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RABIN TO CRITICS IN THE GOVERNMENT: STOP PUBLIC CRITICISM OR RESIGN

By David Landau

JERUSALEM, Dec. 23 (JTA)--Premier Yitzhak Rabin challenged Cabinet ministers who feel they cannot live with government policy to cease public criticism or resign. The statement, made by Rabin at Sunday's Cabinet meeting, found its way into the press today.

Ministers and pundits see Rabin's remarks primarily addressed to Foreign Minister Yigal Allon who has been vocally uncomfortable at late with the government's policy on the Palestinian question. That policy, enunciated in a Cabinet decision of July, 1974, bars a third state between Israel and Jordan and favors a solution only in the context of talks with Jordan.

Allon of late has seemed to incline towards the "Yariv-Shemtov formula"--that Israel should talk to any group that recognizes it and desists from terror. Rabin firmly opposes this formula. He has said privately, however, that he could conceivably envisage a third state under some moderate Palestinian leadership. Allon has asked for a Cabinet debate on the Palestinian issue but Rabin seems determined to delay it until after his visit to the U.S. at the end of January.

Rabin's challenge was also seen directed at dovish ministers who have spoken out publicly against the handling of the Sebastia affair; and also at ministers who have argued their opposition to budget cuts in the news media. The Premier's blunt statement was reportedly triggered by a letter to him from Justice Minister Haim Zadok complaining about ministerial statements critical of government policies.

Zadok himself is known to have viewed with disfavor the compromise on the Sebastia affair Rabin and Defense Minister Shimon Peres struck with the Gush Emunim settlers. But he refused to speak out publicly because he felt collective Cabinet responsibility forbade this. After Rabin stated his challenge, Ministers Avraham Ofer and Moshe Kol proposed a debate then and there. Rabin demurred, saying a debate would be held only following Zadok's return from the U.S. where he is now visiting.

TERRORISTS IN LEBANON TRYING TO SEIZE VILLAGES NEAR ISRAEL'S BORDER

TEL AVIV, Dec. 23 (JTA)--The Arab terrorist organizations may be using the present chaos in Lebanon to seize control of villages near the Israeli border, it is believed here. The reason for this view is that observers from vantage points in Israel have seen clashes between the terrorists and the Lebanese villagers.

The Lebanese army has thinned out its forces in southern Lebanon because they are needed in the larger population centers. The terrorists are using this situation to increase their pressure on the villages and fighting has occurred. There have been some fatalities since black funeral flags were spotted on top of houses in the villages.

Lebanese army personnel were seen training civil guard units in the various villages which the army cannot protect. One speculation is that the terrorists want to seize the villages in time

for their Fatah Day activities planned for Jan. 1. Meanwhile, an Israeli patrol was fired on from Lebanese territory in the Yiftah region. The fire was returned. There were no casualties.

CUBANS OUT OF SYRIA

TEL AVIV, Dec. 23 (JTA)--The Cuban armored brigade that had been stationed in Syria since the end of the 1973 Yom Kippur War returned to Cuba a few weeks ago, it was revealed here last night. The only foreign troops now in Syria are members of an infantry brigade from Saudi Arabia.

The Cuban brigade was sent to Syria to man the new Russian T-62 tanks that the Syrians were getting from the Soviet Union after the war. Syria did not have any crews for the tanks because of the loss of hundreds of tank crews during the war.

In addition to helping the Syrians, the Cuban government wanted its soldiers to gain some combat experience. The Cubans took part in clashes against the Israelis on the Golan Heights during the war of attrition that Syria waged from January to June 1974. Cuban troops have been reported fighting recently with the Soviet-backed Popular Movement for the Liberation of Angola in that African country.

KISSINGER DENIES REPORT ISRAEL WOULD WIND UP WITH \$500 M SURPLUS AS A

RESULT OF GETTING \$2.3 B IN U.S. AID
Charge Made By Alleged Secret CIA Report
By Joseph Poljakoff

WASHINGTON, Dec. 23 (JTA)--Secretary of State Henry A. Kissinger today flatly denied a report that if Israel receives the \$2.3 billion in U.S. military and economic assistance recommended to Congress by the Ford Administration it would end up with a balanced budget and a \$500 million surplus.

