



ISRAEL STUDIES EGYPTIAN RESPONSE; DINITZ CALLED HOME TO HELP IN CONSULTATIONS; CRUNCH IN THE MID- EAST SITUATION HAS BEEN REACHED

By David Landau

JERUSALEM, June 29 (JTA) -- Premier Yitzhak Rabin met today with top ministers and aides to examine the Egyptian response to Israel's proposals for a second-stage agreement in an atmosphere of foreboding that a major confrontation appears in the making between Jerusalem and Washington.

Israel Radio reported yesterday that the United States is supporting Egypt's demands and is demanding that Israel agree to them within two weeks or face a return to Geneva. Egypt's position was given to Israeli Ambassador Simcha Dinitz in meetings in Washington Friday with President Ford and Secretary of State Henry A. Kissinger.

Ford's reported ultimatum has had a sobering and saddening effect on political circles here. The widespread feeling is that the "moment of truth" has arrived, sooner and more suddenly than expected. The crunch has been reached -- as much in Jerusalem's relations with Washington as on the Jerusalem-Cairo axis.

Further Clarifications Due

The Cabinet after studying the Egyptian proposals for four hours today announced that Dinitz is being called home for consultations. A Cabinet statement said there would be further "clarifications" both in Jerusalem and Washington followed by additional discussions within the Cabinet.

The "clarifications" will be conducted by three Israeli negotiators -- Rabin, Foreign Minister Yigal Allon and Defense Minister Shimon Peres. Officials stressed that Dinitz's recall was not a sign of displeasure or confrontation with Washington, but had been ordered by Allon purely to help with the decision-making process.

But it has now become clear that the settlement negotiations will hinge on the Mitla and Gidi passes. Reports reaching here from Washington make it plain that Egypt has remained adamant in its insistence that Israel vacate the entire Passes area, and that Ford and Kissinger have thrown their own weight behind this Egyptian demand, pressing Israel to make this one major concession and thereby facilitate the successful conclusion of the negotiations.

Government officials here stress that Israel's position to date remains that submitted by Rabin in Washington earlier this month: willingness to turn over the western part of the Passes to United Nations control, but refusal to vacate their eastern part. These officials refuse to state categorically that this position is unalterable. The fate of the negotiation, it now appears, will turn on the Cabinet's decision on whether to soften somewhat Israel's stand on the Passes.

Some ministers -- including the two from Mapam, the two from the Independent Liberal Party and some Laborites -- would, it is understood, favor some further concessions on the Passes, though no one in the Cabinet would advocate their

total cession as Egypt demands.

Scenario To Be Considered

One scenario which will be considered by the Cabinet this week involves a symmetrical arrangement under which Israel would occupy the eastern entrances of the Passes and Egypt the western entrances, with the UNEF Forces interposed between them in the center of the Passes. Until now, Rabin has not been disposed to favor this scenario, but faced with intense and open American pressure, he may agree to this shift in the Israeli stand.

Under this plan, its advocates argue, Rabin could still claim with justice that Israel has maintained control of the eastern side of the Passes. Israel would urge a maximal interpretation of the concept of "entrances" (which was first mooted by Egypt during the March shuttle.) It is not clear now whether Egypt is presently disposed to go along with this scenario. Much would depend, it is believed, on whether Israel could persuade the U.S. of its viability and validity.

Nor is it clear whether this scenario -- or some other symmetrical arrangement in the Passes -- would gain majority approval in the Cabinet. Rabin's own position would be crucial. If he decided to support such a plan now he could almost certainly take the majority of the ministers with him. If, however, he continued to oppose any further softening of the Israeli stance on the Passes, a sharp split could form within the Cabinet and even within the Labor Party's bloc.

Allon's View Is Pivotal

The view of Foreign Minister Yigal Allon would then become critical. Allon, it is known, has believed until now that Israel could permit itself further concessions in the Passes (without ceding them altogether). If he takes this stand in opposition to the premier, he might draw considerable support from such doves as Housing Minister Avraham Ofer, Finance Minister Yehoshua Rabinowitz and Labor Minister Moshe Baran. His fellow Ahdut Avoda Leader Yisrael Galili might also support him -- and the decision would then turn on the narrowest of margins.

