



ALLON SUMMONS U.S. ENVOY TO EXPRESS ISRAEL'S CONCERN OVER ADMINISTRATION STATEMENTS ON MIDEAST FORMULA

By Gil Sedan

JERUSALEM, May 31 (JTA)--Foreign Minister Yigal Allon summoned U.S. Ambassador Samuel Lewis to the Foreign Ministry today to express Israel's concern over recent statements by President Carter on the elements of a Middle East peace settlement. Allon reportedly told the envoy that Israel was disturbed by the injection of new factors into a possible peace formula that went beyond Security Council Resolutions 242 and 338.

He was apparently alluding to White House statements last week that referred to the General Assembly's Palestine resolutions of 1947 and 1948 which were not and cannot now be a basis for negotiations, according to Israeli sources. Allon reportedly stressed to Lewis that only 242 and 338 can constitute the basis for a settlement, a position reaffirmed by Allon and Premier Yitzhak Rabin at Sunday's Cabinet meeting.

On the surface at least there appeared to be no disagreement between Allon and Lewis. The Ambassador gave assurances that the U.S. adheres to its traditional position that the two Security Council resolutions are the only appropriate framework for peace negotiations acceptable to Israel and the U.S.

Israel's relations with Washington were discussed by Likud's number two man, Simha Ehrlich, at a press conference in Tel Aviv today. He said he was concerned by Carter's recent statements but hoped that once Carter meets Likud leader Menachem Begin Carter would "change his mind."

PERES CHALLENGES U. S. INTERPRETATION OF SECURITY COUNCIL RESOLUTIONS

Chides Likud As Visionary

By Gil Sedan

JERUSALEM, May 31 (JTA)--Defense Minister Shimon Peres said today that Israel will not accept the American interpretation of Security Council resolutions which holds that Israel must return to its 1967 borders with only minor changes. "We have a serious debate with the U.S. and there is no reason to cover it, above and beyond party differences," Peres declared at a meeting of the Labor Party's Ben Gurion Circle in Tel Aviv.

But the defense chief, who heads the Labor Party, was severely critical of the political methods of Likud which defeated Labor in the May 17 elections. Asserting that he did not want to be identified with personal criticism of Likud leader Menachem Begin that has appeared in overseas news media recently, Peres contrasted the diplomatic methods of the Labor government with those espoused by Likud, the party that is expected to head the next Israeli government.

He said the "two conceptions" were evident as early as 1947 when Begin opposed the United Nations General Assembly resolution to partition Palestine, the resolution that gave international sanction to Israel's creation. The debate between Labor and Likud, he said, is between vision and realism. It was the realism of the Labor Alignment that brought Israel some of her greatest achievements, Peres declared. And it is that road that Israel should con-

tinue to follow "no matter how many mandates the Labor Party had," he said.

U. S. Interests Cited

Peres spoke sardonically of Begin's post-election statements on the West Bank and other matters as examples of the gap between realist and visionary. "One can change the Finance Minister but one cannot change the price of oil in the world," he said. "One can make heart-rending speeches in Kaddum (the illegal Gush Emunim settlement in Samaria where Begin spoke after the elections promising additional Jewish settlements in the region) but there are still American interests. And I am sure they will not be looked after according to the books of Jeremiah and Isaiah." The latter was a reference to Begin's remark that he would convince President Carter of Israel's right to the West Bank by virtue of the Bible.

Referring to the election results, Peres said, "The people are sovereign to decide and it is good that, for a change, they will taste the alternative party. I am not at all sure they will order another similar meal. Let us see if all the problems will be solved. One can change a government but one cannot change the world. One can change the regime but one cannot change the situation."

Peres did not refer directly to former Defense Minister Moshe Dayan's shift from the Labor Party to Likud. He observed, however, that "every person can choose whatever party he wants but he should not pretend to carry with him the heritage of Ben Gurion which does not resemble that of Likud."

DMC AGREES TO RESUME COALITION TALKS WITH LIKUD

By Yitzhak Shargil

TEL AVIV, May 31 (JTA)--The Democratic Movement for Change (DMC) notified Likud tonight that it was prepared to resume coalition talks that were suspended last week. The DMC's condition that all subjects and issues, including the appointments to the next Cabinet, remain open for discussion, was met by Likud.