Replying to questions at a State Department press conference, Kissinger declared that he was "not familiar" with an alleged secret study of Israel's economy by the CIA which purportedly showed that Israel's requests for U.S. assistance were "greatly inflated."

Kissinger stated that "even at the level of \$2.3 billion" of U.S. assistance, "Israel will have to engage in an austerity program in order to make ends meet." He declared that "we have no evidence whatever" that Israel stood to gain a \$500 million surplus from American aid. He pointed out, as he had done before various Congressional committees last month, that the Administration's recommendations for aid to Israel were based on inter-departmental studies of Israel's needs to enable it to meet its requirements.

Not Happy Over New Golan Settlements

Kissinger said he did not want to comment on Presidential messages when he was asked today if the U.S. had called on Israeli Premier Yitzhak Rabin not to build further settlements on the Golan Heights. But the Secretary made it clear that the Administration was not happy over the Israeli decision to establish four new settlements on the Heights. "It is our general policy to oppose new settlements on the Golan Heights or elsewhere," Kissinger said. "It complicates the diplomatic process. We have, from time to time, pointed this

president of the board of the Jewish Telegraphic Agency has announced the appointment of Bernard Halpern of Pittsburgh and Nat Kameny of Bergenfield, N.J. to the board. Robert H. Arnow, chairman of the board and of the nominating committee, submitted their names to the last meeting of the board earlier this month.

Halpern, 55, is chairman of the board of the Keystone Bank and for years has been active in the United Jewish Federation of Pittsburgh. During the 1960s he was chairman of the Federation's planning and budget committee and president of Montefiore Hospital. He has been active in the United Way of Allegheny County and is presently on its planning and allocations committee.

Born in Pittsburgh, he graduated from the University of Pennsylvania Wharton School in 1930 and from Harvard Law School in 1942. From 1942-46 he was in the U.S. Marine Corps. Halpern is active in Israel Bonds and is a member of the Rodef Shalom Temple (Reform) and the Beth Shalom Synagogue (Conservative).

Kameny, 52, is president of the Bergen County (N.J.) Federation of Community Services, vice-chairman of the national public relations advisory committee of the Council of Jewish Education and Welfare Funds, associate chairman of the board of governors of the United Jewish Appeal of Bergen County, and the director of the American-Israel Chamber of Commerce and Industry.

He also holds several posts in the Anti-Defamation League of B'nai B'rith and official positions in numerous Jewish organizations. Born in New York, Kameny attended the School of Engineering and the School of Business Administration of the City College of New York. He is president of the Kameny, Solomon, Sherwood and Gilbert, Inc., an advertising and public relations firm in New York.

VIOLENCE AVERTED DURING PROTEST DEMONSTRATION OVER ISSUE OF ARAB STUDENT DOING GUARD DUTY IN DORMS By Gil Sedan

JERUSALEM, Dec. 23 (JTA)--Arab students holding an orderly demonstration on the Hebrew University campus today refused to be provoked by threats of violence from a small group of right-wing Jewish students who were apparently trying to precipitate a clash over the refusal of Arab students to stand guard duty in the dormitories. Cooler heads prevailed among the Jewish student body but the Arab students, although they failed to win their point on guard duty, clearly emerged the "heroes" of the incident by not succumbing to provocation.

The three-hour demonstration, addressed by Arab student leaders, was held to protest the expulsion of two Arab students and the imminent expulsion of eight others who have refused, as a matter of conscience, to stand guard duty with their Jewish dorm-mates. The Arab students demand exemption from guard duty on grounds that Israeli Arabs are exempt from military service in Israel's armed forces. They said guard duty was "duty of a security nature" which their conscience forbade them to participate in, since it is ultimately directed against other Arabs.

When the issue first came up last month, Arab students contended that if they participated in guard duty they would be charged by Palestinian militants as Israeli collaborators, and that if

a terrorist attack occurred while they were on guard duty the Israelis would hold them responsible. The Arab students have offered to do alternative duties, such as standing first aid shifts, but the university authorities rejected the offer, insisting that guard duty is an obligation of all students and was not of a security nature.