Allon's close advisers were reluctant today to discuss these possibilities on the grounds that they were still "hypothetical". Plainly, Allon would think long and hard before taking a stand against Rabin. On the other hand, if he did so he could certainly count on strong feeling among the doves of the coalition that a showdown with Washington must be avoided at almost any cost. A rupture would be disastrous economically, politically -- and, ultimately, militarily too, the doves have been heard to argue.

Before the Cabinet meeting, Rabin briefed opposition leaders Menachem Beigin and Elimelech Rimalt on the Egyptian response. Emerging from the meeting, Beigin told newsmen there indeed was American pressure being exerted on Israel to cede the eastern part of the Passes. Beigin termed the meeting "very important."

and said there would be another such meeting tomorrow. Also present was Yitzhak Navon, chairman of the Knesset Foreign Affairs and Defense Committee. Rabin is scheduled to brief the full committee tomorrow.

Israel Will Not Be Rushed

While government officials admitted yesterday that the first reading of the Egyptian response was "not encouraging," they determinedly sought to avoid the impression of panic. Israel would not be rushed into taking up its position, they stressed. Egypt had taken several days to draft its response to the Israeli proposals, and the U.S. had taken several more days to transmit the Egyptian responses.

Israel, too, therefore, would need time to consider the issue in a serious and responsible manner, these officials said. There was no intention to deliberately stall, they continued. But Israel would not be hurried -- even by Presidential ultimatums.

PERES WARNS THAT GIVING UP PASSES WOULD LEAVE ISRAEL WITHOUT ANY SINAI DEFENSE LINE By Yitzhak Shargil

TEL AVIV, June 29 (JTA) -- Defense Minister Shimon Peres declared today that if Israel was to give into Egypt's demands that she evacuate the Mitla and Gidi Passes, Israel would be left without a defense line in the Sinai. "As long as Egypt does not end the state of war with Israel we cannot evacuate further than the line which goes through the eastern side of the Passes," Peres said in an interview with Maariv. "These Passes are the anchor to which the Israeli Army's defense is attached, he stressed.

Peres said that Israel wants in return for an evacuation of the western part of the Passes an agreement by Egypt that she would not go to war for a certain period of time. The aim of this agreement would be for Egypt to concentrate on her internal economic and social affairs rather than on war with Israel.

Chief of Staff Gen. Mordechai Gur said Friday that the Passes were important for both Egypt and Israel. But he said that Egypt's insistence that Israel evacuate the Passes entirely may indicate that Egypt is planning some offensive action. Gur noted that if Israel holds the eastern section of the Passes it would not be a military threat to the Suez Canal.

Peres, in the newspaper interview, said it would be advisable to reach an agreement also with Syria or with the United States over Syria. But he said because of the Golan Heights topography there can be no withdrawal on the Golan as in the Sinai.

NATIONAL ASSOCIATION OF ARAB- AMERICAN LEADERS MEET WITH FORD

WASHINGTON, June 29 (JTA) -- A delegation of 11 leaders of the National Association of Arab-Americans visited with President Ford at the White House last Thursday and posed with the President in a group picture after presenting him with a request that he recognize the Palestine Liberation Organization. The meeting, which lasted about 20 minutes, marked the first time that an Arab-American group has been at the White House since the Six-Day War, according to the visitors. Edward Howar, the Association's president, said "we are behind him (Ford) 100

percent," in a comment to newsmen.

In a statement left at the White House made available to the media, the visitors said "the bold and courageous steps you (Ford) have taken in reassessing our policies and your fair and even-handed approach to the problems of the (Middle East) area can only enhance the United States' image and further improve our relations with traditional allies."

The request for recognition of the PLO as the legitimate representative of the Palestinian people and a condemnation of Israel for attacks on terrorist bases in Lebanon were contained in a statement given to the President by Howar. The Association's statement also said that "a fair and equal policy" was most important for all the peoples of the area "at this time."

The delegation said it was "pleased" by Secretary of State Henry A. Kissinger's statements in a speech in Atlanta last Tuesday, adding "we concur wholeheartedly" with Kissinger's views for the need of a settlement which "is required to protect the fundamental national interests of the United States." They said the settlement is to be based on United Nations Security Council Resolution 242.

