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KATZIR WILL ASK BEGIN NEXT WEEK
TO FORM NEW GOVERNMENT
By Yitzhak Shargil

TEL AVIV, May 30 (JTA)—President Ephraim Katzir was asked by a Likud delegation this morning to formally request their leader, Menachem Begin to form the next Israeli government. He is expected to meet with Begin early next week for that purpose after consultations with the other political parties as required by law. As the party with the largest number of Knesset seats, Likud will be approached

first to put together a new government.

The turmoil over the weekend caused by Begin's nomination of former Defense Minister Moshe Dayan to serve as Foreign-Minister in the new government appeared to have abated today and the incipient revolt within the ranks of Likud seems to have been quelled, at least for the time being. The Likud Executive, meeting at Begin's home last night only hours after the Likud chief was discharged from Ichilov Hospital, agreed unanimously to shelve the Dayan nomination though not to rescind it.

That move was aimed at re-opening coalition talks with Prof. Yigal Yadin's Democratic Movement for Change (DMC) which will be the third largest party in the next Knesset. The DMC broke off negotiations after Begin made the surprise nomination of Dayan from his hospital bed last Thursday. Simcha Ehrlich, Likud's number two man and leader of its Liberal Party wing, said after today's meeting with President Katzir that he saw no reason why the DMC should not now enter a Likud-led coalition.

Likud Seeks Broad-based Govt.

Likud is in a position to form a government without the DMC. A coalition with the National Religious Party (NRP) the ultra-Orthodox Aguda bloc and
Gen. Ariel Sharon's Shlomzion faction would give it
a slim governing majority of 61-62 Knesset seats. But
Begin and other Likud elements are anxious to have a
more broadly based regime that will reflect a national
concensus rather than one of rigid nationalism and
religion. Gen. Ezer Wiezman, who is number two
man in Likud's Herut faction stressed today that Likud
may have to make several policy concessions to accommodate the DMC.

The DMC's party council was meeting tonight to decide how to respond to Likud's call to resume talks. Whatever the decision, Likud was strengthened today when Shlomzion agreed to join it adding two Knesset seats for a Likud mandate of 45. Sharon was reportedly slated for a new Cabinet post as coordinator of secur-

ity services and anti-terrorist activities.

Meanwhile, the Dayan nomination has divided Israelis as no other issue in recent years. The ranks of Likud were split until last night's compromise resolution which confirmed Begin's authority to select his Cabinet, subject to party approval, should he be designated Premier. But that stage will not begin until he is officially asked by President Katzir to form a government. Leon Dulzin, of Likud's Liberal Party faction who had expected the Foreign Ministry portfolio before Dayan's nomination, said last night that he was satisfied with the resolution. He said it meant that every Cabinet post is still subject to negotiations and while Dayan's nomination stands, it remains only one proposal.

#### Begin Reassures Bereaved Parents

Pro and anti-Dayan forces engaged in shouting matches and a battle of placards outside Likud head-

quarters yesterday requiring heavy police reenforcements to prevent clashes between them.
About 100 leftists opposed to the former defense
chief carried signs reading ""Dayan-Enough With
Your Juggling Acts" and "Dayan-There Is A
Limit To Your Failures". Some 400 Dayan supporters carried signs hailing their man as "Right
For The Job". They shouted "Leftists go to
Siberia".

A more solemn and staid demonstration was conducted outside Begin's home, while the Likud Executive was meeting last night, by about 200 parents of soldiers killed in the Yom Kippur War. They held up enlarged photographs of their sons and blamed Dayan, who was Defense Minister in 1973, for needless deaths because of Israel's lack of preparedness for war. The group refused to disperse until Begin agreed to receive a delegation.

He told them that he agreed that Dayan, as a member of the Labor-led government, was a failure as Defense Minister. But Begin insisted that he was the best man to serve as Israel"s Foreign Minister at this juncture because he is well known abroad and is firm in his views. He also urged the bereaved parents not to harbor feelings of vengeance against Dayan. He promised to meet with them again next week when he would feel less tired.

Meanwhile, Dayan ended his long affiliation with the Labor Party over the weekend. He turned in his membership card when asked to do so by the Labor leadership. But he refused to relinquish the Knesset mandate he won on the Labor Party ticket.

