S. will be selling \$500 million worth of modern weaponry and equipment to each of the oil rich Persian Gulf states. A report today that Washington will provide Saudi Arabia with F-4 Phantom jets created shock waves in both government circles and the public.

Israel's Ambassador to the U.S., Simcha Dintz, has been instructed to seek full details from the State Department on the quantity and quality of the American arms going to the Arab states. He has met once this week with Assistant Secretary of State Joseph J. Sisco on the matter, it was learned.

Meanwhile, top level discussions are underway here to decide on Israel's position in light of American arms shipments to the Persian Gulf area. Premier Golda Meir, Foreign Minister Abba Eban and Defense Minister Moshe Dayan are known to be participating in the discussions.

The prospect of Phantom jets in the hands of Saudi Arabia has a chilling effect here. The supersonic fighter-bomber is Israel's main military asset, and can outperform any aircraft presently in the Arab arsenal. There is genuine fear that the Phantoms sold to King Faisal may find their way to Egypt. Israelis are also concerned that the presence of the American jets in the Saudian air force might prompt the Soviet Union to sell Egypt and Iraq its sophisticated MIG-23S, the fastest known combat plane in the world, to balance the new acquisition of Saudian air power.

MINSK JEWS THANK ISRAEL, JEWS, FOR AIDING IN RELEASE OF KIPNIS

TEL AVIV, May 31 (JTA)--Three Minsk Jews whose "show trial" was apparently shelved by Soviet authorities, cabled thanks today to Premier Golda Meir and the people of Israel. The three, Yefim Davidovitz, Lev Obsitzer and Nahum Olshansky, said the decision to discontinue judicial proceedings against them was made thanks to the existence of the State of Israel. They did not elaborate. But they offered thanks to Israelis and Jewish groups outside of Israel for helping them and for effecting the release of Gedalia Kipnis, a Minsk activist who had spent five months in jail awaiting the trial.

It was learned, meanwhile, that the trial, believed to involve some 100 Minsk Jews, was cancelled on orders from the Byelorussian Supreme Soviet, probably acting on instructions from Moscow. The wording of the letter sent by the Supreme Soviet to the Minsk prosecutor on May 22 hinted at an amnesty. The charges against the defendants were neither dropped nor declared unfounded.

TRIAL OF JDL MEMBERS OPENS Prosecution Charges Murder; Defense Claims Case Built On Guesswork, Suspicion

NEW YORK, May 31 (JTA)--The jury trial of Jewish Defense League members charged

with firebombing impressario Sol Hurok's office last year opened yesterday with federal prosecutor Assistant U.S. Attorney Joseph Jaffee declaring that this was "a murder case," and defense attorney Barry Slotnick charging that the government's case is built around "suspicion, surmise and guesswork."

The two JDLers on trial at the federal courthouse here are Stuart Cohen and Sheldon Davis. The government is charging that the bombs, which were set off almost simultaneously on Jan. 26, 1972, in Hurok's office, 1370 Sixth Av., and Columbia Artists Management, Inc., 165 W. 57th St., to protest U.S.-Soviet cultural exchanges because of the USSR's treatment of Soviet Jews, resulted in the death of a secretary and injury to 13 others, including Hurok.

Asst. U.S. Attorney Henry Putzell, who is prosecuting the case with Jaffee, told U.S. District Judge Arnold Bauman that the government intended to call Sheldon Segal, one of the defendants in the case, as its first witness today.

Segal, whose case was severed from the other defendants, was to have provided key testimony against his former associates. But he is now balking at testifying for the government. Putzell said he would be granted immunity to force him to testify.

ECONOMIC REPORT CARD: SATISFACTORY EMPLOYMENT GROWTH MARRED BY TOO MUCH SPENDING IN PRIVATE SECTOR

JERUSALEM, May 31 (JTA)--The Bank of Israel released its annual Economic Report for 1972 here yesterday, and while the picture was a generally satisfactory one of continuing growth and full employment it was flawed by excessive spending in the private sector and insufficient investment in exports.

Moshe Sanbar, Governor of the Bank of Israel, pointed out to reporters that more than 45 percent of the 10 percent increase in the gross national product last year went for private consumption while only 22 percent was channeled into exports. In 1971 43 percent of the GNP rise was invested in export industries.