SHAH OF IRAN SAYS ISRAEL EXISTENCE MUST BE RECOGNIZED, PALESTINE SHOULD BE RECOGNIZED AS INDEPENDENT STATE By Joseph Polakoff

WASHINGTON, Dec. 23 (JTA)--The Shah of Iran and his Foreign Minister told a U.S. Congressional delegation recently that Israel's "existence must be recognized" and that "Palestine should be recognized as an independent state and become a member of the United Nations in the same manner as Israel."

However, the Iranian leaders said, according to the Congressional report, that while "Iran believes that the lands occupied since 1967" should be returned "there is a question as to whom they should be returned." According to the report, the Iranian leadership declared "The Rabat conference did not necessarily foreclose Jordan as representatives for the Palestinians." The delegation report said that "Iran voted for the UN resolution on Zionism as a gesture of solidarity with the Arab bloc."

The report was made by Sen. Thomas J. McIntyre (D,ME). On the trip with him during the last ten days in November were Sen. Thomas Mogan (D,NC) and eight Republican and Democratic members of the House.

In reporting the delegation's discussion with Israel's Premier, the delegation said Yitzhak Rabin declared that Israel does not believe it has the right to decide who represents the Palestinians but that prospects for a solution of the Palestinian issue would be good if negotiated between Israel and Jordan.

Rabin also said, according to the report, that U.S. aid to Egypt serves the interests of the United States and not of Israel. "All it means to him is that Israel will be faced with U.S. rather than Soviet weapons in the event of war," the report said. "However, he does not oppose U.S. economic aid to Egypt."

CHAIM RAJCHENBERG DEAD AT 59

BUENOS AIRES, Dec. 23 (JTA)--Funeral services were held yesterday for Chaim Rajchenberg, an engineer and Jewish community leader who died of a heart attack Sunday at the age of 59. Until last May, Mr. Rajchenberg was president of the Buenos Aires Jewish Community Council and of the Federation of Argentine Jewish Communities.

JERUSALEM (JTA)--Haifa University student Hava Ashkenazi, an ardent feminist, is suing the Steinmetzky book agency in Haifa for alleged censorship aimed at the female sex. Ms. Ashkenazi was incensed when she found that the copy of the American magazine "Playgirl" which she purchased at Steinmetzky's contained a nude male centerfold in which a thick layer of ink obscured that part of the male anatomy that, in classical times, was adorned with a fig leaf. She claimed that the act of "vandalism" prevented her "full enjoyment" of the picture and that it constituted discrimination because the corresponding parts of the female body were fully visible in "Playboy" magazine which is read by men.

out to Israel."

The alleged secret CIA report on Israel's economy indicating that excessive demands were made on the U.S. by the Jerusalem government as its price for agreeing to the second interim pact with Egypt in Sinai last September, was the subject of a column by syndicated columnist Rowland Evans and Robert Novak which appeared today in the Washington Post and was published yesterday in the New York Post. Some observers here believe the report may have been "leaked" or "planted" by certain elements in the Administration.

Two Possible Motives For CIA Report

One view is that its purpose was to embarrass Israel and result in a reduction by Congress in the level of assistance granted that country. Another theory is that the report was deliberately intended to put Israel in a defensive position and give Kissinger the opportunity to publicly defend Israel, as he did at today's press conference.

Affording to those who hold this theory, Kissinger would thereby strengthen his position in inducing Israel to place confidence in him on the issue of the Security Council's Jan. 12 Middle East debate which Israel said it would boycott because the Palestine Liberation Organization has been invited to participate. The U.S. is making strenuous efforts to persuade Israel to reconsider its decision.

Observers here also pointed to evidence that Israel is indeed in dire economic straits. They noted the series of austerity measures being taken by the Israeli government, including the continuous devaluation of the Israel Pound; domestic belt-tightening brought about by higher taxes in Israel; and even a reduction in Israel's military strength. In that connection, the observers noted Israeli Defense Minister Shimon Peres' frank disclosure when he was in Washington last week that Israel intended to buy 50 F-15 jet fighters from the U.S. but when it learned their price, cut the request by half to 25.