The DMC called off negotiations after Likud leader Menachem Begin nominated former Defense Minister Moshe Dayan to be Foreign Minister in the new government. That act seemed to foreclose any meaningful bargaining over portfolios. In a letter to Begin yesterday, DMC leader Yigal Yadin stressed that the appropriate allocation of Cabinet posts was a major condition for the entry of the DMC into a Likud-led coalition.

Yadin's letter to Begin was approved by the DMC's Secretariate last night. The Likud Executive met this morning and drafted a reply indicating that, in principle, all matters are negotiable. Negotiations are expected to resume shortly since Likud is anxious to form as broadly-based a government as possible by the time the new Knesset convenes next month. Political observers said it seemed likely now that a coalition will be formed between Likud, the DMC, the National Religious Party (NRP) and the ultra-Orthodox Aguda bloc.

LABORITES BOW TO ELECTION RESULTS, SUGGEST KATZIR ASK LIKUD TO FORM NEW GOV'T.

JERUSALEM, May 31 (JTA)--A delegation of the Labor Alignment met with President Ephraim Katzir today and suggested that he ask "the largest party in the Knesset" to try to form a new government. The largest party, as a result of the May 17 elections, is Likud and for the Labor delegation, headed by the Alignment's election campaign chief Haim Barlev, the meeting with Katzir was not a happy occasion.

It was the second delegation the President has seen in the exercise of his legal duty to consult with all political factions before asking one of them to form a government. Katzir met with a Likud delegation last week.

"We shall have to get used to the opposition benches," veteran Labor MK Shoshana Arbeli-Almoslino remarked wryly after seeing the President. Barlev denied reports that the Alignment was trying to form a minority coalition government. "We are in contact with other parties, not to form a Cabinet but with an eye to future cooperation in the Knesset," he said.

DAYAN SAYS HE HAS ASSURANCES FROM BEGIN OF NO IMMEDIATE ACTION ON WEST BANK

LONDON, May 31 (JTA)--Moshe Dayan said last night that he had received a double assurance that an Israeli government led by Menachem Begin would not unilaterally annex the West Bank. Interviewed on BBC television's Panorama program, Dayan said Begin had agreed that there would be no annexation by Israel as long as negotiations went on. Nor would it happen automatically if negotiations broke down. If that happened, he said "then we shall sit together and see where do we go from there."

Dayan said Begin had also agreed "completely" to his insistence that the people of the West Bank should retain the right to send their representatives to Amman as members of Jordan's Parliament. He defended his readiness to serve as Begin's Foreign Minister on grounds that he was closer to the Likud leader than to the Labor Party in believing that no part of the West Bank should ever be given up. He said he and Begin agreed, however, that Israel should set no prior conditions to negotiations.

On President Carter's suggestion that Israel should withdraw approximately to the 1967 lines, Dayan said: "I just don't believe that there is any reasonable line of partition of the West Bank and whoever talks about it should just show me what the line will look like."

Sees Two Options At Geneva

Dayan was optimistic that the Geneva conference could take place and about its outcome. However, he put more emphasis on the current diplomatic contacts, adding that it would be necessary to go to Geneva only for the final signing of an agreement. The parties should aim initially at an all-out peace. But since that appeared unattainable, they should also work towards an ending of the state of war, he said. Although Israel must be very careful not to fall into a trap, he believed that President Sadat did not want a war.

Dayan denied that he had betrayed the Labor Party and justified his agreement with Likud claiming it was made under "very special circumstances." He had not jumped at Begin's offer but had been given four days to think it over, he said. When he had held similar talks with Likud just be-

fore the election, they had failed to come to terms about the political formula under which the West Bank would not be annexed. Now, he believed that he would be able to negotiate on behalf of Begin without compromising his own personal position on the West Bank, Dayan said.

ISRAELI EMBASSY IN BONN RESOLVES DISPUTE WITH PRO-ISRAEL GROUP

By Jon Fedler

BONN, May 31 (JTA)--The long-standing dispute between Israel's embassy here and the German-Israeli Association (Deutsche-Israelische Gesellschaft or "DIG") over statements and actions by DIG officials which were deemed hostile to Israel, has been settled. At its annual meeting in Bonn earlier this month, by an overwhelming majority of 212-40, DIG's members endorsed a statement of principles committing the body to a firmly pro-Israel course.

The settlement of the row is regarded as a personal triumph for Ambassador Yohanan Meroz, who at the time of his arrival in November, 1974 conducted a quiet, behind-the-scenes campaign to oust left-wingers apparently intent on making DIG a "pro-Arab" or "anti-Israel" instrument. Meroz also played a key part in drafting the statement of principles.

