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BOSCHWITZ SAYS PALESTINIAN STATE WILL NOT LEAD TO MIDEAST PEACE

NEW YORK, Dec. 14 (JTA) -- Sen. Rudy Boschwitz (R. Minn.), the newly appointed chairman of the Senate Foreign Relations Middle East Subcommittee, declared here last night that Israel "is indeed a strategic asset to the United States" and asserted that "peace in the Middle East is not going to come by establishing a Palestinian state."

Boschwitz, a Berlin-born Jew whose parents fled Nazi Germany and came to America when he was three years old, told some 200 Zionist Organization of America leaders attending a two-day national executive committee meeting here that any proposal for a Palestinian state is "unsettling."

He said that if Sen. Charles Percy (R. Ill.), who reportedly told Soviet leaders last month that he favored a Palestinian state headed by Palestine Liberation Organization chief Yasser Arafat, feels that creating a PLO state would end tensions in the Mideast; Percy should look to the conflicts today among the Arab states themselves. Percy is due to head the Senate Foreign Relations Committee under the next administration.

Boschwitz emphasized that "over and over again, Israel has tried to achieve peace in the Middle East." He said that since the beginning of this century, "Jews have sought peace with the Arabs and yet have been frustrated in every desire for peaceful coexistence with the Arabs."

Hopes To Move Against Pro-Arabists

Ivan Novick, president of the ZOA, said he "looked with anticipation to the possibility that the new Administration will examine the State Department and decide; once and for all, that the long entrenched pro-Arabists no longer will determine policy. We will carefully observe what action is taken as an indicator of the direction the Reagan Administration will take."

Novick said he believes "we can accept at face value the firm declarations made by both President-elect Reagan and Vice President-elect Bush that Jerusalem belongs to Israel and to the Jewish people. I believe that the incoming administration means what is has said in its rejection of the PLO -- that it will not deal with it or recognize it, Mr. Percy notwithstanding." The ZOA leader also said he looks forward to the new administration addressing itself "forthrightly and expeditiously" on urgent international and domestic issues.

PERCY SAYS HE DID NOT COORDINATE HIS VIEWS ON PALESTINIAN STATE WITH REAGAN OR HIS ADVISORS

By Yitzhak Rabi

NEW YORK, Dec. 14 (JTA) -- Moshe Arens, chairman of the Knesset Foreign Affairs and Security Committee, said that he met last week with Sen. Charles Percy (R. Ill.) and discussed with Percy reports that the solon had called for the establishment of a Palestinian state to be headed by Palestine Liberation Organization chief Yasser Arafat.

Speaking at a press conference here last Friday, Arens said he was told by Percy, who is scheduled to become chairman of the Senate Foreign Relations Committee, that his remarks regarding a Palestinian state were not coordinated with President-elect Reagan or his advisors. Percy, Arens added, also said that his remarks were made at a meeting with Soviet Foreign Minister Andrei Gromyko and not, as had been reported in the press, with Soviet President Leonid Brezhnev.

Arens has been in the United States for the past two weeks to meet with members of the next Administration and Reagan's transition team. Among the people he met were Vice President-elect George Bush and former President Ford. Arens said the general feeling in Israel is that the Reagan Administration will bring the relationship between Israel and the United States even closer than it has been so far.

SPECIAL TO THE JTA ISRAELI MINISTER ON VISIT TO DEEPEN TIES WITH COLOMBIA

By Jaime Reibel

BOGOTA, Dec. 14 (JTA) -- David Kimche, director general of Israel's Ministry of Foreign Affairs, arrived here recently to meet with representatives of President Julio Cesar Turbay Ayala. Kimche said his trip was made in an effort to promote closer ties between Israel and Colombia.

"From the Colombian government we are hoping, above all, for friendship and comprehension of Israel's problems," Kimche said. "Colombia and Latin America in general have always maintained friendly relations with Israel and we hope that they will not bow to the economic pressures of the Arab countries."

Colombia, like Israel, is dependent on imported oil -- currently 60,000 barrels a day -- to meet its energy and fuel needs. The bulk of Colombia's supply is provided by Venezuela; Israel buys most of the oil it needs from Mexico. "Petroleum regulates dependency relations among countries," Kimche said, adding that he wanted "to know how two countries (Israel and Colombia) in the process of development can help each other find a solution to their common problem."