Congressional Restraints Hurt Soviet Jews

Kissinger's press conference today was largely devoted to the situation in Angola which elicited from the Secretary sharp criticism of the restraints placed by the Senate on the shipment of U.S. arms to elements in that African country fighting Soviet-backed elements. Kissinger took the occasion to warn that unless the Soviet Union showed restraint in its foreign relations, the U.S.-Soviet relationship is "bound to be more tense."

Kissinger also warned that the imposition of restraints by Congress on the Administration's foreign policy activities was counter-productive. In that connection, he recalled that the U.S.-Soviet trade agreement of 1973 could not be implemented because of Congressional linkage—through the Jackson-Vanik Amendment—of Soviet emigration policies with U.S. trade benefits to that country. "It hurt the people it was intended to help," Kissinger said, noting that Jewish emigration from the USSR was 38,000 in 1973, but only 10,000 this year.

REPORT WALDHEIM HAS NOT RECEIVED REQUEST TO SCHEDULE SPECIAL GA SESSION TO DEAL WITH TERRORISM

UNITED NATIONS, Dec. 23 (JTA)—A United Nations spokesman said today that Secretary Gen-

eral Kurt Waldheim has not received any request from either Venezuela or Colombia to schedule a special session of the General Assembly to deal with terrorism. President Carlos Andres Perez of Venezuela and President Alfonso Lopez Michelsen of Colombia proposed in a communique issued during their meeting in Caracas yesterday a special meeting of the General Assembly to reach an agreement against terrorism.

Venezuela's Minister for Mines, Valentin Hernandez, was among the hostages seized by Arab terrorists who invaded the office of the Organization of Petroleum Exporting Countries (OPEC) in Vienna Sunday. According to UN rules, a special meeting of the Assembly can be called if a majority of the UN members agree with the request. Observers here believe that there is little chance that the meeting on terrorism will be held.

PLANS BEING DRAWN UP TO AID WEST BANK, GAZA ARABS WHO MAY LOSE JOBS DUE TO ISRAEL'S AUSTERITY PROGRAM

By Yitzhak Shargil

TEL AVIV, Dec. 23 (JTA)—The military government is drawing up plans to find alternative jobs for thousands of Arabs on the West Bank and the Gaza Strip who may be thrown out of work as a result of the anticipated increase in unemployment in Israel resulting from the government's new austerity economic program. Most of the West Bank Arab labor force is employed in the construction trades which will be hardest hit by cutbacks in government spending.

Plans call for absorbing them in agriculture, road building and other public works. A large number of Arab construction workers presently employed in Israel would be diverted to building housing for refugees in the Gaza Strip. The construction workers may be the first to be dismissed as a result of government economies.

Their importance to Israel's construction trades was felt last week when building activity was brought to a virtual standstill as thousands of Arabs stayed home to celebrate the Moslem Id-el-Idha (Feast of the Sacrifice) holiday. There was also a large-scale slowdown in agricultural production and in factories where West Bank and Gaza Strip workers are employed.

Prefer To Work In Israel

Except for a small number who find work in the Persian Gulf oil states, Arabs in the administered territories prefer to stay there and work in Israel, military government circles said.

The reason is the high living standards they have come to enjoy under Israeli administration. They receive good wages in Israel and some of the most modern and expensive household appliances and furnishings can be found in Arab homes on the West Bank and the Gaza Strip. In the latter territory, virtually all Arab car owners have traded in their old models for new ones during the past two years.

Many Arabs in the administered territories have been buying Israel government bonds linked to the cost-of-living index to secure the real value of their savings. Some, however, try to accumulate foreign currency, mainly Jordanian dinars bought with Israel Pounds. Inflation is a problem, felt more on the West Bank than in the Gaza Strip, the military government circles reported.

HALPERN OF PITTSBURGH AND KAMENY OF BERGENFIELD NAMED TO JTA BOARD

NEW YORK, Dec. 23 (JTA)—William M. Landau,