The report noted a 6.6 percent rise in employment last year, largely a reflection of the continuing influx of immigrants from the Soviet Union. Sanbar said, however, that while full employment continued the labor market was beginning to show signs of slackness. He said there were no grounds to fear an unemployment situation such as developed in the 1966 recession because the government has several job-generating investment plans that can be implemented at short notice. Sanbar advised additional anti-inflation measures but warned against too many or too severe measures which could cause an economic slump.

Debts And Credits Outlined

The Economic Report disclosed that imports rose by six percent last year while exports soared 18 percent. Imports totalled \$3,360 billion and exports \$2,284 billion. Imports of defense items were down 11 percent. Tourism, which rose by only 11 percent, was disappointing compared to the previous year's rise of almost 50 percent. But foreign currency income from tourism increased 19 percent last year, reaching a total of \$213 million.

Sanbar noted that Israel's price index rose 13 percent in 1972 compared to a 10 percent average

increase in Europe and considerably less in the United States. He said the price hikes effected both consumption at home and Israel's competitive position abroad and noted that the latter area posed the greatest danger of inflation.

While Israelis were studying the Economic Report for 1972, participants in the Prime Minister's Third Economic Conference were working on projects for the years ahead. Finance Minister Pinhas Sapir told the delegates last night that Israel would soon establish its first international mutual fund, an investment channel proposed the other day by Yaacov Levinson, director general of the Bank Hapoalim.

Dr. Sidney M. Edelstein, head of the Dexter Chemical Corp. of New York, announced that his firm would set up an IL 4.5 million chemical industries center in Israel that will utilize Dexter patents and know-how to produce chemicals used by the textile, paper, paint, metal and cosmetics industries.

THOUSANDS MARK SIXTH ANNIVERSARY OF REUNIFICATION OF JERUSALEM

JERUSALEM, May 31 (JTA)--The sixth anniversary of Jerusalem's reunification was marked by celebrations and ceremonies yesterday and Tuesday, highlighted by a special thanks giving prayer at the Western Wall. Parents and children of soldiers who fell during the battle over Jerusalem in June 1967 lit 18 torches commemorating the 181 soldiers who died in the battle. A chorus in the background sang the song that became Jerusalem's unofficial anthem, "Jerusalem of Gold." Thousands of people began gathering near the Western Wall in the early morning hours, most of them praying and some visiting the historical sites in the Old City.

President Ephraim Katzir, Cabinet ministers and army officers who participated in the 1967 battle over Jerusalem were present at the ceremony. Celebrations had begun Tuesday when the streets were lit with festive lights. Chief Rabbi Shlomo Goren and Ovadia Yosef lead special prayers in Jerusalem's synagogues. Former President Zalman Shazar participated Tuesday night in a dinner given by the Western Wall Yeshiva. But a light and sound show planned to take place on Mount Scopus was postponed due to stormy and unusually cold weather.

ISRAELI TECHNION RESEARCH USED IN U.S. SKYLAB ROCKET LAUNCH

HAIFA, May 31 (JTA)--In the design of the vital interstages of the Saturn V rocket which launched America's Skylab space station into earth orbit, NASA used methods based on the theory and experimental work of Prof. Joseph Singer, of the Department of Aeronautical Engineering, Technion-Israel Institute of Technology. With research contracts from the U.S. Air Force, Prof. Singer and his associates have, for 13 years, conducted research into the buckling strength of cylindrical and conical shells, which form the outer skins of aircraft and missiles like Saturn.

In the mid 1960's they evolved a method for analyzing such structures from the standpoint of the buckling strength of their outer skins, which are reinforced with external stiffening ribs called stringers. NASA then adopted Prof. Singer's analytical method in designing the intermediate stages which link the first and second and second and third, stages of Saturn V which launched the Apollo vehicles on their way to the moon, and now the Skylab. Stringers provide bracing for the thin-walled missile body

to prevent it from buckling under the forces of acceleration when the rocket's engines lift the heavy, multi-stage assembly.

Prof. Singer, who is Tark Professor of Aircraft Structures, is one of Israel's foremost aeronautical pioneers and present-day leaders. On loan from Technion, he currently serves as Senior Vice-President for Engineering at Israel Aircraft Industries, the country's largest single employer and the manufacturer of the Arava and Commodore jet aircraft and the Gabriel missile.

