

CABINET CHARGES SECURITY COUNCIL USED WEST BANK BOMBINGS AS PRETEXT FOR DEMANDING ISRAEL'S TOTAL WITHDRAWAL FROM TERRITORY

By David Landau

JERUSALEM, June 8 (JTA) — The Cabinet today angrily rejected the United Nations Security Council's resolution adopted last Thursday condemning "the assassination attempts" against West Bank mayors and accusing Israel of failure "to provide adequate protection to the civilian population in the occupied territories."

A Cabinet statement, read to reporters and television cameramen by Premier Menachem Begin after today's session, accused the Security Council of using the bomb attacks against the mayors of Nablus, Ramallah and El Bireh on June 2 as a pretext to renew its demands for Israel's total withdrawal from the West Bank and the re-division of Jerusalem. Charging that the latest anti-Israel resolution was in contravention of Security Council Resolution 242, Begin declared, "This will never do."

U.S. Ambassador Samuel Lewis said Friday that the U.S. would have vetoed the resolution had it contained a clause contradictory of Resolution 242. In the opinion of the U.S., it contained no such clause, Lewis told reporters after a meeting with Begin. The U.S. abstained in Thursday's vote.

The formal statement read by Begin contended that "There was no need for the Security Council's condemnation of the (bomb) attacks nor for it to urge a prompt investigation be held and the miscreants apprehended, tried and punished by due process." All of this was already promised by "Israel's authorized spokesmen" 72 hours before the Security Council went into session, Begin said.

Sharon's Settlements Expansion Plans Approved

The statement impudently hypocritically to the Council. It detailed a long list of Palestinian terrorist attacks against Israelis and others, from the 1972 Munich Olympics massacre to assaults in Athens, Brussels and various parts of Israel, up to the May 2 ambush killing of six yeshiva students in Hebron. On none of those occasions was the Security Council called into session nor was any condemnation forthcoming from the Council against the perpetrators of those attacks, the statement said.

Meanwhile, the Cabinet gave its full approval today to plans by Agriculture Minister Ariel Sharon to expand the land holdings of Kiryat Arba and seven other Jewish settlements on the West Bank. The plans, drawn up by a ministerial subcommittee headed by Sharon, reportedly does not call for the confiscation of privately owned Arab land.

ISRAELI TROOPS PURSUE TERRORISTS INTO JORDAN, KILL TWO

By Yitzhak Shargil

TEL AVIV, June 8 (JTA) — Israeli troops pursued a group of terrorists across the Jordan River and killed two of them in a clash on Jordan-

ian territory yesterday. A third terrorist is believed to have been killed when explosives he was carrying detonated. There were no Israeli casualties.

The incident was the first in several months involving terrorist infiltrators from Jordan. Israeli authorities are uncertain whether the Jordanian government was aware of the terrorists' presence but believe it may have been because of the recent rapprochement between King Hussein and Palestine Liberation Organization chief Yasir Arafat.

According to the official announcement, the terrorist group was detected Friday in the lower Jordan valley and an alert was called at the Dead Sea potash works and Neot Hakikar settlement. By noon yesterday, the terrorists' trail was spotted and an Israeli squad was ordered after them. The pursuit ended in an exchange of fire somewhere east of the Jordan River. The terrorists were carrying Kalachnikov assault rifles, hand grenades and binoculars.

GEN. EITAN SAYS MENACE ON EASTERN FRONT PRECLUDES DEFENSE BUDGET CUTS

By Yitzhak Shargil

TEL AVIV, June 8 (JTA) — Chief of Staff Gen. Raphael Eitan claimed over the weekend that it is impossible for Israel's defense forces to absorb cuts in the defense budget at this time. His statement, in a television interview over the weekend, apparently represents the consensus of the military establishment with respect to the budget cuts demanded by Finance Minister Yigal Hurwitz.

Eitan noted that Israel must sustain the highest level of preparedness because its enemies on the eastern front are expanding and strengthening their forces at a dangerous pace. He mentioned no countries by name but observed that the oil-hungry powers or those powers seeking control over the region's oil resources are only too willing to equip the armies opposing Israel on the east with unusually excessive quantities of weapons and ammunition.

Official Defends Curfews On West Bank

Eitan said however that he was confident that Israel's regular army is able to cope with any situation that might develop on the eastern front. It is the best, largest and strongest army which Israel can provide and must remain so, he said.