CABINET BEGINS DELIBERATIONS OVER \$8.24 BILLION BUDGET FOR FISCAL 1981

JERUSALEM, Dec. 14 (JTA) -- The Cabinet began deliberations today over the \$8.24 billion austerity budget presented by Finance Minister Yigal Hurwitz for fiscal year 1981. It will hold a special meeting devoted to the subject, possibly later this week, when a decision may be reached.

Hurwitz's budget, aimed at halting run-away inflation, demands drastic cuts in government spending, including the defense budget, and will also reduce public services, a politically dangerous move in an election year. But there would be no further levies on taxpayers. The Finance Minister warned that unless his plans are adopted, inflation, now at an annual rate of 150 percent, the highest in the world, will soar to 200 percent next year.

Hurwitz has implied that he would resign if the Cabinet rejected his budget, a move that could bring down Premier Menachem Begin's shaky coalition government and lead to early elections. Hurwitz met with Begin twice last week in an effort to secure his support, but apparently failed. Begin reportedly

was disturbed by the proposed cuts in defense spending. A number of other Cabinet members were said to be unhappy with Hurwitz's budget while others support it.

NEW CENTRIST POLITICAL PARTY LAUNCHED BY FORMER DM KNESSETER By David Landau

JERUSALEM, Dec. 14 (JTA) — A new centrist political party was launched over the weekend by Assaf Yaguri, a Knesset member who defected from the Democratic Movement. He said it would lie "in the middle of the political spectrum" and hoped to win some 12 Knesset seats in next year's elections.

Independent political observers rated its potential at much less, especially if former Defense Minister Ezer Weizman, who was ousted from Likud last month, forms a centrist faction on his own. The new party, as yet unnamed, was formed at a meeting at Yaguri's home. It was attended by, among others, former Labor MK Mordechai Ben-Porat, former Likud MK Yedya Be'eri and Yaacov Aknin who was recently fired by Agriculture Minister Ariel Sharon as director of the Israel Lands Authority.

Ben-Porat has been a strong supporter of former Foreign Minister Moshe Dayan who quit Premier Menachem Begin's Cabinet in October, 1979. Dayan, an independent MK, has made no definite statements about his future political plans. Be'eri is one of the leading hawks of Likud's Liberal Party wing. Yaguri himself is best known as the highest ranking Israel army officer ever to be captured by the enemy. As a captain in command of a tank column, he ran straight into an Egyptian trap on the Suez Canal during the Yom Kippur War.

19-PART TV SERIES ON ZIONISM TO BE AIRED IN ISRAEL NEXT YEAR By David Landau

JERUSALEM, Dec. 14 (JTA) — A 19-part television series recounting the history of Zionism will be broadcast on Israel television beginning Jan. 6, it was announced today. According to officials of the Israel Broadcasting Authority, it is the largest television production ever undertaken in the country.

Titled "The Pillar of Fire," the series was three years in the making and cost \$1 million. The TV officials said this was a ridiculous sum in international terms, noting that one episode of the American series "Charlie's Angels" costs \$600,000. The Israeli series was made without financial assistance from any institution. "It will fill a vacuum," said Yigal Lassin, chief editor of the series.

The producers accumulated hundreds of interviews throughout the world and documentary material was gathered in many countries. As a result, they said, Israel will have the largest film archive on Judaism in the world.

NEW RESIDENTIAL SETTLEMENT PLANNED ON WEST BANK SITE

JERUSALEM, Dec. 14 (JTA) — The Israel Lands Authority announced today that it will build a new residential settlement on the West Bank, near the Arab village of Nabi Samwil just north of Jerusalem. The land, some 125 acres is State-owned or the property of the Jewish National Fund's Heimanouta Corp. If approved

by the Military Government's planning and zoning commission, it will be allocated for private purchase.

According to the Lands Authority, the new settlement is part of the ongoing effort to "thicken" the Jewish presence around Jerusalem. Present plans earmark some 60 acres for 1500 private homes and the rest for condominiums and public buildings.

LINOWITZ IN THE MIDDLE EAST

JERUSALEM, Dec. 14 (JTA) — Sol Linowitz, President Carter's special envoy to the Egyptian-Israeli autonomy talks, arrived in Cairo today for meetings with Egyptian leaders and will go to Israel on Tuesday. He was reported to be carrying messages from Carter and President-elect Reagan to President Anwar Sadat and Premier Menachem Begin.