Born in Austria, Prof. Singer immigrated to Israel in 1938, served in the British Royal Air Force in World War II and then studied Aeronautical Engineering at Imperial College of London, graduating in 1948. Upon completion of a master's degree at Brooklyn Polytechnic Institute in 1949, he returned to Israel to join the engineering department of the fledgling Israel Air Force and, attaining the rank of Major, became the head of the Test and Development Section.

Prof. Singer has served as Dean of the Faculty and has been a visiting professor of Aeronautics at Stanford University and California Institute of Technology. He is Past President of the Israel Society of Aeronautics and Astronautics and a Fellow of the Royal Aeronautical Society.

FIRST JEWISH STUDIES COURSES OPEN IN ARGENTINE UNIVERSITY

BUENOS AIRES, May 31 (JTA)--The first Jewish studies courses in any Argentine university has been started at the Universidad del Salvador, a Jesuit institution here. Prof. Luis Roniger will give a course on the Hebrew language, Rabbi Estaban Veghazli will teach Jewish post-Biblical history, and Prof. Jaime Barylko will present a course on Jewish philosophy.

The program is the result of a joint effort by Rev. Dr. Ismael Quiles, rector of the University, and Jacobo Kovadloff, director of the American Jewish Committee's South American Institute of Human Relations. In announcing the start of the courses, Father Quiles praised the work of the AJCommittee for its support and aid in helping to deepen the knowledge of Jewish values. He also noted that the courses here compare favorably to similar courses given in universities in Sao Paulo and Rio de Janeiro in Brazil, and in Santiago, Chile.

AGUDA ISRAEL VEXED OVER SEX COURSES

JERUSALEM, May 31 (JTA)--Knesset members of the Orthodox Aguda Israel faction clashed yesterday with Deputy Premier and Education Minister Yigal Allon over plans to introduce "family life" (sex education) courses in Israeli schools. The Agudists, Rabbis Shlomo Lorincz and Menachem Porush, claimed that students needed to be educated for modesty and morality rather than "permissiveness."

Allon, retorting sharply, reminded the Agudists that the sex education program was designed to combat ignorance which led to venereal disease, moral and psychological problems. He accused the critics of the program of trying to make sex taboo when, in fact, boys and girls growing up in a modern environment needed to be intelligently informed on the subject.

Israeli Ambassador Yosef Tekoah conferred today with John Scall, United States Ambassador to the United Nations. The two diplomats meeting in the U.S. Mission to the UN, reportedly discussed the Middle East situation and the Security Council debate scheduled to begin June 4, in the context of Scall's statement this week that the United States opposes any change in the wording of Resolution 242.

ALLON, RABIN, REACT WITH CAUTION TO REPORT OF U.S. SALE OF PHANTOMS

TEL AVIV, May 31 (JTA)--Two prominent Israelis reacted cautiously today to reports that the United States will sell F-4 Phantom jets to Saudi Arabia. Deputy Premier Yigal Allon said that the report, if true, only confirms Israel's need for defensible borders on its Eastern frontier. Yitzhak Rabin, Israel's former Ambassador to Washington, said the report should remind Israelis that the U.S., while committed to maintaining a strong Israel, has other interests in the Middle East.

Allon, speaking at Kiryat Ono, said that supersonic Phantom jets in Saudi Arabian hands would increase the flight range of Arab forces. He said Israelis must remember that their Eastern frontier is not just a border with Jordan but the boundary of a vast Arab hinterland extending to the Persian Gulf. He said that when discussing compromises on the territorial question, Israel must insist on permanent frontiers marked by the Jordan River, the Dead Sea and the deep Jordan rift. He said that the reported American decision to sell Phantoms to Saudi Arabia only substantiated this need.

Rabin, addressing the Labor Alignment's kibbutz faction here, warned that any arms supplies to the Arabs was cause for concern in Israel. "Any American decision on the Middle East must take into account her other interests besides Israel even if these decisions may slightly endanger Israel," Rabin said. He called on his countrymen to exercise "utmost vigilance."