Eitan also denied allegations that Israel was pouring armed forces into the West Bank. Such reports are utterly untrue, he said. Gen. Danby Matt, Coordinator of Operations in the occupied territories, defended the use of curfews on Arab towns when violence erupts. Curfew is the alternative to the use of force, he said.

Michael Shor, director general of Israel's military industries, reported that over 1.5 million Israel-made Uzzi submachineguns were sold to foreign countries. He said Israel's new Galil assault rifle was also in great demand by foreign armies and about 150,000 have been sold abroad. The military industry expects exports to yield \$290 million this year, he said.

EHRlich SAYS HE FEARS COUP BY SHARON IF HE WAS NAMED DEFENSE MINISTER

TEL AVIV, June 8 (JTA) — Deputy Premier Simcha Ehrlich, a leader of the Likud's Liberal Party wing, has stated his belief that Agriculture

Minister Ariel Sharon is capable of a coup d'etat and the establishment of a military dictatorship in Israel were he to be named Minister of Defense with full control over the armed forces.

That view was contained in Ehrlich's reply to a letter from another Liberal Party member questioning why the party is so adamantly opposed to the appointment of Sharon to replace Defense Minister Ezer Weizman who resigned on May 26. The writer cited Sharon's record as a Yom Kippur War hero. He said that the Likud hawk — who is the Cabinet's most outspoken advocate of massive Jewish settlement in the occupied territories and harsh measures against Arabs who create disorders — has demonstrated excellent qualities as a soldier, has a deep insight into military matters and does not make hasty decisions.

Ehrlich acknowledged Sharon's soldierly qualities but alleged that the militant Sharon was dangerous to a free society and a democratic regime. If he reaches power, he may dissolve the Knesset, declare a military dictatorship and even set up detention camps for his political rivals, Ehrlich contended.

Begin Embarrassed By "Joke"

He also claimed that Sharon is unprincipled in his political activities. As evidence, Ehrlich said he saw with his "own eyes" an agreement allegedly entered into by Sharon with Moshe Kol, leader of the small Independent Liberal Party before the last Knesset elections in 1977. According to that document, Sharon and Kol agreed that territorial compromise was necessary on the West Bank and Gaza. Sharon also proposed that he would run on a separate ticket with Yossi Sarid, a Labor Party dove on a platform which Sarid would draft, Ehrlich claimed.

He concluded his letter by saying that the entire discussion over Sharon was superfluous because there was no indication that Premier Menachem Begin or anyone else would name Sharon to the defense post.

Begin meanwhile was apparently embarrassed by an off-hand remark he made to reporters Friday that had Sharon been appointed Defense Minister he would have surrounded the Prime Minister's Office with tanks. A question to that point was raised in the Knesset. Begin complained last night that Israelis lack a sense of humor. His office issued a statement later that Begin's remark about Sharon was a "joke" and should have been taken as such.

SHAMIR TO MEET WITH BELGIAN LEADERS IN DRIVE AGAINST EEC INITIATIVE TO REPLACE CAMP DAVID ACCORDS

BRUSSELS, June 8 (JTA) — Israeli Foreign Minister Yitzhak Shamir is due here today for talks with Belgian officials and representatives of the European Economic Community (EEC) on the Middle East. The Israeli minister is visiting several European countries in an attempt to sidetrack an expected initiative by the Common Market countries to alter Security Council Resolution 242 in a way that would confer political legitimacy on the Palestinians.

While in Brussels, Shamir will meet the Belgian Premier and the Foreign Minister as well as the President of the EEC Commission. Israel's Ambassador to Belgium, I.S. Minerbi, told the Jewish Telegraphic Agency that it was natural that Shamir would want to exchange views with EEC

leaders considering the role the community seeks to play in the Middle East.

Shamir is especially interested to know the position the Common Market countries' leaders can be expected to take at their summit meeting in Venice, June 12-13. They plan to announce a new peace initiative in the Middle East on that occasion.

Shamir already has met Dutch and Danish officials. In The Netherlands last week, he was assured by Foreign Minister Christoph Van Der Klaauw that the EEC leaders will not submit a plan at their Venice conference to have the Camp David agreements replaced by an altered version of Resolution 242. The Dutch diplomat stated that the Camp David formulas must remain the cornerstone of the Mideast peace process. But the European leaders will make a statement on the Middle East in Venice.