SENATE LEGISLATION HEARS DOWN ON ARAB FINANCIAL BOYCOTT OF CERTAIN U.S. BUSINESS FIRMS

WASHINGTON, June 29 (JTA) -- The Arab financial boycott of certain American businesses has resulted in the formulation of Senate legislation that would require disclosure and authorize control of foreign investment in American companies.

The Senate Subcommittee on Securities drafted the legislation which has received "unanimous approval" from its members, the Subcommittee's chairman, Sen. Harrison A. Williams, Jr. (D, NJ) said in a statement last Thursday. The measure is now before the group's parent committee on Banking, Housing and Urban Affairs, which is expected to have another of its subcommittee's, the panel on international finance, give it additional consideration.

According to the Williams statement "the bill would require disclosure of the beneficial ownership of all publicly traded U.S. corporations, thereby assuring effective monitoring of foreign investment in business. It would also require prior notification to the Securities and Exchange Commission when any foreign investor seeks to acquire five percent or more of a U.S. company. The President could prohibit such a transaction if he deemed it to be injurious to the national interest."

"The Arab financial boycott and the record of the hearings we held on this legislation in March make clear that at least certain foreign investors are willing to exploit their influence and manipulate our economy and citizenry to achieve political gains" Williams said.

He also pointed out that the need for the legislation is underscored by reports that "the newly rich Mideast oil countries have invested far more money in the United States than the government officially acknowledges by funneling billions of dollars through the anonymity of Swiss banks."

FORMER NAZI NOW IN ARGENTINA

VIENNA, June 29 (JTA) -- A former SS officer now living in Argentina was responsible

for the execution of 20 Polish university professors in Poland during World War II, Nazi-hunter Simon Wiesenthal said Friday.

Wiesenthal, director of the Jewish Documentation Center, said former SS officer Walter Kutschmann, 61, is now living in Buenos Aires as an Argentine citizen under the name of Pedro Ricardo Olmo. He is a leading executive of Osram Argentina, a subsidiary of the West German Osram Electrical Company.

Kutschmann was responsible for the execution of 20 Polish university professors and 18 of their relatives on July 4, 1941 in the former Polish, now Soviet, town of Lwow (Lemberg). This war crime had been attributed to former West German Minister Theodor Oberlaender, Wiesenthal said. Oberlaender, minister for displaced persons under Chancellor Konrad Adenauer from 1953 to 1960, was sentenced to life imprisonment in absentia by an East German court in 1960. He is now living in Bonn.

"Oberlaender was a first lieutenant in the German wehrmacht, but the crime was committed by the SS," Wiesenthal said. "The Wehrmacht had to part in it and Oberlaender is fully rehabilitated," he added. Wiesenthal, who tracked down Adolf Eichmann, said his representative in Buenos Aires submitted to the police photographs and fingerprints proving Kutschmann's identity.

He said the state prosecutor in West Berlin turned down his request to demand Kutschmann's extradition, "because there is no chance to get him extradited," Wiesenthal said the trial against Oberlaender was organized by the East Germans at the height of the cold war to discredit the anti-communist West German government of Adenauer. "We hope Kutschmann will be arrested by the Argentine police," Wiesenthal said.

(According to conflicting reports today from Buenos Aires, Kutschmann was believed to have been arrested by Argentine authorities but at the same time was thought to have left the city after being detained briefly by police for an identity check. His whereabouts are not immediately known.)

HOUSE VOTES 21 - 8 TO WITHDRAW U.S. GOVERNMENT PARTICIPATION IN THE ILO AFTER PLO IS GIVEN STATUS

By Joseph Polakoff

WASHINGTON, June 29 (JTA) -- The House of Representatives has withdrawn the United States government from participation in the International Labor Organization because the ILO gave the Palestine Liberation Organization status in that United Nations affiliate as an observer. Supporting the position of the AFL-CIO, the House voted last Thursday to delete from appropriations to the State Department the funds to pay into the ILO. The cutoff is effective as of last June 12.

