



# daily news bulletin

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## KNESSET COMMITTEE UPS DEFENSE REQUEST; NRP MOVE SEEN AS SLAP AT RABIN COALITION

By David Landau

JERUSALEM, June 17 (JTA)--The government suffered an acute embarrassment today when a Knesset committee approved a higher defense budget than it had asked for. Some MKs interpreted the act as an expression of non-confidence in the government. The Labor Alignment's Knesset whip, Moshe Wertman, accused the National Religious Party of breaching coalition unity and urged Premier Yitzhak Rabin and Labor Party Secretary General Meir Zarmi to take disciplinary action against the NRP.

The government was taken by surprise when a joint meeting of the Knesset's defense and foreign affairs and finance committees voted 18-17 to approve an IL 22.5 billion defense budget today instead of the IL 22 billion budget requested by the government. The government's defeat was engineered by NRP militants Yehuda Ben Meir and Zevulun Hammer who acted in concert with the opposition Likud. Four Labor Alignment MKs of the ex-Rafi faction who might have been expected to vote for the government's budget, were absent from the meeting.

The IL 22 billion ceiling was agreed to by the government after tough bargaining between the Defense Ministry and the Ministry of Finance. Defense Minister Shimon Peres and the Chief of Staff, Gen. Mordechai Gur, nevertheless appeared before the joint committees earlier today to appeal for a higher budget on grounds that the defense establishment faced severe difficulties due to budget cuts. The Finance Ministry fears that pouring more money into defense will only accelerate inflation. Ben Meir and Hammer said, however, that they were impressed by the Defense Minister's arguments that basic defense would suffer if training, arms production and weapons research and development were not adequately covered by the budget.

### NRP Castigated

Wertman castigated the NRP in the Knesset today. He declared that a coalition partner cannot vote against the government's budget. Ben Meir retorted that security came before coalition unity. Wertman also asked Zarmi to take action against the Alignment MKs who absented themselves from the committee meeting. Alignment MK Zvi Gershuni and Likud's Zalman Shoval claimed that when the government lost a vote on a budget bill it should resign. But a legal expert, Hans Klinghofer, said that was only the case if a budget bill is defeated by the Knesset as a whole. He said a committee vote could not be construed as a vote of non-confidence.

The government has the option of asking for a revision of the committee's vote or it can demand a revision when the defense budget comes up for its third and final reading in the Knesset. In any event, political observers agree that today's vote by the committee reflected the fragile nature of the Rabin coalition.

## ISRAELIS SEEK TO ADOPT CHILD - WHOSE PARENTS TERRORISTS KILLED

TEL AVIV, June 17 (JTA)--Families all over

Israel are asking to adopt seven-month-old Assaf Mordechai whose parents were killed by terrorists in Kfar Yuval Sunday. The infant, who underwent surgery for the removal of grenade fragments at Safad Hospital, was reported to be improving today. His mother, 22-year-old Simha Mordechai, died in the hospital yesterday of wounds inflicted by a grenade. The same grenade killed her husband, Yaacov Mordechai who had joined an army unit assaulting his home in Kfar Yuval where four terrorists were holding members of his family hostage. All four terrorists were killed, two of them by Yaacov Mordechai himself before he was fatally wounded.

His brother, Bezalel Mordechai, also wounded by the terrorists, was recovering today in Safad Hospital. An Israeli soldier wounded in the assault was discharged from the hospital yesterday.

The future of young Assaf probably will be decided by the Kfar Yuval settlement committee. Relatives of the baby have asked to be appointed his guardian but adoption is also possible.

Meanwhile, Lebanese farmers were seen leaving the border regions today apparently in fear of Israeli reprisal raids.

## U.S.-IMMIGRANTS PROTEST TO JEWISH AGENCY ON RENT HIKES

By Gil Sedan

JERUSALEM, June 17 (JTA)--Representatives of 1000 immigrant families from the United States demonstrated outside the convention hall where the Jewish Agency Assembly was in progress today to protest rent increases which, they said, violated promises made to them before they came to Israel. All of the families immigrated during the past five years.

The protesters won immediate support from Mrs. Charlotte Jacobson, chairman of the American Section of the World Zionist Organization, who is one of the 300 delegates attending the Assembly. Moshe Rivlin, director general of the Jewish Agency, left the Assembly hall to speak to the demonstrators. He promised them that the Jewish Agency and government ministries concerned with housing and absorption would try to find a solution to their problem in cooperation with the American Zionist Federation.