Linowitz declined to disclose details of his mission, his last before the change of administration in Washington. Before departing from the U.S. he said he would bring back a status report on the autonomy talks for Reagan. The autonomy teams have not met since last May and most observers see no chance of their resumption before the Reagan Administration takes office.

LORD KAGAN JAILED FOR 10 MONTHS, FACES MASSIVE FINES FOR STEALING FROM HIS OWN COMPANY By Maurice Samuelsohn

LONDON, Dec. 14 (JTA) — Lord Kagan, the Jewish textile manufacturer who became a close associate of former Premier Harold Wilson, has gone to prison for 10 months and faces fines totalling more than one million Pounds Sterling for stealing from his own company.

Kagan, 64, is the latest member of Wilson's circle of Jewish associates to become enmeshed in a financial scandal. Sir Eric Miller, the onetime honorary treasurer of the Socialist International, shot himself three years ago after being accused of misappropriating money from his company.

Although Kagan was not identified with organized Jewish life in this country, press and television coverage of his trial and relationship with Wilson have given prominence to his Jewish background. In his trial, in which he admitted stealing blue dye from his denim factory in Yorkshire, Kagan claimed that he put the proceeds into a secret Swiss bank account and used them for a secret fund to aid Jewish refugees from Eastern Europe.

In a television interview, Israeli Labor Knesset member Menachem Savidor praised Kagan for having enabled Jews to leave the USSR at a time when it had been virtually impossible to do so. About a dozen Jews, including Kagan's brother, were involved.

Last year, after investigation began into his affairs, Kagan went into hiding in Israel with his secretary and was quoted in the Israeli press as claiming he was the target of a witchhunt against associates of Wilson. He left Israel for the continent and was extradited from France in the summer.

Had Adventurous, Dramatic Life

A survivor of the Holocaust, he had had an adventurous and dramatic life. He originally came to England from Lithuania in the early 1930s with his father and uncle, who set up a textile firm in Huddersfield. After studying at Leeds University, Kagan visited Lithuania with his mother and was trapped there when that country was occupied by the Soviet Union.

Kagan met his wife, Margaret, in Kovno and after the Nazis marched in he and his wife and mother survived in a specially built hiding place. At the end of the war, Kagan and his wife trekked to Rumania and eventually returned to England. A leading clothier,

he invented the famous Gannex fabric rain-coats, popularized by Wilson and Prince Phillip. He became a financial backer of Wilson who first made him a Knight and then, in 1976, made him a member of the House of Lords.

In his trial, he pleaded guilty. However, he still maintains that he was "set up" as part of a campaign to discredit Wilson. In an interview, he also claims that he was tricked by a customs and excise officer who agreed to meet him privately in Paris last April. When they met, he was arrested, watched and filmed by BBC camera crews.

In the wake of the trial, interest is also focussing on disclosures that 10 years ago, Kagan used to play chess with a Soviet diplomat who was later shown to be a member of the KGB, the Soviet spy network. This was at a time when Kagan had easy access to Premier Wilson at 10 Downing Street. Wilson is expected to make a statement on the case later this week.

STATE DEPARTMENT ASKS JUSTICE DEPARTMENT TO INVESTIGATE LEAKS OF CONFIDENTIAL DIPLOMATIC CABLES By Helen Silver

WASHINGTON, Dec. 14 (JTA) — The State Department has asked the Justice Department to investigate leaks of confidential diplomatic cables involving statements about a Palestinian state headed by Palestine Liberation Organization chief Yasser Arafat reportedly made by Sen. Charles Percy (R. Ill.) in talks with Soviet leaders last month. Jack Cannon, the State Department's deputy spokesman, told reporters last Friday.

After reports on Percy's conversations were disclosed in the media, he was sharply criticized by Jewish leaders and by a number of Senators, who said his Moscow comments deviated from U.S. policy and Republican platform positions on the Middle East.

Cannon said, at the regular briefing Friday that the State Department "originated the request" for an investigation of the leaks "which was made to the Justice Department which then referred it to the FBI."

Cannon said the matter had been discussed with Percy and all members of the Senate Foreign Relations Committee several days earlier. He added that "all members who discussed this matter agreed that an investigation would be appropriate." He said "whenever leaks of sensitive classified matter occur, it is of concern."