ECONOMIC CONFERENCE CLOSES: FUTURE ACTIVITIES OUTLINED

JERUSALEM, May 31 (JTA)--Premier Golda Meir closed the third Economic Conference in Jerusalem tonight with a call to the delegates to "Tell the world that we in Israel are a wandering people that need not wander any more. . . . A people whose deepest hope is that it can soon labor and develop its land in peace with its neighbors." She told the delegates the fact that they had come to the conference despite recent war threats by President Anwar Sadat of Egypt "attests to the fact that you understand that we are all one people."

Victor Carter of Los Angeles, head of the U.S. delegation, said that more than 40 new joint and independent business ventures had been inaugurated during the four-day conference. In addition, six investment companies were formed with a planned investment program of over one quarter billion dollars. A re-insurance company was established and plans were under way for an international mutual fund. To Mrs. Meir, Carter said: "Madam Prime Minister, we face the future with confidence."

Francoise Pereira, outgoing chairman of the conference's Western European regional committee, presented the conference resolutions: A call for greater productivity; for better coordination between scientists and industry; a re-appraisal and amendment by the government of its investment incentive program; stepped-up emphasis on environmental protection; restraint on private consumption and more savings and investment; strict quality controls on exports.

The conference's 15 committees met in Tel Aviv during the week and assembled in the Jerusalem Convention Hall for the closing ceremony.

Reminder: There will be no News Bulletin June 6 due to Shavuot.

SHARP SAYS IMPOSED SETTLEMENT WILL NOT AID PEACE IN THE MIDDLE EAST

OTTAWA, May 31 (JTA)--Mitchell Sharp, Canadian Minister for External Affairs, told Jewish leaders here last night that Canada is convinced that an imposed settlement would not bring about peace in the Middle East. He said Canada would welcome steps toward direct or indirect negotiations between Israel and the Arab nations.

Speaking at the second annual parliamentary dinner of the Canada-Israel Committee attended by 150 Members of Parliament and 120 Jewish leaders from throughout the country, Sharp said that Security Council Resolution 242 was a meticulous resolution which Canada helped draft and continues to support.

Sharp said Canada also believed that a partial or interim settlement could be the first step toward a comprehensive settlement. He also deplored the spread of terror from the Middle East to areas far removed from the crisis and said Canada will ask for international cooperation to speed the elimination of the problem.

Dr. Theodor Meron, Israel's Ambassador to Canada, called on the Arab states to negotiate with Israel and said if they did, "they will not be disappointed." He said his country was pleased by the growing ties in the economic, cultural and social fields between Canada and Israel. Sharp also noted that relations between the two countries were growing in both quantity and quality.

Aaron Pollack, chairman of the Canada-Israel Committee, and a prominent Montreal lawyer, praised the moral support of all Canadian political leaders, regardless of party, for Israel's right to live in peace and prosperity in the Middle East. "It is not too much to hope that the spirit of reconciliation will yet permeate the politics of the Middle East, so that the vision of Jerusalem will unfold as a reality," Pollack said.

Also speaking at the dinner honoring Israel's 25th anniversary were Claude Wagner, foreign affairs spokesman for the Progressive-Conservative Party, and David Lewis, chairman of the New Democratic Party.

THREE JDL MEMBERS ARRESTED Charged With Harassing Soviet Diplomats

NEW YORK, May 31 (JTA)--Three members of the Jewish Defense League were arrested late last night outside of the Soviet Mission to the United Nations and charged with the harassment of Soviet diplomats. According to David Fisch, executive director of JDL, Steve Thomashow, Jeffrey Weltman and Zev Yourman were "following closely behind Soviet diplomats and speaking loudly asking why the Soviet Union is mistreating the Soviet Jews."

The JDL resumed its harassment of Soviet diplomats last Thursday, the day after the raid on JDL headquarters by the FBI and city police. Fisch said five to ten JDL members will continue harassing the diplomats "round the clock," although a Soviet diplomat had complained about harassment last Thursday in the UN.

The three arrested are scheduled to go on trial June 7, but they plan to request postponement because June 7 is Shavuot. Meanwhile they have been released on their own recognizance.

Ten leading Argentine business and industry leaders will visit Israel in June, it was announced in Buenos Aires by the Argentine Chamber of Commerce which is organizing the mission. The Israeli Ministry of Commerce and Industry will officially cooperate in this venture. It is hoped that personal contact between the two countries will promote expanded trade.