The immigrants said that before they came to Israel, Jewish Agency emissaries promised them that their rent would be established for a 12-year period with increases every third year at a fixed rate. However, the housing authorities are now demanding an upward revision of the rent scale which the tenants say is a burden they cannot bear.

A spokesman for the demonstrators said they were told by government officials that the original promise had been based on a miscalculation that has cost the government IL 42 million to date. The government is trying to divide the increase between the Housing Ministry, the building contractors and the tenants. But the immigrants say that the miscalculation was not their responsibility and that they are not about to pay for it.

## RABIN'S OFFICE DENIES 'SECRET AGREEMENT' REACHED IN WASHINGTON

JERUSALEM, June 17 (JTA)--The Prime Minister's Office denounced as "lies and falsehoods" reports published here today that Premier Yitzhak

**ISRAELI POUND DEVALUED 2 PERCENT**

JERUSALEM, June 17 (JTA)--The government announced tonight a two percent devaluation of the Israel Pound, the second devaluation since last fall when the Pound was reduced in value by nearly 42 percent. It now stands at IL 6.12 to \$1 compared to the previous IL 6.

The announcement was made after a special Cabinet meeting which heard Premier Yitzhak Rabin's report on his trip to the U.S. and discussed economic matters. The Cabinet also empowered the Finance Minister and the Governor of the Bank of Israel to announce additional devaluations of two percent at any time provided that 30 days have elapsed since the previous devaluation. The devaluation announcement confirmed rumors current here throughout the day that the Pound was about to undergo a further depreciation. It was, in effect, an implementation of a recommendation by Moshe Sanbar, Governor of the Bank of Israel. Sanbar, however, had also proposed that the Pound be permitted to "float" against all major currencies.

**DULZIN INTRODUCES AUSTERITY  
BUDGET FOR JEWISH AGENCY**

By David Landau

JERUSALEM, June 17 (JTA)--Leon Dulzin, Jewish Agency treasurer, presented today to the fourth annual Assembly of the Jewish Agency a \$541.9 million budget for the current fiscal year which began last April 1, a budget \$150 million below that he presented last year. Describing the 1975-76 budget as a realistic attempt to balance expenditures against expected income, he said he was "very unhappy" with the budget because it reflected only income which could be anticipated and therefore "falls far short of being adequate on the expenditure side which is supposed to reflect needs."

He said that he had drafted an additional "budget" of \$150 million to show the more than 300 delegates what could be done and what needed to be done if the additional funds were available. He declared he felt the potential of fund-raising by the United Jewish Appeal in the United States and the United Israel Appeal outside the United States had not been exhausted and he urged the Jewish leaders to undertake even greater efforts.

He said the estimated net contributions were \$388.1 million from the UJA and \$126.1 million from the UIA. He said the U.S. government would contribute an additional \$35 million and that receipts from the Israel Education Fund and other special funds would total \$26 million.

**Largest Allocation For Aliya, Absorption**

The largest single allocation was for aliya and absorption for which the Dulzin budget provided almost \$98 million. He said that figure was based on an annual aliya of 45,000 newcomers but he acknowledged that present forecasts, based on a heavy drop in immigration this year, were considerably lower. He argued, however, that the Jewish Agency must plan for the long term and not be daunted by transitional trends. He said he had taken into account potential as well as actual aliya projections.

Dulzin said the situation could change quickly both in the Soviet Union and in Western countries, leading to large and sudden waves of aliya. In South America, which he said he knew well, the Jews lived "on the thin edge of economic disaster because of the terrible political insta-

bility and recurring threats of anti-Semitic outbreaks."

Dulzin earmarked \$42.3 million for social welfare services in Israel, a \$20 million outback from actual expenditures the previous year. He said this reflected the Israel government's shouldering of the burden of welfare subsidies, but, he asked rhetorically, was the government in fact in an economic position to shoulder new burdens?

He listed \$11.6 million for health services and \$44.3 million for pre-university education, both items slashed compared with the previous year. He said \$80.8 million would go to universities, the same total as last year and \$38.1 million to youth care and training, a figure higher than that of last year to take account of Youth Aliya's expanding program to educate disadvantaged Israeli youth as well as young immigrants.

The budget figure for settlement was \$64.3 million, more than last year, with large sums earmarked for the Agency's settlement projects in the Arava and the Galilee. The figure for housing, \$91.6 million, was less than the amount spent in that category last year, reflecting the drop in aliya. But Dulzin warned that it was inadequate, adding that even the "pessimistic" aliya forecasts would require more money for housing than he had been able to allocate.