Cannon also said that the purpose of the investigation was "to determine whether or not a crime was committed" and that "the whole episode will be investigated." He declined to provide any additional details.

Asked whether President-elect Reagan's transition team members at the State Department were being denied access to sensitive material in view of the planned investigation, Cannon said "I am not aware that any change has been made in the procedures." In reply to a question, Cannon said this was the first time that an official investigation of leaks of confidential information has been undertaken during the Carter Administration.

UNITED SYNAGOGUE LEADER CALLS ON U.S. JEWRY TO COMMIT ITSELF TO SPIRITUAL VALUES OF JUDAISM

NEW YORK, Dec. 14 (JTA) — A leader of the Conservative Judaism movement believes because American Jews live in an open, democratic society, many of them are not persuaded of the worthwhileness of their Jewishness, primarily because the religious dimension is missing from their lives.

In an address today to the national Board of Directors of the United Synagogue of America, Rabbi Benjamin Kreitman, executive vice president of the United Synagogue, asserted: "The choice is no longer to be a Jew or to embrace another faith, or to join another community. The choice today is between being a Jew or merging with the great mass of indifferent Americans, indifferent to religion and indifferent to ethnic identity or commitment."

He said he arrived at this conclusion after discussions with rabbis and lay leaders of the Conservative movement. His findings, he said, are reflected in recent surveys taken by the United Synagogue.

Trend Towards Secularization

Kreitman said the trend toward secularization is, in part, a consequence of "our emphasis on survival, ethnic continuity and concern for Israel. For those of the older generation, with a pragmatic outlook on life, secular survival values may be the common denominator that unites us all and therefore take on overriding significance."

Continuing, Kreitman said: "Certainly, Federation, United Jewish Appeal campaigns and the fight against anti-Semitism are important. But there is more than that to being a Jew. The pragmatic must leave space for the spiritual. This phenomenon has not appeared overnight. It's been growing and intensifying as America socially has become more and more secular."

Kreitman also pointed out "that until the days of emancipation under Napoleon, the Jew had only two choices: either to be a Jew and be counted as part of his faith community, or to reject its embrace and embrace another religion. Now he can be part of the vast masses of unaffiliated non-committed."

He called for a new strategy which "at this juncture becomes even more urgent in the face of increased secularization. The Conservative movement, being in the mainstream of normative, historical Judaism, must bring back the spiritual and religious values to American Jewish life. Survival for the Jew must have purpose and a transcending spiritual significance."

Simon Schwartz, president of the United Synagogue, called on the leadership of the Conservative movement to make use of its instruments to instill the spiritual values of Judaism in daily life. He said the United Synagogue must now intensify its efforts together with the other institutions and organizations of the Conservative movement to provide the kind of educational, youth and congregational programs that will achieve the proper religious goals.

JERUSALEM, (JTA) — Premier Menachem Begin announced to the Cabinet Sunday the retirement of Avraham Ahituv who, for the past six years, has headed the Shin Bet. The announcement was the first official disclosure of the name of the man who occupied the top secret post. Begin praised Ahituv and his successor but did not reveal the latter's identity.

U.N. ASSEMBLY ADOPTS SERIES OF ANTI-ISRAEL RESOLUTIONS

UNITED NATIONS, Dec. 14 (JTA) — The General Assembly adopted a resolution late last Thursday night, one of six anti-Israel resolutions, calling for an urgent Security Council meeting to rescind the deportation of two West Bank mayors, Fakhri Kawasme of Hebron and Mohammed Milhim of Halhoul, as well as Kadi (Moslem judge) Rajeb Buyud Tamimi. The three were originally deported May 3, a day after terrorists in Hebron ambushed and killed six yeshiva students and wounded 16 others.

The deportation of the two mayors was upheld two weeks ago by the Israeli Supreme Court which also issued a non-binding recommendation that Premier Menachem Begin reconsider the case and allow the mayors to remain on the West Bank to test their promise to abide by Military Government regulations. Begin, acting in his capacity as Defense Minister, ignored the non-binding recommendation and expelled the mayors Dec. 5.

