

EEC LEADERS SUPPORT CARTER'S CALL FOR PALESTINIAN HOMELAND

By Maurice Samuelson

LONDON, June 30 (JTA)--Leaders of the nine European Economic Community (EEC) countries last night put their full weight behind President Carter's call for the creation of a Palestinian homeland, urged Israel to recognize the "legitimate rights" of the Palestinian people and said the Palestinians should be represented in Middle East peace negotiations "in an appropriate manner to be worked out in consultation between the parties concerned."

In a major political statement at the EEC's summit meeting in London, the text of which was issued by British Prime Minister James Callaghan, the nine also said Israel should give up territory occupied since 1967 while the Arabs should recognize Israel's right to secure and recognized boundaries. After referring to the Middle East's "critical" situation, the statement said it was "crucial" that there should be early and successful negotiations towards a just and lasting peace.

The nine affirmed their belief that "a solution will be possible only if the legitimate right of the Palestinian people to give effective expression to its national identity is translated into fact, which would take into account the need for a homeland for the Palestinian people."

"They consider that representatives of the parties to the conflict, including the Palestinian people, must participate in the negotiations in an appropriate manner to be worked out in consultation between all the parties concerned."

"In the context of an overall settlement, Israel must be ready to recognize the legitimate rights of the Palestinian people; equally, the Arab side must be ready to recognize the right of Israel to live in peace in secure and recognized boundaries."

Seen As New Major Step

The nine reaffirmed their previous Middle East declarations of 1973 and 1976, based on UN Security Council Resolutions 242 and 338, and offered to contribute "to the extent that the parties wish" towards finding a settlement and putting it into effect. They welcomed all the efforts which had been made so far to end the conflict. There was a gloomy reaction to the statement in Israeli diplomatic circles here last night. One official said tartly: "It's a nice statement if you happen to be a Palestinian."

In fact, it contains little that has not previously been said in the name of the EEC. Nevertheless, coming at a summit of all the leaders of the European community, the statement is a major new step in Middle East diplomacy. The document was, in fact, transmitted to the U.S. government before its publication.

It was drawn up, too, in the light of the change of Israel's government. A passage in the document urging "realistic" and "constructive" approaches to a settlement, was seen here as a sign of European disapproval of Israeli Premier Menachem Begin's policies over the West Bank and the issue of Palestinian rights.

PRESBYTERIAN CHURCH ASSEMBLY DEFEATS PRO-PLO RESOLUTION

PHILADELPHIA, June 30 (JTA)--The 189th Gen-

eral Assembly of the United Presbyterian Church today decisively defeated a resolution calling on the United States to recognize the Palestine Liberation Organization and adopted, instead, a minority resolution proposed from the Assembly floor urging the U.S. "to reaffirm its commitments to Israel." The resolution, supported by a majority of the 2000 delegates also called for "peace negotiations in a manner consistent with the principles of the United Nations Security Council Resolution 242."

The action was immediately hailed by Rabbi Marc H. Tanenbaum, director of the American Jewish Committee's Interreligious Affairs Department, and James Rudin, assistant director, "as a significant contribution to the spirit of reason and moderation in the current public understanding of the complex problem of Israel and her Arab neighbors."

The original resolution which sought to legitimize the PLO as the "acknowledged spokesperson for the Palestinians" and to devise "means to include the PLO in the negotiations" for a Middle East peace settlement, was drafted by the United Presbyterian Church's Middle East professional staff with the support of missionaries from Egypt, Jordan, Syria and Lebanon. The missionaries attended the Assembly mainly to press for their resolution.

However, it was bitterly contested by Presbyterian delegates from the U.S. who are sympathetic to Israel and maintain close friendships with Jews in their local communities. As a result of their intervention, the pro-PLO draft was defeated by a 75 percent vote.

The statement by Tanenbaum and Rudin said that "the fact that nearly 75 percent of the delegates adopted a minority resolution after hearing interventions that urged Presbyterian Church support for 'secure and recognized boundaries for Israel' means that Israel and the Jewish people have many friends among Presbyterian men and women throughout the length and breadth of our country."

TERRORISTS HIT DRUZE VILLAGE

TEL AVIV, June 30 (JTA)--Terrorists attacked a Druze village in Fatahland near the slopes of Mt. Hermon today injuring three Druze villagers. An Israeli patrol brought them to a hospital. One was flown by helicopter later to Rambam Hospital in Haifa. The Druze were apparently suspected by the terrorists of collaborating with Israel.