ISRAEL-U.S. SHOWDOWN LOOMS OVER ADMINISTRATION'S RECENT STATEMENTS ON ELEMENTS OF PEACE SETTLEMENT. By Gil Sedan and Yitzhak Shargil

JERUSALEM, May 30 (JTA)—A possible show-down between Israel and the United States Joomed over the weekend in connection with recentaremarks by President Carter and other Administration officials regarding a Middle East-peace settlement. Israeli leaders were seriously concerned by Carter's suggestions that Israel's withdrawal to its 1967 borders, a Palestinian homeland and compensation for Palestinian refugees were incorporated in United Nations resolutions on which future peace negotiations must be based. (See News Analysis on p. 3.)

Premier Yitzhak Rabin and Foreign Minister Yigal Allon expressed fear at yesterday's Cabinet meeting that Carter's statements might cause the Arabs to harden their positions. Allon disputed Carter's references to General Assembly resolutions, asserting that the only binding resolutions with regard to a Mideast settlement were Security Council resolutions 242 and 338 which do not contain the elements mentioned by Carter. "The U.S. government has always supported the principles implied in those resolutions. It is impossible to change those principles unilaterally," he said. He warned that any such change would jeopardize whatever progress has been made so far and the prospects for future progress toward a peace settlement.

Rabin, presiding over his first Cabinet session since he went on vacation last month, was apprehensive lest the remarks by Administration officials crystalize into an "overall American settlement"

plan" despite the fact that the Americans have said repeatedly that they have no such plan.

### Dinitz States Israel's Position To Vance

Allon informed the Cabinet that Israel's Ambassador in Washington, Simcha Dinitz, met with Secretary of State Cyrus Vance on Safurday to

inform him of Israel's disquietude.

(After his meeting with Vance, Dinitz told reporters that no UN resolutions required Israel to give up all occupied Arab territories, allow creation of a Palestinian homeland or agree to compensate Arab refugees. In connection with the latter, he said that "Anytime compensation is going to be discussed, we have valid claims for hundreds of thousands of Jewish refugees for compensation," a reference to Jews forced to leave Arab countries after Israel was formed. He said "I emphasized to the Secretary that Israel believes UN Security Council resolutions 242 and 338 continue to be the only basis for negotiations. None of those two resolutions call for an Israeli withdrawal to 1967 lines. None of them call for a Palestinian homeland. None of them call for compensation: Dinitz Zaid "We are not. arguing with the President here, we are stating our position and we are happy to learn that is the United States position also.")

(President Carter was quoted in a U.S. News and World Report interview yesterday as saying "Our presumption is that the government of Israel will continue to join us and the Arab countries in seeking a permanent solution in the Middle East . . . based on the United Nations resolutions that have been espoused time and again by the nations involved. If Israel should disavow those commitments, which have been the basis for the hopes for peace for years, then that would be a very profound change and I think the consequences of it can't be accurately predicted.

According to an Algerian News Agency report today, Carter said in a letter to President Houari Boumedienne of Algeria that "To let pass the favorable opportunity which is available now to reach an agreement could mean a disaster for the Middle East and perhaps also for the international political and economic order." The Algerian News Agency also quoted Carter as saying that "Our policy will not be affected by changes of leadership in any country of the Middle East."

Carter has stressed the latter point since Israel's elections on May 17 resulted in an upset victory for Likud over the Labor Party which has governed the Jewish State from the day it was founded. His remarks that are seriously troubling Israelis came after Likud leader Menachem Begin's post-election statements that the West Bank is an integral part of Israel by historic right and therefore must be viewed as "liberated territory" rather than occupied land or land subject to annexation.

#### Schindler Sees Escalation

Meanwhile, Rabbi Alexander Schindler, chairman of the Conference of Presidents of Major American Jewish Organizations who visited Israel last week, expressed grave concern Friday over what he termed an escalation in statements by the American Administration. He told the Jewish Telegraphic Agency that those statements were at variance with the picture President Carter painted before the Israeli elections. Schindler, who returned to the U.S. today, said he would call a special meeting of the Presidents Conference to report on his

Israeli visit and to take up the political issues that have developed in recent days. He indicated that the Presidents Conference would seek an "exact interpretation" of Administration statements.

Schindler described to the JTA what he meant by an escalation. He said the Administration began with a call for honest negotiations and for a desire to reach peace among all the parties which he interpreted as a normalization of relations between Israel and its

neighbors, including trade and tourism.

Then, Schindler said, this escalated to a broad outline of a plan described as a conceptual framework which suggested perimeters within which the parties concerned could negotiate. But then came statements based on certain presumptions which constitute U.S. policy based on the fact that the U.S. joined certain resolutions and these were topped when a White House spokesman expanded the President's references to Security Council resolutions by adding General Assembly resolutions of 1947 and 1948, Schindler said. He questioned how, under the circumstances, it was still possible to regard the U.S. as an honest broker without a plan in hand to be imposed on the parties.

