

ISRAELI SOLDIERS GET ADDED 3 MONTHS TO REGULAR SERVICE; RESERVISTS TO BE RELEASED FIRST

By Hugh Orgel

TEL AVIV, June 30 (JTA) -- Israeli soldiers about to complete their three years of compulsory military service will have to serve another three months beyond their scheduled release date, the manpower branch of army General Headquarters announced today.

Chief of Staff Gen. Rafael Eitan told soldiers at the front yesterday it would not be fair to discharge them now while reservists are still on active duty. It is apparently felt that reservists, called up from regular jobs within the economy, which is suffering manpower shortages, should be released to return to their jobs as soon as possible.

The young men doing national service, on the other hand, will not lose much by the extra months as most of them have as yet no civilian job commitments. They will receive higher pay for their extra service, at regular army rates.

Cease-Fire Holds

Meanwhile, the cease-fire which took effect last Friday appears to be holding in Beirut and other parts of the front. Some artillery exchanges were reported from the central sector, involving Christian Phalangists and Syrian forces. Israeli troops were not involved.

Former President Camille Chamoun of Lebanon said today that the Lebanese Christian Front, which he headed, preferred a diplomatic solution to the current crisis over west Beirut. But he demanded that the Palestinians totally evacuate the city. If there is no agreement, said Chamoun, the only choice is to take military steps.

Chamoun spoke to the Voice of Israel Radio correspondent in Beirut after a meeting of the Lebanese Christian Front.

U.S. UNWORRIED BY EEC STATEMENT

By Helen Silver

WASHINGTON, June 30 (JTA) -- The State Department today said it had no problems with the statement issued by the European Economic Community (EEC) which condemned Israel's invasion of Lebanon as long as it does not "interfere" with the negotiations between Lebanese government officials and special U.S. envoy Philip Habib.

"We do not have a problem with the public statement issued by the members of the international community as long as they do not interfere with the delicate, important negotiations underway which had been undertaken by Ambassador Habib," Department spokesman Dean Fischer said.

The statement issued yesterday by the 10-member states of the EEC "vigorously condemned" the Israeli military action in Lebanon, called for the simultaneous withdrawal of Israeli and Palestinian forces from Beirut and also called for participation of the Palestine Liberation Organization in future peace negotiations.

On the latter call for PLO participation in peace negotiations which was a reiteration of the EEC's 1980 Venice declaration, Fischer said "the

U.S. remains committed to the Camp David peace process as the only existing workable basis for a negotiated resolution of the Palestinian problem and the Camp David accords call for a solution that recognized the legitimate rights and just requirements of the Palestinian people and also ensures the security of Israel."

Cites 'Delicate Moment'

The spokesman also reiterated the U.S. position in Lebanon stating: "We support the goals set forth by the Lebanese government. This is a delicate moment in the discussions now underway in Beirut. The risk remains that if the various parties cannot come to terms, fighting will be resumed."

On other developments, Fischer would not comment on a report that arrangements are being made for the evacuation of PLO leaders from west Beirut or on reports that the Israeli government has given the PLO an ultimatum. He said he would not "prejudge" a U.S. response to a break in the current cease-fire.

ISRAELI ENVOY RAPS EEC

By Henri Benkowski

BRUSSELS, June 30 (JTA) -- Yitzhak Minerbi, Israel's Ambassador to Belgium and to the European Economic Community, sharply criticized the EEC's statement here yesterday condemning Israel's invasion of Lebanon and upholding the right of the Palestinian people to self-determination and of the Palestine Liberation Organization to be "associated" with the peace process in the Middle East.

In an interview with the Jewish Telegraphic Agency today, Minerbi said the EEC position "could lead to the continuation of a military presence of the PLO in Lebanon which was a source of terrorism, insecurity and of the present war." He noted that both the Lebanese leftist leader, Walid Jumblatt who supports the Palestinians and Bashir Gemayel, leader of the rightwing Christian Phalangists, have called for the removal of the PLO and Syrian forces from Lebanon.

Minerbi said that "In spite of the respect due to the EEC, I think that the problems will not be solved by them but only by the partners to the problems of the Middle East itself." According to the envoy, "The only problem today" in Lebanon "is the obstinacy of the Palestinians who refuse to leave Beirut even though Israel is prepared to let them leave freely with their personal arms, wherever they want to go."

He contended that the PLO wants to transform a major military defeat into a diplomatic victory. He criticized the EEC for its failure to criticize PLO terrorism even while they call on the Palestinians to seek a solution "through political means."

KNESSET DEBATE SHOWS NATIONAL UNITY

By Hugh Orgel and Gil Sedon

JERUSALEM, June 30 (JTA) -- The Knesset wound up a six hour debate over the war in Lebanon last night with what amounted to an agreement between the coalition and opposition to disagree without fracturing national unity while Israeli soldiers were still at the front lines.

Premier Menachem Begin's coalition cast 60 votes in favor of a resolution supporting the government's war aims in Lebanon and its conduct of the war. The Labor Alignment mustered 47 votes for its own resolution basically supporting the "Peace for Galilee" operation but critical of the broadening of the war after its initial objectives were achieved.

The coalition and opposition agreed beforehand that each would vote for its own motion but would not vote against the other's. They joined forces to crush a Hadash Communist Party resolution denouncing the Lebanese operation without qualification.