Criticism Of Israel Ruled Out

Two key clauses in the "guidelines" are a requirement that DIG parties visiting Israel should seek out "representative" organizations for political talks, and a statement that "official Israeli policies are not to be the subject of critical public statements" by the DIG or its various executive organs.

The statement reaffirms DIG's main task as "the creation of solidarity with Israel and its people." The "starting point" for the organization's activities is "the knowledge of the crimes which Germans committed against the Jews in the years 1933-1945." Meroz told the gathering that despite "differences of opinion" between DIG and the Embassy, "the question was never asked, whether the DIG is necessary or desirable." But the organization could only perform effectively if there was "maximum cooperation" with the representatives of Israel.

The meeting formally absolved DIG's organizing secretary, Reiner Bernstein from allegations of pro-Arab leanings. Nevertheless, Bernstein "voluntarily" relinquished his post after disclosures that a DIG secretary had misappropriated \$21,000 of DIG funds. Erik Blumenthal, an opposition (Christian Democrat) member of Parliament, was voted DIG president, replacing Heinz Westphal, a Social Democrat.

ISRAEL-CANADA SIGN NEW TRADE PACT

TEL AVIV, May 31 (JTA)--Israel and Canada signed a new trade and industrial pact in Jerusalem Friday. The signatories were Minister of Commerce and Industry Haim Barlev and his Canadian counterpart, Jean Chretien who came to Israel for the purpose. The agreement is expected to expedite the development of a planned power station at Hadera capable of burning coal or oil, the construction of a railroad from Beersheba to Eilat, the manufacture of buses in Israel and joint movie ventures.

TEL AVIV (JTA)--Northern Israel was rocked by the explosion of munitions in an arsenal on the Golan Heights Tuesday. No casualties were reported.

LABOR VETERAN BLASTS LABOR PARTY FOR FAILURE TO HEED LESSONS OF THE ELECTIONS

JERUSALEM, May 31 (JTA)--Mayor Eliahu Nawi of Beersheba, a veteran Laborite, accused the Labor Party today of following the same course to destruction in the upcoming Histadrut elections as it did in the Knesset elections of May 17. He threatened to resign from the party and no less a figure than Foreign Minister Yigal Allon will meet with him later this week to try to persuade him not to.

Nawi charged that the Labor Party has failed to absorb the lessons of the elections and is resorting to the same techniques that resulted in its downfall. He cited as an example the appointment of the party's candidates for the Histadrut elections by an appointments committee rather than by internal party balloting. He also alleged that the Labor Party had claimed a fictitious consensus in Beersheba where 10,800 persons supposedly registered as members but only 9200 voted for the Labor Alignment on May 17.

"On the basis of the fictitious consensus, we set up fictitious institutions and a fictitious leadership," Nawi said. "And now they are quarreling among themselves over spoils that no longer exist. Since this is the case, I see no reason to continue wasting my time in the Labor Party." He agreed to withhold his letter of resignation until after his meeting with Allon.

ANTI-SEMITIC DEFEATED IN QUEBEC BY-ELECTION

By Ben Kayfetz

TORONTO, May 31 (JTA)--Roger Delorme, a 42-year-old radio and television broadcaster who has alleged that the Ann Frank story is a hoax and that "Zionism and racism are identical" was defeated in the by-election held in Terrebonne County, Quebec where he was running as a candidate for the Progressive Conservative Party.

Delorme's candidacy was protested by the Canadian Jewish Congress and other Jewish agencies as well as by non-Jewish MPs and others belonging to the Progressive Conservative Party. However, party leader Joe Clark refused to repudiate him, producing a letter from Delorme where he committed himself to abide by party policy on Zionist questions and on anti-Semitism. The Liberal Party candidate, Roland Comtois, won handily with a majority of more than 8000. The district, situated in rural Quebec is 90 percent French Canadian in population.

AUSTRIAN DEFENSE CHIEF QUILTS OVER ILLEGAL ARMS DEAL WITH SYRIA

By Maurice Fine

VIENNA, May 31 (JTA)--Austrian Defense Minister Karl Luetgendorf was forced to resign yesterday because of an illegal arms deal with Syria. Luetgendorf, 62, announced his resignation after more than five months of resistance against mounting criticism.