### LABOR ZIONISTS WARN LIKUD ON LIMITS OF ITS ELECTION MANDATE

United States position also.")

(President Carter was quoted in a U.S. News

(President Carter was quoted in a

foreign or domestic policies of Israel."

The statement, signed by Dr. Judah J. Shapiro, president of the Labor Zionist Alliance, Mrs. Charlotte Stein, president of Pioneer Women and Prof. Allen Pollack, chairman of the Coordinating Committee, said the LZM "opposed any attempt from any quarter to create divisiveness between Israel and the American Jewish community." The statement said however that "The recent Knesset elections has resulted in a major political upset disturbing to many in the American community... As certain as we are that Israel remains a liberal and democratic society, so do we believe that the majority of the American Jewish community shares our ideological feeting and rejects the right-wing reactionary forces in its midst. We call on the hundreds of thousands of American Jews who inherently are not part of the reactionary group and who rightfully belong in our camp to join us in support of Israel's progressive society.

# GENEVA CONFERENCE GRANTS COMBAT STATUS TO LIBERATION MOVEMENTS By Tamar Levy

GENEVA, May 30 (JTA)—The diplomatic conference on the Reaffirmation and Development of International Humanitarian Law Applicable in Armed Conflicts accepted an article recognizing the status of war prisoners who belong to liberation movements as combatants. Israel was the only country voting against the article which was accepted by 73 votes. There were 21 abstentions.

According to the article, combatants are obliged to distinguish themselves from the civilian population while they are engaged in an attack or in a military operation. But it recognizes that there are situations in armed conflicts where, owing to the nature of the hostilities an armed combatant cannot distinguish himself. Nevertheless he shall retain his status as combatant provided he carries his arms openly.

The Israeli delegates and others objected on grounds that this interpretation might endanger civilian populations, Israel declared it could not comply with this article because it does not recognize the PLO as a

liberation movement. Israel said it will not accept an article putting civilians in danger. The members of the Israeli delegation are Jaakov Hess, Ruth Lapidot and Zevi Efrat.

WHITE HOUSE STATEMENTS ON MIDEAST POLICY PUZZLE, DISTURB PRO-ISRAEL CIRCLES By Joseph Polakoff

WASHINGTON, May 30 (JTA)—Although the White House and the State Department insist that U.S. policy in the Middle East is "unchanged" and that it continues within the framework of UN Security Council resolutions 242 and 338, pro-Israeli circles here view with deepening skepticism and suspicion the Administration's course in pursuit of a settlement in the region.

They are especially concerned and puzzled by President Carter's press conference remarks last Thursday following two days of talks with Crown Prince Fahd of Saudi Arabia—the last of the four Arab leaders with whom the President has met in recent weeks. He noted that all former American Presidents based U. S. policy in the Mideast on "Security Council resolutions". But those resolutions do not mention a "homeland" or "compensation" for Arab refugees which Carter saw as part of the negotiating framework. His statements are now widely viewed as having fashioned broad new dimensions to U. S. policy that are favorable to the Arabs and upsetting to Israel.

The Jewish Telegraphic Agency asked the chief White House media officials for clarification of the President's news conference statements. The White House made it plain that no evidence can be found to support Carter's statement. It issued a "Notice to the Press" which said that "As a matter of historical record, UN General Assembly Resolution 181 of November, 1947, provided for the recognition of a Jewish and an Arab state in Palestine and UN General Assembly Resolution 194 of December, 1948, endorsed the right of Palestinians to return to their homes or choose compensation for Jost property."

In making that statement available, the White House spokesman volunteered to the JTA that this section of the statement was "not binding" on U.S. policy. However, it was not clear why the White House did not insert "not binding in the statement it had issued. The matter became further complicated at the State Department where spokesman Hodding Carter declared that the two General Assembly resolutions of almost 30 years ago have no "new" binding policy "implications" on U.S. policy.

He said that while "No changes in our fundamental policy approach to the Middle East" have taken place, "compensation" is "to be discussed at some point" and "there will have to be intensive discussions down the road". He added that he was not prepared to respond to a question on whether compensation applies to Jews forced to leave Arab countries. The President spoke only of compensation for Arabs.

In some quarters it was feared that the White House allusion to the 1947 and 1948 resolutions may become a wedge to reopen the entire question of Palestine's partition and the issue of Jerusalem. Under the 1948 resolution, a Palestine Conciliation Commission consisting of France, Turkey and the U.S. was to present the General Assembly with detailed proposals for a "permanent international regime for the

Jerusalem area. . . "The 1947 partition resolution is considered invalid since partition was rejected by the Arabs who subsequently made war on Israel during which Jordan seized the West Bank and East Jerusalem.