The same Assembly resolution also condemned Israel for policies against Palestinian Arab students and charged that Israeli troops fired "on defenseless students, causing many casualties" during a week of rioting and tensions on the West Bank following the expulsion of the mayors. The resolution also condemned what it termed measures of repression against universities in the administered territories. The vote on this resolution was 117-2, with Israel and the United States opposing, and 25 abstentions, mainly West European countries.

The resolutions were part of the report submitted to the Assembly by the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories.

Other Charges Against Israel

In other resolutions concerning Israeli practices in the territories, Israel was charged with violations of the Geneva Convention regarding the protection of civilians in time of war, and was also criticized for measures it had taken to change the status of the territories. Israel was the only country to oppose these resolutions.

Another resolution calling for the continued investigation of the treatment of civilians detained in the territories was approved by a vote of 118-2, with the U.S. and Israel opposing. There were 23 abstentions. The same vote was recorded on a resolution condemning Israel's intention to annex the Golan Heights.

UIA ALLOCATES \$292.5 MILLION TO JEWISH AGENCY FOR FISCAL 1980

NEW YORK, Dec. 14 (JTA) — The United Israel Appeal (UIA), during its annual meeting here last week, reported allocations of \$292.5 million to the Jewish Agency in fiscal 1980 and allocations of \$250 million for the current year to support Jewish Agency programs. The 130 trustees present elected Jerold Hoffberger of Baltimore as UIA chairman.

According to a newly adopted by-laws amendment, the following Jewish leaders are now members of the UIA Board of Directors: by virtue of the office each holds; national campaign chairman of the United Jewish Appeal, president

of the Council of Jewish Federations, and treasurer of the Jewish Agency. As a result, Herschel Blumberg, national campaign chairman of UIA, became a new member of the Board. In addition, Stephen Shalom and James Weinberg, both of New York, became Board members.

Hoffberger, in presenting the UIA annual report to the trustees, stated: "The UIA Board and the community leaders who represented UIA at the Assembly of the Jewish Agency have worked diligently to review Jewish Agency programs and to make those recommendations which will ensure the accomplishment of the desired goals. Excellence, efficiency and adherence to established standards are priorities of UIA."

Soviet Jewry Freedom is High Agenda Item

He noted that "The question of freedom for Soviet Jews has remained high on UIA's agenda. UIA leadership, along with the leadership of the American Jewish Joint Distribution Committee, United Jewish Appeal, Council of Jewish Federations, Hebrew Immigrant Aid Society and New York Association for New Americans, is constantly reviewing, updating and implementing plans to ensure a continuing exodus of our Soviet brothers and sisters to freedom."

Irving Kessler, UIA executive vice chairman, called attention to the plateau in UIA receipts for Jewish Agency programs. In spite of increases in overall national campaign receipts each year following the Yom Kippur War, UIA income from the regular UIA campaign has varied only slightly, remaining at approximately \$225 million per year.

"Inflation has increased local demands; our programs in Israel to aid immigrants and those in need there have suffered. We are unable to meet the erosion caused by Israel's triple-digit inflation and the weakness of the dollar," Kessler said.

BIOGRAPHY OF WALLENBERG BEING PREPARED BY MAURICE SAMUELSON

LONDON, Dec. 14 (JTA) — Maurice Samuelson, London correspondent of the Jewish Telegraphic Agency, is preparing a biography of Raoul Wallenberg, the Swedish diplomat who saved thousands of Jews in wartime Hungary before being arrested by the Russians. He is anxious to hear from people who knew Wallenberg either before or during the war. They are asked to write to him at 21 Greenfield Gardens, London NW2, England.

The book, commissioned by one of Britain's leading publishing houses, will describe Wallenberg's upbringing, his rescue exploits and his post-war fate. The author, a staff writer on the Financial Times, is a close friend of Wallenberg's immediate family and his articles over the past four years helped to trigger the present wave of international interest in Wallenberg.

SIR JULES THORN DEAD AT 82

LONDON, Dec. 14 (JTA) — Sir Jules Thorn, an Austrian Jewish immigrant who built up Thorn Electrical Industries, one of Britain's most successful businesses, died here last Friday at the age of 82. Sir Jules was knighted in 1964 and was actively concerned with his vast electrical empire until four years ago when he retired and became its president. Born in Vienna in 1899, Thorn settled in Britain in 1925 and began his career by importing electric bulbs and radio valves. He bought his first factory in 1933.