GERMAN PARLIAMENTARIANS OPPOSE EUROPEAN INITIATIVE

By David Kantor

BONN, June 8 (JTA) — Members of the ruling Social Democratic Party's (SPD) parliamentary faction have published a statement favoring the continuation of the peace process in the Middle East based on the Camp David accords. The statement, addressed to the U.S. Congress and signed by prominent members of the SPD, is opposed to any change in Security Council Resolution 242.

Although it was not stated explicitly, the move was seen here as a further attempt by friends of Israel to restrain the West European countries from launching their own peace initiative in the Middle East which is fully supported and was partly initiated by Chancellor Helmut Schmidt's SPD-led coalition government.

The signatories to the statement include Herbert Wrenner, chairman of the SPD's parliamentary faction, Anne-Marie Renger, vice president of the Bundestag and Georg Leber, former Defense Minister. Their move however is not expected to influence the government which is already committed to a Mideast initiative by the nine member states of the European Economic Community. It is intended to replace the Camp David accords with a new framework for Mideast peace.

HOUSE VOTES \$2.18 BILLION IN MILITARY, ECONOMIC AID TO ISRAEL

By Joseph Polakoff

WASHINGTON, June 8 (JTA) — The House of Representatives voted 221-147 Thursday night and sent to the Senate foreign aid legislation authorizing \$2.18 billion in military and economic aid to Israel. It also authorized \$1.3 billion for Egypt and \$16 million for development and training programs for the West Bank and Gaza Strip. Egypt also received from other U.S. sources about \$300 million under the Food for Peace Program.

While cutting the overall authorization level by ten percent to \$5.2 billion for the fiscal year starting next October 1, the House excluded from this reduction its assistance for Israel, Egypt, UNICEF, peace-keeping operations, American schools and hospitals abroad and refugee aid. More funds for Syria were barred. The U.S. has \$250 million in the pipeline for Syria from previous allocations.

Israel was voted \$1.4 billion in military aid of which \$900 million are in loans. This is \$400 million more than the original allocation. The Carter Administration added \$200 million and the House, under the guidance of Reps. Lee Hamilton (D-Ind.), chairman of the Foreign Affairs Subcom-

committee on the Middle East, and Rep. Benjamin Rosenthal (D-NY), the Democratic Deputy Whip, added another \$200 million. The \$785 million in economic aid to Israel is a grant. Of Egypt's \$750 million in economic aid, \$500 million is a grant.

Future Aid To Syria Banned

While the Administration pared down its request for Syria to \$3.5 million from \$90 million a year ago, the House voted 320-71 to reject the request and to ban further aid to Syria. Rep. Edward Derwinski (R-Ill.), leading the floor fight against the funding, said the Administration "has told us that Syria was cooperative behind the scenes." But, he said, Syria, Libya and Algeria "are in the forefront of the opposition to the Camp David accords" and the Soviets "have been giving Syria a billion dollars worth of arms a year." He added that Syria should be "chastized for its treatment of Syrian Jews" and berated "Syria's long-term record in Lebanon."

ISRAEL DOES NOT EXPECT

WAR THIS YEAR, SAYS INTELLIGENCE

CHIEF

TEL AVIV, June 8 (JTA) -- Gen. Yehoshua Saguy, chief of military intelligence, said today that Israel does not consider a new Middle East war likely to break out this year, largely because of the instable political conditions in the region as a whole and in Israel's immediate vicinity.

However, Saguy, who spoke to military correspondents here, said a coup or any other sudden change in the countries neighboring Israel could trigger a war. He disclosed that military intelligence has had to drastically revise its methods and training as a result of Israel's stage-by-stage withdrawal from Sinai. While Israeli forces were deployed there, stationary intelligence gathering equipment was utilized, he said. Now, air-borne devices and other types of electronic gear must be used.

BONDS CALLED VITAL TO COVER

ISRAEL'S CURRENCY DEFICIT

By David Landau

JERUSALEM, June 8 (JTA) -- Ephraim Dovrat, a senior aide to Finance Minister Yigal Hurwitz, told a group of visiting American trade union representatives here that Israel covers ten percent of its foreign currency deficit with the proceeds from the sales of Israel Bonds.

"Without Israel Bonds we'd have to borrow substantial sums at high interest," he said. The Bond drive enabled Israel "to cover the foreign exchange component in her industrial development budget, including major Negev projects," he said. He said that despite economic difficulties, Israel was able to reduce its imports, excluding oil, by 25 percent in the first four months of this year.