Rep. John Slack (D, W. Va.) and John Murtha (D, Pa.) led the fight to delete the funds. They were opposed by Reps. Elford Cederberg (R, Mich.) and Millicent Fenwick (R, N.J.). Slack, who introduced the deletion legislation, pointed out that while observer status is non-voting and non-paying, it permits the PLO representation in ILO proceedings.

Slack pointed out that when the ILO admitted the PLO, the U.S. delegation, made up of representatives of government, labor and management

walked out. The labor group said it would not return to that session. The U.S. funds 23 percent of the ILO budget.

The House vote was 21 - 8, less than a quorum. But since no member raised the point of the absence of a quorum or entered an objection, the ILO amendment was adopted.

State Department Regrets Action

Cederberg argued he has "never been a real fan" of the ILO, but Secretary of State Henry A. Kissinger and others in the State Department explained to him that suspending U.S. funds to the ILO "at this time when we are carrying out these negotiations (in the Middle East) just adds another problem that we really do not need at this time." Cederberg made much of Israel's remaining in the ILO, saying "the reason" is that the Israelis "figure they can do more good within the organization rather than moving outside."

Countering Cederberg, Murtha said "Congress has to exert itself" because the PLO should be condemned "especially after allegedly participating in the Munich massacre and proudly displaying this type of support for that type of action." He said he hoped the House action would not "upset the delicate balance of negotiations (in the Middle East) but for too long we have delayed action and allowed the State Department to dictate to us what we should do. We control the funds. The only ability we have to condemn this organization is by cutting off the funds."

Asked to comment on the House action, the State Department said it "regrets" the action since the ILO "is a highly useful organization." Spokesman Robert Anderson noted that the U.S. had voted in the ILO against observer status for the PLO. The ILO, he observed, is for government, worker and employer representatives, and the PLO "has no government or recognized worker or employer groups" and "has no business to be taken up in the ILO."

GOLDMANN: PEACE MIGHT FADE IF SETTLEMENT DOES NOT COME SOON

TEL AVIV, June 29 (JTA) -- Dr. Nahum Goldmann, president of the World Jewish Congress and veteran Zionist leader said if the present situation in the Mideast does not bring a settlement in that region, Israel may possibly miss the last chance for peace.

Speaking over the army radio station, Dr. Goldmann said that now is the time for an all-out settlement, not bit by bit interim settlements. He said that an all-out settlement entails formal recognition of Israel by the Arabs, guarantees by the super-powers for an Israeli withdrawal from all held territories except Jerusalem, and some border modifications.

Leon Duitzin, Jewish Agency Treasurer and Likud Leader said yesterday that Israel can not give up the Gidi and Mittle Passes. He said that with the U.S.-backed Egyptian rejection of the Israeli proposal, the situation does look serious, but Israel, in his opinion, was in a good position and must not yield to pressure. He also reminded the government that if the Geneva Conference was on the horizon, it must first go to the people for a renewed mandate or create a national unity coalition.

There will be no Bulletin dated July 4 due to the holiday.

JEWES URGED NOT TO BE OVERWHELMED BY FEARS OF EROSION OF U.S. PUBLIC SUPPORT FOR ISRAEL

NEW YORK, June 29 (JTA) -- The American Jewish community was urged not to "overwhelm itself with fears" of an erosion of American public support for Israel. Albert D. Chernin, newly-elected executive vice-chairman of the National Jewish Community Relations Advisory Council, also disputed the apprehensions of some Jewish communal leaders and groups that anti-Jewish sentiment was gaining serious ground in America.

Addressing the Council's 450 delegates at a session last Friday of its annual plenary installing him in office, Chernin argued that "the greater danger is not in failing to see new problems threatening Jewish life, but in failing to recognize the new status enjoyed by the American Jewish community. The greater danger is in basing our behavior and programs on the belief that American Jews are struggling to achieve their goals in a sea of hostility," he declared.

Chernin said that polls and studies since 1947 have shown "a steady growth of positive feelings" among Americans toward Israel. He proposed that American-Israeli relations be interpreted "in long term perspective rather than in the immediate focus of each day's headlines, gossip and rumor."

A Little Paranoia Is Realistic

"A little paranoia is a realistic perception of Jewish history and essential to our survival," Chernin said. But a "blind attitude" by American Jews to their "hospitable conditions" could lead to "postures that elicit the very antagonisms they seek to prevent. They can become a self-fulfilling prophecy threatening our survival," he warned.