CARTER REAFFIRMS U.S. WILL NOT IMPOSE SOLUTIONS IN THE MIDEAST

WASHINGTON, June 30 (JTA)--President Carter said today that the "specifics" in the Middle East dispute have been discussed "adequately" in public and the Administration will "refrain from additional comments on specifics" prior to the visit here July 19-20 of Premier Menachem Begin. The President also reiterated that the United States "has no solution to impose" on parties to the dispute.

Carter's comments were made in response to a question at a press conference on criticism by Sen. Jacob K. Javits (R. NY) and others that the

for a solution and has been pressuring Israel. Carter said that it had been "good" to have an open discussion on the issues so that Israel and the Arab states can have a better "understanding" of each other's views. He said the U.S. position was that of a mediator and it would be effective in this role only to the "degree both sides trust us."

But Carter stressed again that the U.S. will "never" abandon its "commitment to Israel and I have made this clear to every Arab leader" with whom he has met. The President said he was "looking forward" to Begin's visit and expected it to be "friendly and constructive and also instructive, for him and for me." The question on the Mideast, the only one at the press conference, also asked Carter what he would do if American Jews supported Begin rather than him. He ignored this in his response.

Immediately following Carter's press conference, the Republican Congressional leaders, at a Capitol Hill press conference of their own, issued a statement accusing the Administration of endangering the "considerable degree of success" achieved by the Ford-Kissinger diplomacy in the Middle East. The statement was read by John J. Rhodes of Arizona who was accompanied by Senate Minority Leader Howard Baker of Tennessee. They also rapped Monday's State Department policy statement.

Referring to the question addressed to Carter this morning as to what he would do if the American Jewish community supported Begin rather than himself, Baker and Rhodes defended the Jewish community against any implications of disloyalty. Rhodes said, "I think the only differences any of us have is the matter of accomplishment of the result which is to procure a situation in the Middle East in which Israel can survive in peace." Baker said that "Most of the concern expressed in the Jewish community is not that Israel will not be favored by American foreign policy but rather that the Carter Administration's foreign policy is jeopardizing peace."

Democrats Support U.S. Mideast Moves

Meanwhile, Republican criticism of the Administration's Middle East statement was offset in some measure by a broadly worded letter of support to Carter signed by nine Democratic Senators, among them Israel's staunchest supporters in the Senate. The letter, issued yesterday, assured the President that "You do have strong support in the Senate for your efforts to help Israel and the Arab nations to secure a genuine and lasting peace."

However, the letter cautioned the President not to alter "our historical commitment" to Israel; a commitment to a comprehensive peace including acts "to normalize relations" between the nations of the Mideast; establishment of mutually accepted and secure borders; and "a fair and permanent solution of the problems of the Palestinians."

The letter endorsed "your view that peace cannot be imposed from the outside and that the United States does not intend to present the nations involved with a plan or a timetable or a map." The signatories included Sens. Hubert H. Humphrey, Majority Leader, Robert C. Byrd, John Sparkman, chairman of the Senate Foreign Relations Committee, Abraham Ribicoff and Edward M. Kennedy.

BEGIN: STATE DEPT. STATEMENT IS BAD IN CONTENT AND INTENT

TEL AVIV, June 30 (JTA)--Premier Menachem Begin characterized the American State Department's statement on the Middle East as bad in content and intent in a speech to industrialists here last

night. But he added that, as circumstances happen, good for Israel may emerge from the bad. He hinted that he possessed information to support that remark which he could not divulge.

Begin said he was preparing for his visit to Washington next month with the trepidation of a Jew preparing for the Day of Atonement. He said he prayed for a successful outcome of his meetings with President Carter. Beyond that, the Premier made no further political remarks. He spoke at length on economic matters to manufacturers attending the Industrial Awards Dinner at the Tel Aviv Hilton Hotel.

In an unrelated development, organizers of the Zionist Organization of America's convention here expressed disappointment that for the first time the Democratic Party has not responded to the ZOA's invitation to send a senior representative to address the gathering.

Leon Ilutovitz, national executive director of the ZOA recalled that last year the convention was addressed by Vice President Walter Mondale who was, at the time Senator from Minnesota. This year the ZOA invited Sen. Robert Dole (R. Kan.) who was President Ford's Vice Presidential running mate, to be the keynote speaker.