Chancellor Bruno Kreisky, who included the non-party member into his Socialist cabinet, said the resignation was necessary because Luetgendorf was guilty of misinforming Parliament. The affair started last December, when customs officials at Vienna airport stopped a consignment of 600 Marksman rifles and half a million rounds of ammunition destined for Syria. The consignment had been dispatched by an Austrian arms dealer, who later turned out to be a close personal friend of the Minister. When the arms dealer failed to get the consignment out of the country because of Austria's

neutral status, the Ministry of Defense claimed ownership, but customs officials remained adamant.

When the affair became public, Luetgendorf first claimed the ammunition was destined for Tunisia and that he knew nothing of any shipment to Syria. But a Parliamentary investigation disclosed that Luetgendorf was informed about all the details of the deal from the very beginning. He was found guilty of misinforming Parliament. Luetgendorf said he did not feel guilty in all points but admitted that he may have made some mistakes. Austria, because of its neutral status, refrains from exporting arms to any zones of conflict, especially to the Middle East. Austrian units are stationed on the Golan Heights as part of the United Nations peace force. Kreisky visited Syria last month.

IN ISRAEL THERE IS "GNAWING DOUBT" ABOUT U.S. INTENTIONS, MAYOR KOLLEK OF JERUSALEM SAYS

By Joseph Polakoff

WASHINGTON, May 31 (JTA)--Mayor Teddy Kollek of Jerusalem said here today that there is growing doubt in Israel regarding U.S. intentions toward the Middle East "but there is determination you can't push us around too much."

Kollek spoke in response to questions from foreign and American correspondents at a luncheon hosted by the Overseas Writers at the Capital Hilton Hotel. He said "There is very serious, gnawing doubt about what the American position is." He emphasized, however, that "so far there are no hard facts, only opinion and feelings, not facts, on the oil question, the pressures of Russia and the Third World and how America will stand up to them."

Explains Israeli Election Results

Kollek, a member of the Labor Party, said the rise to political power in Israel of Menachem Begin's Likud coalition which has caused dismay in the Carter Administration on prospects for a Middle East settlement, was due to "a very great extent" to the "poor internal management," inflation, strikes and scandals under the Labor regime. He added that "Foreign affairs had a good deal to do" with the election outcome because "people were uncertain what concessions the present (Labor) government would be forced to make." He said some thought a stronger voice would be better in defining our interests. But a majority of the people (in Israel) do not stand on Begin's election campaign statements.

Kollek said Israel's situation would be "better" if it were less dependent on the U.S. but "it would make no basic difference." He conceded that "small countries must take into account global affairs. But we have the right to make decisions so we can live and continue to live. In the end we shall have to defend Jerusalem and Israel and we cannot allow this to be an impossible task," he said.

Kollek cautioned that "If Israel did not exist" in the Middle East "maybe the United States would not exist there. This (Israel) is not an asset you should easily disregard," he said. Asked whether, if Begin's statements on holding on to virtually all of the West Bank became Israel's policy, would the American Jewish community continue to aid Israel, Kollek replied that he "really" did not know. Kollek said that since Israel re-gained Jerusalem in 1967 it is "a better city" and "a very tolerant city."

ANGLO-JEWRY TAKES OFFENSIVE IN ANTI-BOYCOTT DRIVE

By Maurice Samuelson

LONDON, May 31 (JTA)--The British government was urged to take effective action against the Arab boycott by leaders of three major Anglo-Jewish organizations. In a memorandum to Prime Minister James Callaghan, they called for an immediate end to Foreign Office complicity in the boycott and for a change in the advice the Department of Trade gives to businessmen threatened by the boycott.

The three leaders were Lord Fisher of Camden, president of the Board of Deputies of British Jews, Eric Moonman MP, chairman of the British Zionist Federation and Fred Worms, president of B'nai B'rith in the United Kingdom. The memorandum, released at a press conference at the House of Commons Monday, also asked for a ten-point legislative program and cited anti-boycott legislation in the U.S. and Canada as examples of what could be undertaken here. The government was urged, among other things, to prohibit the furnishing of information of business relationships with Israel or with non-Israeli blacklisted companies; and to forbid the issuance of negative certificates of origin as at present practiced by the Foreign Office in connection with goods destined for Iraq.