**KISSINGER BRIEFING ELITS  
ON TALKS WITH RABIN**

By Joseph Polakoff

WASHINGTON, June 17 (JTA)--The American Ambassador to Egypt, Herman Elits, is in Washington for "personal consultations" with Secretary of State Henry A. Kissinger and other top U.S. officials regarding possible moves towards resumption of negotiations in the Middle East. Elits will be "fully briefed" on the visit of Premier Yitzhak Rabin and will then return to Cairo for talks with Egyptian President Anwar Sadat, the State Department said. Elits is expected to be on his way back to his Cairo post at the end of this week.

Elits apparently will not be in Washington when the Syrian Ambassador Abda Halim Khaddam is expected to arrive here Friday in the continuing communications by the Administration with key Middle East leaders. Malcolm Toon, the new U.S. Ambassador to Israel, who had expected to be in Tel Aviv by June 20, was understood to be delaying his departure a few days, presumably to await the results of the talks with Khaddam.

State Department spokesman Robert Anderson said that the communications in the current diplomatic effort for a Mideast settlement will be made through diplomatic channels. However, it would be "very useful" for Elits to return here at this particular time, Anderson said.

Anderson also said that "I am absolutely unaware" that any consideration was being given for selection of a special envoy to handle the Middle East negotiations. It was understood that Kissinger would not return to the Middle East in another shuttle effort until there was reasonable assurance of success. Anderson said he was unaware that there would be any meetings with other leaders than Khaddam.

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TEL AVIV (JTA)--The Israeli army is cracking down on soldiers with long hair and sloppy uniforms. Maj. Gen. Moshe Gidron, head of the army's manpower branch, announced Tuesday that special inspection units will patrol the roads to stop any soldier whose hair is too long or whose uniform is improperly worn. The new regulations were drawn up in response to the Agranat Committee's report criticizing discipline in the armed services.

Rabin and President Ford had reached a "secret agreement" in Washington last week on a new interim accord between Israel and Egypt. The report, published in Maariv, cited "diplomatic sources in Washington" as the source of that information.

The Cabinet was still meeting in a special session late this afternoon to hear Rabin's report on his talks in Washington. Political observers believe that the Cabinet will not be called upon to take any new decisions at this time. Rabin himself is understood to believe that further clarifications must come from Cairo before Israel can make any shift in its position of last March when it rejected Egypt's terms for an interim settlement. During his five days of conferences with American leaders, Rabin stuck to the principle of "parallel concessions" by both sides, a position endorsed by the Cabinet before he left for the U.S. a week ago.

Rabin indicated in his public statements before leaving the U.S. and on his return to Israel last night that he was not satisfied with Egypt's responses which were conveyed to him by President Ford and Secretary of State Henry A. Kissinger. He and other Israeli and American officials, including Kissinger, have said that further contacts must be pursued through diplomatic channels before any decision can be made on the resumption of the American initiative toward an interim agreement.

#### Public Uncertain

Both Israel and the U.S. appear determined to avoid the pitfalls of last March when Kissinger's "shuttle" diplomacy collapsed. The reasons for the collapse were said to have been inadequate preparation, misunderstandings and unjustified expectations. Public opinion in Israel is still uncertain as to what success Rabin had in the U.S. in advancing the chances of a partial settlement with Egypt. But Rabin is credited for the apparent improvement in U.S.-Israeli relations which had deteriorated sharply after the March fiasco.

The Premier was praised in the press today for having managed to wring from Kissinger a reluctant admission that his "shuttle" failure may have been caused by genuine misunderstandings rather than by Israeli intransigence. Rabin may also have succeeded in convincing President Ford that while American's interests rank high among Israel's concerns, no Israeli government can be expected to place them above what it believes to be Israel's own national interests, newspapers said today.

According to Maariv, however, a "secret accord" was concluded between Rabin and Ford by which Israel would return the Mitla and Gidi Passes to Egypt in exchange for a non-use-of-force pact to last for three years. The report said that Rabin had originally demanded a five-year pact but was persuaded by Ford and Kissinger that this was unattainable from Egypt. Rabin and Ford agreed also to be particularly cautious and non-committal in their public statements for the time being, Maariv said.