LAWYER FOR NEO-NAZI GROUP SAYS JULY 4 RALLY IN SKOKIE IS OFF

CHICAGO, June 30 (JTA)--The attorney for a group of neo-Nazis said in Circuit Court yesterday that his clients would not march on July 4 in Skokie--a heavily Jewish-populated suburb--in violation of a standing injunction. Attorney David Goldberger, of the American Civil Liberties Union (ACLU) made the statement to Judge Archibald J. Carey Jr. during a hearing on another suit against his client, Nazi leader Frank Collin.

That suit, seeking a permanent injunction against Nazi marches in Skokie, was filed by Sol Goldstein, one of several thousand Holocaust survivors living in Skokie. It is a class suit contending that the survivors would suffer "severe emotional distress" if the Nazi march was held.

The standing injunction against the march was secured by Skokie officials on April 28 on grounds that violence would take place between the openly anti-Semitic, racist Nazis and Skokie's large Jewish population. That case is to be argued in Appellate Court July 8 under a U.S. Supreme Court order that the injunction either be lifted or that the appeal be expedited.

Skokie, on June 28, also refused the Nazis' permission to march on July 4 under a recently passed ordinance prohibiting marches by people wearing military-style uniforms "repugnant" to village residents. The Nazis had refused to march in civilian clothes.

Counter-Moves In The Offing

Goldstein, a former president of the local Holocaust survivors group, is a board member of the Jewish Federation and Jewish United Fund (JUF) of Metropolitan Chicago. He also heads a special committee of the JUF's Public Affairs Committee created to frame the community's response to Nazi plans. Goldstein's attorney, Jerome Torksen, advised Judge Carey that even if the Skokie ordinance was declared illegal and the injunction lifted, the Nazis should not be permitted to march until all litigation in the matter is resolved.

As matters now stand, the Nazis probably will not appear in Skokie July 4. However, enraged Jewish residents, Black groups and left-wing

and other anti-Nazi organizations have stated that they will turn out in force and use force to stop the Nazis if they show up. The JUF's Public Affairs Committee's special committee has urged people not to counter-demonstrate. The committee intends to organize a "patriotic American rally" at the Mayer Kaplan Jewish Community Center in Skokie on July 4 as a "positive form of expression."

JEWISH GROUP CALLS ON EAST GERMANY TO PAY COMPENSATION TO NAZI VICTIMS

AMSTERDAM, June 30 (JTA)--The Conference on Jewish Material Claims Against Germany has called on the government of East Germany to pay compensation to the surviving victims of Nazi persecution wherever they may be. The call was contained in a resolution adopted at a meeting of the Conference here marking the 25th anniversary of the signing of reparations and indemnification agreements with the Federal Republic of West Germany. The meeting closed last week.

The resolution was addressed to the German Democratic Republic (GDR) and to Erich Honecker, First Secretary of the GDR's Socialist Unity Party. It urged the GDR to recognize its humanitarian obligations to the survivors of Nazi ghettos and concentration camps. Dr. Nahum Goldmann, president of the Conference which represents 23 national and international Jewish organizations, noted that the GDR inherited about one-third of the territory and assets of the Third Reich but has consistently refused to recognize any legal or moral responsibility for Nazi crimes.

"We hope that the leadership of the German Democratic Republic, some of whom were incarcerated in Nazi concentration camps, will finally recognize the moral imperative of our claims and promptly proceed to negotiate a fair and equitable settlement," Goldmann said.

Situation In West Germany

The Conference also dealt with the historic reparations agreements with West Germany, negotiated in Holland in 1952, which provided the Claims Conference with DM 450 million for the relief, rehabilitation and resettlement of Jewish victims of the Nazi era. The Bonn government also agreed to enact legislation that would compensate Nazi victims directly for personal injuries and losses arising from Nazi persecution.

At the same time, Israel and West Germany concluded a reparations pact by which Germany paid DM 3 billion in goods and services to Israel over a period of 12-14 years as compensation for the absorption by Israel of Jewish survivors. Dr. Goldmann noted that "The German Federal Republic has conscientiously discharged its financial obligations to Israel and the Claims Conference."

Dr. Ernst Katzenstein, the Claims Conference representative in Germany since 1956, reported: "Significant commitments still await implementation in the years ahead and the Claims Conference will continue to follow closely future developments to make certain that the rights of Nazi victims under existing and future laws are properly protected."