The memorandum bitterly criticized the government for failing to protect British companies from the boycott. It was also estimated that as a result of the boycott, British companies were losing up to 10 million Pounds a year of exports to Israel, one of this country's leading trading partners. It was disclosed that Lord Fisher raised the boycott issue with Callaghan at a meeting last Thursday but that he was given no assurance of government action on the lines suggested in the memorandum.

The press conference was noteworthy for being the first joint public step by these three organizations who, between them, represent a large cross section of the Anglo-Jewish community. The campaign against the boycott has, until now, been carried out in a low key manner by a committee of the Anglo-Israeli Chamber of Commerce. Its lack of success has been criticized by some Jewish business and political leaders here, including Moonman. The memorandum, therefore, marked a significant change in tactics by the Jewish community. However, it still has a very long way to go before it can point to the successes shown by the American Jewish community. For example, there has been no parallel here yet to the dialogue in the U.S. between the Anti-Defamation League and the Business Roundtable of leading U.S. business organizations. However, there is considerable distaste for the boycott in British political circles. To reinforce its call for legislation, the memorandum to the Prime Minister says: "We can count on the support of the members of Parliamentary Friends of Israel groups, in the Conservative, Labor and Liberal parties, who already number almost a majority of the House of Commons."

There is fresh evidence, too, that anti-boycott moves launched in North America are being taken seriously in the Arab world. Meeting in Damascus earlier this month, Chambers of Commerce from several Arab countries agreed to ban dealing with states which had issued anti-boycott legislation or planned to do so. Last weekend, Mohammed Mahgoub, Commissioner General of the Central Boycott Office, said the products of the boycotted states--presumably a reference to the U.S. and Canada--would be replaced by products from Japan, Western Europe and other states which had not is-

sued anti-boycott legislation. He also disclosed that the question of anti-boycott legislation would again be on the agenda at the next Arab Boycott Office conference in Alexandria June 8.

FORMER KNESSET LEADER NAMED CONSULTANT ON RELATIONS WITH U.S. JEWRY BY AJCOMMITTEE

NEW YORK, May 31 (JTA)--The American Jewish Committee has announced the appointment of Zalman Abramov, former deputy speaker of the Israeli Knesset, as director of policy studies in the field of Israel-American Jewish relations and its general consultant in Israel on these matters. Abramov was a member of the Knesset since 1959 and was re-elected four times but did not run for re-election during the recent campaign.

A practicing lawyer who has lived in Israel since 1920 and received his higher education in the United States, Abramov will direct and advise on policy studies relating to a wide range of issues affecting Israel and its relationships to the American Jewish community. The appointment grew out of Abramov's service on an Israel-American Jewish Community Relations Task Force sponsored by the AJCommittee. This task force over the past two years has explored the relationship between Israel and the American Jewish community, with emphasis on opportunities for increased and more organized cooperation and joint involvement. The report of the task force will be published later this year.

Among the areas the task force dealt with are the economy, health and welfare, productivity, and the dynamics of the institutional and communal relationships between Israel and the American Jews. It is expected that the program Abramov will direct will follow up the task force's work on these and related issues.

ISRAEL'S KFIR FIGHTERS ARRIVE IN PARIS FOR INTERNATIONAL AIR SHOW

PARIS, May 31 (JTA)--Two Israeli "Kfir" planes landed here this afternoon to attend the International Air Show opening at Le Bourget Airfield on Thursday. This is the first time the Israeli-made supersonic fighter-bomber is being publicly shown outside Israel.

The two "Kfirs" landed at 3 p.m. sharp in bright sunshine. Painted in camouflage colors with the Israeli Air Force markings, a full, blue star of David and with the words "Israel Aircraft Industry" painted on their fuselage, they taxied to the Israeli pavilion over which flew the Israeli flag. One of the Kfir pilots, Col. Danny Shapiro, told the Jewish Telegraphic Agency that they had a perfect flight in spite of 100-knot winds practically all the way. The Israeli formation, which also included a modern version of the STOL transport "Arava," made a technical stopover at Brindisi, Italy for refueling.

The two planes will be on display at Le Bourget and will also engage in flight exercises with their full stores which include missiles and guns. Several countries have been negotiating with Israel for the purchase of Kfirs and military attaches from over 50 countries have reportedly asked to be allowed to inspect the planes which are believed to fly at mach 2.3 and are rated among the world's top fighter-bombers with interceptor possibilities. The two planes in Paris are of the C-2 type, a multipurpose model in which several Latin American countries are interested.