SOLDIERS MAN BG AIRPORT CONTROL
TOWER IN LABOR DISPUTE
By Yitzhak Sharail

TEL AVIV, May 30 (JTA)—Military personnel continued to man the control tower at Ben Gurion Airport today following the government-ordered takeover Friday to end a three-week work slowdown by civilian flight controllers. The latter, who were suspended, reportedly have agreed to urgings by Histadrut to resume their normal work schedules if certain conditions are met. Negotiations are in progress. Meanwhile, the control tower remains under a 24-hour police guard against possible retaliation by disgruntled workers.

The government's action, unprecedented in Israel's history, was welcomed by the airlines and the travelling public. The airport has been functioning smoothly and all flights have been arriving and departing on time. But the political repercussions of the move have yet to be felt. Some observers thought it was foolbardy for the care-taker Labor government, defeated in the elections less than two weeks ago, to call in the military in a labor dispute. They suggested that this could have serious consequences for Labor in the Histadrut elections next month.

Histadrut cannot endorse the use of the army against workers, even indirectly, but recognizes that the government has a right to intervene in the interests of safety and to maintain normal air communications with the rest of the world. The fact that Israel's tourist season is well underway also prompted the government to put an end to the slowdown that was causing anger among air travellers.

Pilots Protest

So far the only serious protests from workers groups have come from the Israeli Pilots Association and the Ashdod longshoremen's union. The pilots warned Premier Yitzhak Rabin in a letter that the use of inexperienced flight controllers could be hazardous. Flight controllers on Cyprus expressed the same view in a cable to Israeli authorities, noting that the military personnel manning the control tower is not sufficiently fluent in the English language that is used in ground-to-air communications. On the other hand, it was pointed out by Israeli sources that the military flight controllers are as well trained and competent to handle air traffic as their civilian counterparts.

The Ashdod port workers who protested to Transport Minister Gad Yaacobi got a letter in reply stating that the introduction of military personnel should not be regarded as intervention in a labor dispute but as a measure aimed at insuring air safety.

## MEMBER OF INDIAN GOVERNMENT SEES IMPROVED RELATIONS WITH ISRAEL

TEL AVIV, May 30 (JTA)--George Fernandes, Minister of Communications in the new Indian government, has expressed confidence that relations between Israel and the Indian people will strengthen. He made that statement in a letter to Histadrut Secretary General Yeruham Meshel who had congratulated him earlier on his appointment as a minister in the New Delhi government.

Fernandes, who heads a small Socialist party in India and is leader of the railroad workers union there, was imprisoned by the Indira Ghandi regime after a general strike by railroad workers three years ago. He and Meshel met recently at a meeting of the Secretariate of the Asian regional organization of the International Confederation of Free Trade Unions.

# 30,000 IN MONTREAL MARK JERUSALEM RE-UNIFICATION DAY By Michael Solomon

MONTREAL, May 30 (JTA)—Some ten thousand Montreal Jews and their non-Jewish neighbors marched with brass bands and floats yesterday in a festive celebration of the tenth anniversary of the re-unification of Jerusalem. The event brought out more than 20,000 spectators who gathered at MacKenzie King Park after the two hour parade to hear words of greeting from Gen. (ret) Uzi Narkiss who commanded the forces that liberated Old Jerusalem during the Six-Day War in 1967.

"Jerusalem is now a free, united city awaiting immigrants from the Diaspora," Narkiss, who
presently heads the Jewish Agency's aliya department, told the throng. Other speakers included
Deputy Mayor Roger Roy representing Mayor Jean
Drapeau of Montreal; Mayor Bernard Land of Cote
St. Luc, a Jewish suburb of Montreal; Israeli Consul General Zvi Caspi; Philip Givens, president
and Leo Kronitz, executive vice president of the
Canadian Zionist Federation; and Thomas Hecht,
chairman of the Jerusalem Day celebration.

### AMERICAN SEPHARDIC YOUTH MOVEMENT FOUNDED

LOS ANGELES, May 30 (JTA)—A Sephardic rabbi, addressing the founding convention of the American Sephardi Youth Movement, has expressed his concern that Sephardic rabbinic authorities are afraid to pronounce their true Halachic positions for fear that Ashkenazi rabbis will label them heretic.

Rabbi S. Robert Ichay of Atlanta's Congregation Or Veshalom said that the survival of Judaism depends upon Sephardim remaining Sephardim. According to Ichay, there is no Sephardic Reform movement because Sephardic rabbis were never as severe as their Ashkenazi counterparts.