Chernin's speech was seen as reacting to concerns expressed by some Jewish elements that the Ford Administration's Middle East reassessment, the threat of another Arab oil embargo and the economic political impacts of newly-rich Arab states, along with intensified Arab propaganda are creating diminished American public support for Israel and heightening the potentials for anti-Jewish attitudes.

The new NJCRAC executive, who succeeded Isaiah M. Minkoff, is a 47-year-old intergroup relations specialist who had directed the Jewish Community Relations Council of Greater Philadelphia for the past seven years. Previously he was a member of the council staff for 11 years. Minkoff was honored at a special "tribute" dinner marking his retirement. He became the chief executive of NJCRAC at its founding in 1941 and guided it through its first 31 years.

LEVY NAMED CHAIRMAN OF THE 1976 UJA & FEDERATION JOINT CAMPAIGN

NEW YORK, June 29 (JTA) -- Gustave L. Levy, prominent financier, philanthropist and communal leader, has been named chairman of the 1976 United Jewish Appeal & Federation of Jewish Philanthropies Joint Campaign to meet human needs in Israel, elsewhere overseas and in the New York metropolitan area. The drive, covering New York City, Westchester and Long Island, will officially begin next autumn.

The announcement of Levy's acceptance of

the chairmanship was made by Laurence A. Tisch, chairman of the UJA & Federation Joint Board. Levy will succeed Lawrence B. Bittenwaiser, chairman of the 1975 drive, now in its concluding phases.

As chairman of the largest local yearly campaign for philanthropic funds anywhere in the world, Levy will direct the efforts of some 20,000 volunteers organized in trade and professional divisions, in community and congregational committees, and in women's, young adult, youth, fraternal and other groups.

Tisch said: "We are fortunate that the New York Jewish community's unified effort to care for the needy and endangered, sick and troubled among our fellow Jews anywhere in the world will be led in the year to come by one of our community's most respected and effective leaders."

A Leader in Many Fields

A resident of Manhattan and Armonk, N.Y., Levy is a leader in a wide variety of philanthropic, civic, cultural and educational causes. Among the positions he holds or has held are those of chairman of the Mount Sinai Hospital, Medical Center and School of Medicine; treasurer and past campaign chairman of the UJA of Greater New York; past president of the Federation of Jewish Philanthropies; treasurer of Lincoln Center for the Performing Arts and of the International Synagogue; and chairman of the President's Council of New York University's College of Business and Public Administration.

The 1976 joint campaign will be the second fully unified drive by the UJA and Federation, following the coordination in 1973-74 of their traditionally separate campaigns in order to cope with the humanitarian emergency brought on by the outbreak of the Yom Kippur War.

2 NAZI CRIMINALS PARDONED

BONN, June 29 (JTA) -- The Berlin Senate has pardoned two Nazi criminals serving life sentences. They are 62-year-old Otto Locke, who was responsible for the deaths of seven Jewish inmates of Birkenau concentration camp, and Gottfried Matthes, who, as medical officer in charge of the health office of the Polish town of Grottkau, was to blame for killing Germans suffering from mental illness.

Locke and Matthes have served 20 and 21 years of their sentences respectively and are no longer fit to be held in custody, for, in the view of leading criminologists, prison inmates undergo a personality decline between the 15th and 20th year of imprisonment. For this reason the Berlin Senate is applying the unwritten law of not continuing sentences beyond the 20th year.

JTA ON N.Y. TELEVISION

NEW YORK, June 29 (JTA) -- The Jewish Telegraphic Agency is the subject of an interview with Murray Zuckoff, news editor, in the Monday evening TV series, The Jewish Community, produced and moderated by Dorothy Steinberg on Manhattan Cable TV and TelePrompter Cable TV, Channel C, 8:00 - 8:30 p.m. The JTA program will be aired June 30th.

TEL AVIV (JTA) -- Prof. Michael Sela, 51, head of the Weizmann Institute's Chemical Immunology Dept., was elected as the next president of the Institute and will replace Prof. Israel Dostrovsky, whose term expires in November.