Israel's position last March was that it would not return the strategic Sinai passes without a formal undertaking of non-belligerency by Egypt. Government circles insist that this is still Israel's position but that Israel would be prepared for a partial withdrawal from the passes in return for something less than a full non-belligerency pledge from Cairo.

Meanwhile, President Anwar Sadat of Egypt was reported today to be in favor of an overall

settlement of the Middle East conflict although he saw it as only one of three alternative approaches to the problem. He said, in an interview with the Beirut daily An Nahar, that the alternatives were a renewal of step-by-step diplomacy before the Geneva conference is reconvened or reconvening the conference and conducting stage-by-stage negotiations at Geneva. (By David Landau)

#### KH RAISES \$162 M IN CASH

JERUSALEM, June 17 (JTA)--The Keren Hayesod-United Israel Appeal has raised \$162 million in cash for Israel during the current fiscal year, its world chairman, Ezra Shapiro, reported at the opening session of the Jewish Agency's fourth annual Assembly here last night. The KH-UIA raises funds all over the world except in the United States.

Shapiro noted that this year's sum exceeded the amount raised after the 1967 Six-Day War and is more than half the record sums raised following the Yom Kippur War, in 1973. According to Shapiro, all signs indicate even better results by the end of the fiscal year despite economic recession in many countries resulting from the Arab oil embargo.

#### 3 'PRISONERS OF CONSCIENCE' FREED

NEW YORK, June 17 (JTA)--Three Soviet Jewish prisoners of conscience, two of them sentenced in the second Leningrad trial, have been released on completion of their five-year prison terms, the National Conference on Soviet Jewry reported today. The two Jews sentenced in May 1971 at the second Leningrad trials, both on charges of anti-Soviet slander, are Lassa Kaminsky and Lev Yagman. The third Jew is David Chernogiaz, who was sentenced in June 1971 at the Kishinev trial on charges of anti-Soviet agitation and propaganda. The releases came on the fifth anniversary of the 1970 mass arrests which led to the Leningrad trials of 1970 and 1971. The anniversary was marked by plans for hunger strikes by Jews throughout the Soviet Union.

#### BODIES OF MISSING CREW IDENTIFIED

TEL AVIV, June 17 (JTA)--The remains of 23 of the 39 bodies of Yom Kippur War dead returned to Israel by Egypt nearly two months ago have been positively identified up to now. In the process, the fate of three missing crewmen of the Israeli tank Z-109123 was finally determined.

The body of the tank commander, Lt. Yair Sharak, was identified yesterday. The remains of one of his crew members, Giora Maizler, was identified last week and another, Motti Shamir was identified earlier. They had been listed as missing in action since the third day of the Yom Kippur War--October 9, 1973--when their tank was crippled by Egyptian fire while on a mission near the Suez Canal. Although a photograph of the crippled tank with three bodies nearby was published in Egyptian newspapers some time ago, the Egyptians refused to provide Israeli authorities with the negative that might have made identification possible. They also refused to search the area near where the tank was found.

A fourth member of the tank crew, Eli Zakkai, survived. He was on a reconnaissance mission on foot and was captured by the Egyptians when the tank was hit. Before his capture he was in radio contact with his crewmates whose last message was to give himself up as there was no way out. When Zakkai was returned to Israel in the POW exchange, he was unable to confirm whether his crewmates were alive or dead. The 23rd body, identified today, was that of Shimon Elsberg, 22.

**KENNEDY LAUDS ISRAELI SOCIETY**

BOSTON, June 17 (JTA)--Senator Edward M. Kennedy (D.Mass.), following his return from a 10-day fact-finding tour of the Middle East, last night urged a reaffirmation of friendship and commitment to the State of Israel and lauded Israeli society as an unparalleled phenomenon in modern times.

Speaking at the Israel Histadrut Awards Dinner at the Sidney Hill Country Club, Kennedy noted that much of Israel's staunch, democratic personality comes from its pioneering character and from Histadrut, Israel's federation of labor. "Histadrut, since its establishment in 1920, has been dedicated not only to the protection of workers' rights but to the cause of equality and social justice in general," he said.

"Too often we remember only what we have given to Israel and forget what Israel has given to the world, the power of faith, the preservation of human values," Kennedy noted. "Israel is living evidence that dreams--even the most distant dreams--can be realized if we have the courage to do what is necessary to make them come true."

Kennedy received Histadrut's Medal of Honor for his "continuous assistance and friendship to the State of Israel." Proceeds of the \$100-a-plate dinner will go toward the establishment of the Senator Edward M. Kennedy Histadrut Scholarship Fund to enable youngsters from underprivileged families in Israel to complete their academic or vocational high school education.