SPECIAL TO JTA

ITALIAN SUPREME COURT TO DECIDE IF JEWISH COMMUNITY TAXATION IS CONSTITUTIONAL

By Lisa Palmieri-Billing

ROME, June 8 (JTA) -- The Italian Supreme Court is expected to schedule hearings shortly to determine whether the so-called "mini-concordat" of 1930 which requires all members of the organized Jewish community to pay taxes to the com-

munity in addition to their municipal and federal taxes is constitutional. The issue was brought to the courts by Jewish citizens of Leghorn involved in a dispute with the Jewish community there and by a Jewish immigrant from Libya who refuses to pay his taxes to the Rome Jewish community and refuses to withdraw from it.

The "mini-concordat" was concluded 50 years ago between the Union of Italian Jewish Communities and the Mussolini government. It recognized Jewish communities of Italy as self-governing entities which must levy taxes on their members to survive. The agreement is not to be confused with the Church-State Concordat which is up for long overdue revision.

If a Jewish citizen does not wish to pay the community tax, he is required by law to write a letter asking that his name be officially deleted from the membership list of the Jewish community in his town. This means that the citizen must give up synagogue membership rights to bar or bat-mitzvahs for his or her children, burial in the Jewish cemetery and free subscription to the monthly magazine, Shalom, among other communal services.

But Meir Nahum, a Jewish businessman from Libya who settled in Rome several years ago, believes he is entitled to remain a member of the Jewish community although he has stopped paying his taxes to it. Last week, the internal revenue service seized his dining room table and chairs which are valued at about \$350, approximately twice the amount due the Jewish community before fines and legal fees were added. Nahum decided to contest the law and his case wound up in the Supreme Court.

Fear Collapse Under Voluntary System

In Leghorn, a large city on Italy's west coast, a group of Jewish citizens is not objecting to the taxes but to a regulation requiring an elected officer of the Jewish community to have a high school diploma. They contend that this is not even a requirement to become President of the Italian State and are demanding the re-instatement of a community official whose resignation was demanded because he was "unqualified." This case has also gone to the high court where it will figure in the constitutional test of the Jewish community's authority under the 1930 concordat.

Both cases have received considerable publicity in the Italian press and have become an embarrassment to the Jewish community. While the system of community taxation may seem antiquated in terms of the free associations of Jews in other Western countries, many Italian Jews fear that the underlying structure and manifold services provided by the Jewish communities would collapse if contributions were made voluntary.

TEL AVIV (JTA) -- Alexander Godunov, the former member of the Bolshoi Ballet who defected to the U.S. last year, is expected to visit Israel in August for a series of performances with the Israel ballet corps. Godunov has relatives by marriage in Israel. His wife, a ballerina with the Bolshoi company, is of Jewish origin. She also defected but chose later to return to the USSR.

TEL AVIV (JTA) -- A rare discovery in the Judea Desert by two Tel Aviv University archaeologists revealed a nine-room perfumeery at Ein Bokek dating from the Hasmonean period.

HERZOG ELECTED PRESIDENT OF WORLD ORT; FIRST ISRAELI IN THAT POST

By David Landau

Jerusalem, June 8 (JTA) — Chaim Herzog, Israel's former Ambassador to the United Nations, was elected president of the World ORT Union at its 100th anniversary conference here. He will succeed William Haber of Ann Arbor, Mich., who has headed the World ORT since 1955.

The conference endorsed a long-range program which envisages more than 200,000 students in ORT's worldwide vocational training programs by the end of the century. At present, more than 100,000 students attend some 700 ORT schools and programs worldwide. ORT Israel's operations account for some two-thirds of the world organization's overall vocational efforts. About 70,000 Israelis attend ORT schools in Israel. The ORT budget for 1980 is more than \$69 million.

Herzog has been chairman of the World ORT Union Executive Committee for the past 18 months and was president of ORT-Israel for 12 years. He is the first Israeli to head the World ORT.

Other top officers elected at the conference were Pierre Dreyfus of France, first vice president and Shelley Appleton of the U.S., as chairman of the Executive Committee. Dreyfus is a former managing director of the Renault motor company. Appleton is secretary general of the International Ladies Garment Workers Union. Joseph Hamatz, former director of ORT Israel, was elected director general of the World ORT Union, replacing Max Braude who is retiring.