Some 500 young Sephardim from across the country are meeting here to start the youth movement, a division of the American Sephardi Federation. According to convention chairman Raymond Mallel, the delegates are mapping out the restructuring of Sephardic life in this country in order to give it greater relevance and vitality and will be actively involved in stimulating greater recognition for Israel's Sephardic majority.

In the opening address, Professor Rene Levi of the University of Washington, warned the gathering that neither the Israeli government nor synagogue groups can be depended upon for Jewish survival in America. Levi was critical of young Jews who will support any cause but their own.

Rabbi Ichay also criticized Israel for not adhering diligently to Jewish law as the law of the land. He noted with satisfaction the election of Likud leader Menachem Begin, who, according to Ichay, is the first Israeli leader to have expressed dependence on God. Ichay called for the establishment of an Israeli Peace. Corps which would bring 100,000 young Americans to Israel at any given time.

### ELATTO-SHARON ASKS COURT TO LIFT BANS, CLAIMS EXTRADITION IMMUNITY

JERUSALEM, May 30 (JTA)--Samuel Flatto-Sharon called on the Jerusalem District Court yesterday to lift all restrictions imposed on him and to return the IL 10 million bail on which he was released from custody pending the disposition of an extradition request by France. Flatto, who won a Knesset seat in the May 17 elections, based his appeal on the law granting immunity to Knesset members.

The millionaire financier is wanted in France on charges of illegal financial activities and fraud. He fled to Israel in 1972 and became a citizen. Extradition proceedings have been stalled because, according to the Justice Ministry, the French request omitted certain pertinent details. Flatto asked the court to rescind the attachment of his property in Israel, to return his passport which was deposited with the police and to lift the ban on his leaving the country. The court is expected to consider his request on Wednesday.

Flatto has troubles in another area. A disenchanted supporter, former wrestling champion Raphael Halperin, announced last week that he would challenge the legality of Flatto's election. He said he would submit "information about Flatto's irregular election practices" to the Central Election Committee unless the MK-designate renounced his Knesset seat. A spokesman for Flatto said that libel action would be brought against Halperin.

### RANKING ARMY OFFICERS ELECTED MKs

TEL AVIV, May 30 (JTA)—The election to the next Knesset of several high ranking military reserve officers will require amendment of the present law that bars MKs from holding command posts in the armed forces.

The best known case is that of Gen. Ariel Sharon, the Yom Kippur War hero who served briefly in the Knesset as a Likud MK until he resigned to go back into uniform. Sharon was elected to the new Knesset on May 17 as leader of the Shlomzion faction. Another senior officer elected on the Democratic Movement for Change (DMC) list is Assaf Yagouri who, as a Lt. Col., was the highest ranking Israeli officer captured by the Egyptians during the Yom Kippur War. Last Friday he was promoted to the rank of full Colonel in the reserves and given command of an armored unit. Both he and Sharon wish to continue to serve in the army but not be compelled to resign from the Knesset.

Meanwhile, the Army announced last night that Gen. Moshe Levi, 41, has been named commanding officer of the Central Command. Levi, who was born in Israel of Iraqi parents is the first Israeli of Oriental background promoted to senior rank.

### 6 INJURED BY JERUSALEM BOMB BLAST

TEL AVIV, May 30 (JTA)--Six persons were injured when a bomb exploded in a grocery shop near the Jaffa Gate in the Old City of Jerusalem at noon Saturday. One Canadian tourist, James Lindsay, 29, of Nova Scotia, was hospitalized for a leg wound. His condition was not serious. Three Jews and two Arabs who suffered minor injuries were treated at a first aid station and released. Police said the bomb, a pipe filled with explosives, was concealed in a loaf of bread. The blast collapsed the walls of the grocery shop.

### Y. ORNESTEIN, PUBLISHER, DEAD AT 81

TEL AVIV, May 30 (JTA)—Funeral services were held today for Yehoshua Ornestein, one of the first Jewish publishers in Palestine, who died at the age of 81. Ornestein was born in Poland and came to Palestine in the early twenties when he established the Yavneh Publishing House.

Among its publications were the first Hebrew encyclopedia, Michlal, the works of S. Shalom, Arilbn-Zahav, the Kassoutto Bible and the Midrash Raba.

TEL AVIV (JTA)--Yosef Almogi, chairman of the Jewish Agency and World Zionist Organization Executives left Sunday on a week-long visit to the Jewish communities of Rumania as guest of the Federation of Rumanian Jewish Communities.