**PERCY WARNS ARABS NOT TO SEEK TO OUST ISRAEL FROM UNITED NATIONS**

WASHINGTON, June 17 (JTA)--Senator Charles H. Percy (R.Ill.) has warned the Arab nations that if they attempt to suspend Israel from the United Nations General Assembly they would "fracture the chances for peace in the Middle East." Percy, addressing a dinner sponsored by the United Nations Association, stated that "the one great danger that hangs like a black cloud over the United Nations is an anticipation that the Third World-nations, having suspended South Africa last year from participation in the 29th General Assembly, will move in the 30th to suspend Israel." He predicted, however, that if the Arab nations oppose the attempt the Third World nations will not move to suspend Israel.

Percy asserted that the "sheer hostility" involved in the suspension of Israel "would make it virtually impossible for the Israeli government to make those adjustments of policy which peace requires." In his address, Percy also stated that the United States should increase, not diminish, its role in the UN. He indicated that among "hopeful signs" for the UN is the request of the Palestine Liberation Organization for the Arab governments to support UNRWA, which provides assistance to Arab refugees. The United Nations Association dinner was held Monday night in New York. (By Joseph Polakoff)

**REP. ABZUG DENIES ANTI-ISRAELI ACT**

NEW YORK, June 17 (JTA)--Rep. Bella Abzug (D.NY) resigned June 11 from the Women's International League for Peace and Freedom in protest against the misuse of her name in a letter sent to members of Congress by the New York branch opposing aid to Israel. Ms. Abzug, who supports the Israeli aid request, also dispatched letters to Sen. Jacob Javits (R.NY) and

other members of the Senate disassociating herself from the letter. The national leaders of the WILPF also assured Ms. Abzug that they would write to members of the Senate disassociating the national organization from the New York letter which they said was sent without their knowledge.

**CJF TO OPEN WASHINGTON OFFICE**

NEW YORK, June 17 (JTA)--Plans to set up a special office and staff in Washington by the Council of Jewish Federations and Welfare Funds for the two-fold purpose of providing information and guidance on government fund potentials for Federations and their agencies, and in matters of national legislation of priority health, welfare and education concern to communities were approved by the CJF's board of directors at its quarterly meeting here.

The new CJF Washington service, to be funded by a consortium of larger city Federations through their respective endowment funds, calls for an initial demonstration period of three years with financing thereafter through the CJF budget, with operations likely to begin in the early fall. Among the primary responsibilities of the Washington office will be the following: to provide expert information and analysis on specific government funds available to voluntary agencies; advise Federations on how to obtain funds for which they are fully qualified as well as the potential for generating additional funds for voluntary agencies; and to cooperate with other Jewish and non-Jewish agencies for these purposes.

**RELIGIOUS EDITORS AGREE ISRAEL'S FUTURE DEPENDS ON CHRISTIAN SUPPORT**

NEW YORK, June 17 (JTA)--Editors of major Christian and Jewish publications and theologians agreed at a conference last week that the viability of Israel depends not alone on a political solution but on an understanding and support of Christians in the United States. There was general agreement among the 60 participants that Christians and Jews working together in the framework of the shared Judeo-Christian values could do much to resolve the numerous dilemmas relating to an understanding of Israel, including such questions as Jerusalem and the Palestinians.

The meeting was sponsored by the Synagogue Council of America, the umbrella agency of national congregational and rabbinic bodies in this country, representing the three branches of Judaism and the three rabbinic journals "Tradition" (Orthodox), "Conservative Judaism" and "The CCAR Journal" (Reform).

Rabbi Arthur Hertzberg, president of the American Jewish Congress, an adjunct professor of history at Columbia University, sounded the keynote of the conference when he maintained that a fundamental divergence in the theology of Christians and Jews lies at the heart "of our misunderstanding." He said "Judaism emphasizes the community as the agent of God's salvation. That is precisely where Christianity differs since it emphasizes the salvation of the individual. The importance of Israel to Jews can only be understood in the light of the importance it places on the existence of the community." He said "the ultimate residue of our problem is with each other."

Rev. Malcolm Boyd, a prominent author and Episcopal theologian, flatly told the group "the future of Israel will be determined by non-Jews in the United States. There has to be a Jewish State," he declared, "and there has to be a Palestinian state. In Israel, everybody accepts it, and this has to be the price of peaceful coexistence."