Saul Kagan, treasurer of the Claims Conference and its executive secretary from 1951-1961, said, "Claims Conference allocations in excess of \$110,000,000 aided communities and organizations in 40 countries throughout the world." Over the years, he continued, "more than 200,000 individuals benefitted from Conference grants in the field of relief and economic rehabilitation; over 480 capital projects in 29 countries, including schools, community and youth centers, homes for the aged,

children's and youth homes were undertaken with Conference aid."

APA DENOUNCES NEWS RELEASE AS A FRAUDULENT DOCUMENT

By Brian Lipsitz

NEW YORK, June 30 (JTA)--A statement purporting to express the view of the American Psychiatric Association that Jews are not wanted in that organization has been denounced as fraudulent by the APA's spokesman in whose name the statement was released.

A press release sent to several Jewish newspapers said: "The American Psychiatric Association has again expressed its dedication to an 'ethnic balance' by voicing its determination to 'reduce the number of psychiatrists of Jewish extraction within our ranks. . . . Recent allegations of Nazism and anti-Semitism are completely unfounded. We simply do not need any more Jews as members of the APA. 'We have all kinds of Jews.'" The statement was attributed to Robert Robinson, director of public affairs for the APA.

Contacted by the Jewish Telegraphic Agency at the APA's national headquarters in Washington, Robinson said: "That news release . . . is nothing but a piece of malicious fraud manufactured out of whole cloth by someone of nefarious intent." He added: "I have never heard of the agency and to my knowledge have never talked to any representative of it, and if I had talked to any such person I would have talked in exactly the opposite view to what I am accused of saying. There is no Jewish problem in this association. I have never in all my 29 years here heard anyone refer to 'ethnic balance' as a problem."

Agency Is Not Known

The news release was sent out by an organization identified on the release as "S. L. Associates" of San Francisco, 537 Jones Street, P. O. B. 564. The JTA tried to contact the agency but a San Francisco telephone operator said it was not listed in the phone book. Several Jewish leaders of the San Francisco community, contacted by the JTA, said they had never heard of the agency.

The press release also said: "Adding to the tension are several prominent Jewish psychiatrists who have circulated a letter to what they called 'Eastern psychiatric voices' claiming that the APA Nazi-like position is supported by other Nazi sources in the APA. One such member claims that there is a very strong intention to 'do whatever is necessary to close out Jewish membership entirely.'"

Robinson told the JTA, "We have many Jewish members though I do not know the number and I don't think anyone else does. No one cares. We are anti-racist, anti-fascist, anti-discrimination, and so on. Many of our leading people are of the Jewish faith. . . . It is patently incredible that I could be of anti-Semitic orientation and be in my present position all these years. I hope all who see that malicious press release will recognize it for what it is." * * *

NEW YORK (JTA)--The National Conference on Soviet Jewry said Thursday it has learned that the appeal of Dr. Isosif Begun who had been sentenced to two years in exile on charges of "parazitism," has been rejected by the Soviet authorities. Begun, who was dismissed from work soon after applying to emigrate is expected to be hospitalized soon, as he has been on a hunger strike, protesting the charge and the sentence which was handed down by a Soviet court last month. The appeal was held behind closed doors.

BEHIND THE HEADLINES NEW ECONOMIC POLICY DEBATED

By Yitzhak Shargil

TEL AVIV, June 30 (JTA)—Israelis who feared that a Likud-led government would dismantle Israel's planned economy and replace it with unfettered laissez-faire capitalism—to the delight of businessmen and the detriment of workers—are learning that just the opposite may be true. The new government, in fact, is advocating tighter controls on the economy, at least for a year or two to get the country out of its severe fiscal crisis. To fight inflation it proposes freezes on prices, wages, profits and taxes.

Not all Likud members agree with this program. But the most vehement attacks to date have come not from the Labor opposition but from Israel's Manufacturers Association, the group of industrialists and businessmen who, it was widely claimed, salivated at the prospect of a Likud election victory.

Addressing the Association's annual meeting Tuesday night, its president Avraham Shavit, railed against freezes of any kind. Israel is on the verge of bankruptcy, he declared and our national leaders are calling for a freeze, the antithesis of change. Are we to mark time, to stand still at the point of economic collapse, or are we to face up to our problems and take steps to solve them, he asked.