HIGH COURT REFUSES TO ORDER RELEASE OF KAHANE AND AIDE

By Gil Sedan

Jerusalem, June 8 (JTA) — The Supreme Court has rejected appeals by Rabbi Meir Kahane, leader of the ultra-nationalist "Kach" movement and his associate, Baruch Green, to rescind the administrative detention orders under which they were imprisoned last month. The court also refused to reduce the orders to house arrest.

Justice Yitzhak Kahan, who rendered the court's decision Friday, explained that the evidence presented against both detainees pointed to a plot so serious as to place their appeal beyond consideration. He rejected defense claims that administrative detention, a hold-over from the British Mandate regime in Palestine, could be applied only to parties seeking to destroy the State.

No official disclosure has been made as to the nature of the alleged plot which prompted the Defense Ministry to call for Kahane's detention. According to media reports, the Kach leader and his associates were planning to blow up the Al Aqsa Mosque, one of the holiest shrines of Islam, on a Friday when it would be packed with worshippers.

As Kahane was led from the court Friday, reporters asked him for his reactions to the June 2 bomb attacks on the West Bank which severely maimed two Arab mayors and blinded a Druze policeman. Kahane replied, "This week has been a holiday for me and all of Israel. It seems that good Jews took revenge for the blood of Jews spilled in Hebron."

TOYS WITH NAZI SYMBOLS WITHDRAWN FROM W. GERMAN MARKET

Bonn, June 8 (JTA) — Federal authorities

have decided not to ban Japanese-made toys bearing Nazi symbols or mimicking the weapons used by the German army and the SS during World War II. The importer, a Nuremberg firm, promised for its part, to stop distributing the toys which have been sold in stores throughout West Germany, although, according to the authorities, not in great quantities.

The decision by the authority responsible for controlling dangerous toys came after nine months of litigation initiated by the youth department of the town of Bielefeld. The township expressed disapproval. The Bielefeld store stopped selling toys with Nazi symbols some time ago at the demand of local officials.

The importer claimed that the articles had an historic value.

EUROPEAN PARLIAMENT ACCUSES SOVIET UNION OF INCREASED ANTI-SEMITISM

Paris, June 8 (JTA) — The Parliament of Europe charged that anti-Semitism is increasing in the Soviet Union and blamed the Soviet authorities. The accusation was made at a special conference last week on the treatment of Jews in the USSR.

The conference noted that Soviet authorities deny Jews the right to a separate cultural identity and have made few concessions to Jewish demands for the right to learn Hebrew, Yiddish and Jewish history. The conference also observed that Jewish emigration has fallen sharply.

JEWISH EXODUS FROM USSR REACHED LOW FOR THE YEAR LAST MONTH

New York, June 8 (JTA) — Jewish emigration from the USSR fell to the lowest level of 1980 in May when only 1976 Jews reached Vienna. According to the Student Struggle for Soviet Jewry and Union of Councils for Soviet Jews, this was 52 percent below last year's monthly average exit. 62 percent of the May exitees did not go to Israel.

LABOR SWAMPS LIKUD IN BRAZIL ZIONIST ELECTIONS

By David Markus

Rio de Janeiro, June 8 (JTA) — Despite a radio broadcast appeal from Israel's Prime Minister Menachem Begin to support the Likud list, 66 percent of the members of the Zionist Organization here and in Sao Paulo voted for the Labor Alignment.

Over 5000 Zionists cast ballots last week. Likud received 22 percent of the votes, Mizrahi-Hapoel Hamizrachi, eight percent, and Independents, four percent.

FIRST BLACK-SOUTH AFRICAN TOUR GROUP IN ISRAEL

Tel Aviv, June 8 (JTA) — The first organized group of Black South Africans landed at Ben Gurion Airport over the weekend to begin a tour of Israel. The group of 77 persons includes 20 priests and one bishop. Previously, Black South Africans visited Israel as individuals, usually as students or artists.

The group tour is a result of the recent liberalization of South Africa's racial policies which has permitted Blacks to travel in groups to various foreign countries. The visit to Israel was organized with the assistance of El Al's marketing department in Johannesburg. The Israeli airline maintains regular service to South Africa.

Tel Aviv (JTA) — New price hikes hit Israeli markets. As of last week dairy prices were up by 12 percent; frozen meat and poultry by 15 percent.