Shavit warned that a freeze of profits would deter potential investors. In his opinion, the solution was to reduce taxes on industry so that it could accumulate capital for investment in expansion. Within two or three years, he said, Israel could double its industrial production and exports. He also called for subsidized credits to business and industry. Everything in this country is subsidized from birth to death and now the government proposes to make credit more expensive for business, Shavit complained. He said the manufacturers were the very basis and backbone of the country's economy and, in fact, it is industry that provides the means to subsidize the rest of the country.

Advances Series Of Proposals

Shavit denounced the inflated bureaucracy and opposed planned unemployment as a means of fighting inflation, a course advocated by the conservative American economist Milton Friedman who Likud wants to invite as an economic advisor. Shavit contended that there was hidden unemployment, meaning workers in service areas who do not produce anything tangible.

He said industry could absorb another 28,000 workers and proposed that those in the service fields be retained and sent to work in factories. It is the lack of manpower in industry that prevents Israel from responding to industrial demands on world markets, Shavit said.

Shavit also called on Histadrut industrial enterprises, which include some of the largest in Israel, to join the Manufacturers Association. Industry belongs to no one but to the Jewish nation, he said. He decried the proposed five-day week (Israelis have always worked six days) and said that if it were possible he would prefer a 14-day week. He said he would seek a meeting with Histadrut Secretary General Yeruham Meshel to plan a new infra-structure and possibly to fire workers to make them mobile and increase productivity.

Hopes For A Five-Day Week

Finance Minister Simcha Ehrlich, Likud's economic mentor, was far more moderate than Shavit and seemed to be on the defensive when he addressed the manufacturers yesterday. He called the five-day

week a dream toward which Israel should strive but conceded that it was not practicable in the near future. Although it was Ehrlich who invited Friedman, he said Likud did not consider planned unemployment as a remedy for inflation.

Another speaker for the government, Minister of Commerce, Industry and Tourism Yigal Hurwitz, agreed with Shavit that a general freeze of the economy would hurt investments. He said that he and the Finance Minister would investigate the problem of incentives for tourism. He also said that the question of subsidies for foodstuffs and capital should be re-examined. According to Hurwitz, basic foodstuffs should receive government subsidies but there was no justification for artificially lowering the prices of expensive cheeses because they are made from milk which is subsidized. He said that subsidies for capital should be limited to export industries.

TERRORIST GETS LIFE SENTENCE; 8 TERRORIST CELLS FOUND ON WEST BANK

TEL AVIV, June 30 (JTA)—A military tribunal this week imposed a life sentence on a terrorist held responsible for the booby-trapped refrigerator which exploded in Jerusalem's Zion Square July 1975 killing 14 persons. The court said that Ahmed Haj-Jabara, a member of El Fatah who was briefed in Damascus before planting the bomb, must spend the first 10 years of his sentence at hard labor.

Meanwhile, the army announced that it has uncovered eight more terrorist cells on the West Bank and has detained 64 persons. Five of the cells were Fatah groups, two from the Palestine National Front and one from the Popular Front for the Liberation of Palestine.

The army said that one Fatah group was uncovered in the Jordan Valley village of Einaja after a clash with an Israeli army unit and was found to be smuggling arms and explosives from Jordan to the West Bank. One group in Ramallah placed explosives in several places and another group in Kalkilya had been setting telephone poles afire. Arms, explosives and detonation devices had been found in possession of the people held by the security forces.

MEMORIAL FOUNDATION FOR JEWISH CULTURE ADOPTS \$1,367M BUDGET

AMSTERDAM, June 30 (JTA)—The Board of Trustees of the Memorial Foundation for Jewish Culture approved an allocation of \$1,367,000 for a variety of cultural programs in more than 15 countries at its annual meeting here last week. These programs include doctoral scholarships to prepare future scholars, teachers and rabbis; fellowships to aid and encourage research scholars, writers and artists; support for special training programs for rabbis, educators and Jewish communal workers; and allocations for programs to document and commemorate the Holocaust.

Dr. Nahum Goldmann was re-elected Foundation president and Dr. Solomon Gaon and Philip M. Klutznick were elected vice-presidents. The Foundation's board comprises representatives of 48 international and national Jewish cultural and religious organizations which reflect all the major trends in contemporary Jewish life.

TEL AVIV (JTA)—Philip Stollman of Detroit was re-elected Wednesday as chairman of the board of trustees of Bar Ilan University.