Given the ebullience of Israeli politics, the Knesset debate was restrained. Its most significant development was Begin's offer to allow Palestine Liberation Organization forces to leave west Beirut with their personal weapons. This was an unexpected departure from the terms laid down by the Cabinet last Sunday which demanded that the PLO surrender its arms to the Lebanese army as a precondition for their evacuation of west Beirut and Lebanon under a safe conduct guarantee by Israel.

Begin made the offer in the course of his summing-up speech at the end of the debate. He said Israel had no desire to humiliate the PLO, just to rid Lebanon of their presence. "We will now allow them to leave with their Kalachnikovs" (Russian-made automatic assault rifles), Begin said. "But they must all leave Lebanon, leaving behind their tanks and artillery."

Some sources said Begin's easing of terms for the PLO reflected mounting criticism at home of the expansion of the war to the outskirts of Beirut and opposition to the possible entry of Israeli troops into west Beirut to oust the PLO remnants by force. There were also suggestions that Begin's moderation indicated uncertainty over U.S. policy toward the war in Lebanon after the resignation of Secretary of State Alexander Haig and the nomination of George Shultz as his successor.

According to some sources, Israeli moderation could help U.S. special envoy Philip Habib who is engaged in what has been described as the most delicate phase of his negotiations in Beirut for the departure of the PLO without further bloodshed.

War Costs \$2 Billion

The debate over the war gave way to a discussion of the State budget in the Knesset today. Shlomo Lorincz, chairman of the Finance Committee estimated that the three weeks of war in Lebanon has cost Israel 65 billion Shekels (about \$2 billion) to date and its indirect costs may amount to an additional 40 billion Shekels. Lorincz said that as a result, inflation this year would exceed the projected 90 percent rate. As of last month, inflation was running at an annual rate of 130 percent.

Former Premier Yitzhak Rabin, summing up Labor's position on the war last night, prefaced his remarks with a call for restraint of criticism while Israeli soldiers were still at the front facing the possibility of renewed fighting. But there must be no cover-up of mistakes, he warned. He said that all wars fought to ensure Israel's security and defense were just wars but to continue fighting to achieve political aims not directly related to national security, was a mistake he said.

He thought it would be a serious mistake to risk more lives in an attempt to storm west

Beirut to destroy PLO headquarters and the remnants of its military capability. Even if this succeeded, with heavy losses, Rabin doubted that the Lebanese could overcome their internal differences to form a strong central government. He said Israel also should not risk further casualties in an attempt to drive Syrian forces out of Lebanon.

Shultz Seen As Friend Of Israel

Begin, appearing before the Knesset's Foreign Affairs and Security Committee this morning, expressed hope that Secretary of State-designate Shultz would prove to be a friend of Israel despite his connections with the Bechtel Corp. The huge American construction company of which Shultz was president, has billions of dollars worth of contracts in the Arab world, especially Saudi Arabia.

Begin said Israel should not judge Shultz by his business record because the job of Secretary of State has "its own effects." He added that Max Fisher of Detroit, an American Jewish leader with close contacts in the Reagan Administration, had promised him to exert his influence on maintaining "good relations" with Shultz.

RABBIS DECLARE 'HOLY WAR'

By Gil Sedan

JERUSALEM, June 30 (JTA) -- The Council of the Chief Rabbinate declared that the "Peace for Galilee" operation is a "holy war," since its goals were to defend settlements which for years have been subject to attacks. Chief Rabbi Shlomo Goren briefed the Rabbis on the war. The Council decided that the war was "absolutely moral, and there was no misuse of arms." The Council designated tomorrow as a day of prayer and reciting of Psalms in the country's synagogues, for the peace of the nation, its soldiers and the speedy recovery of the wounded.

DRUZE ASK FOR PROTECTION

By Hugh Orgel

TEL AVIV, June 30 (JTA) -- Leaders of Israel's Druze community have appealed to President Yitzhak Navon for Israel to restrain its Christian allies in Lebanon who are allegedly pillaging Druze villages in south Lebanon.

The appeal, also addressed to Premier Menachem Begin and Chief of Staff Gen. Rafael Eitan, claimed that men of Bashir Gemayel's Phalangist army entered Druze villages in south Lebanon last week, beat the men, raped the women and looted shops. They urged the Israeli army to keep the Phalangists out and said they would fight to free their villages from Phalangist control. Druze elders in Lebanon said Phalangists burst into their villages last week, after Israeli forces cleared the area of Palestine terrorists, and proclaimed: "We are the masters here now."

Druze-Christian antagonism in Lebanon goes back more than 100 years. Between 1840-1860 an estimated 50,000 Christians and 6000 Druze were killed in inter-communal battles. In recent years, the Phalangists have become Israel's allies against the Palestine Liberation Organization in Lebanon. Their forces are armed and financed by Israel and the Druze fear they will take advantage of their ascendancy to settle old scores. The Phalangists are rightwing. Lebanon's large Druze community is led by a socialist, Walid Jumblatt.

TEL AVIV (JTA) -- Baron Edmund de Rothschild, of England, has agreed to serve as honorary president of the third World Assembly of Jewish War Veterans to be held in Jerusalem Feb. 20-24, 1983.

CHEYSSON WARNS ISRAEL AS FRANCE PUSHES INITIATIVE TO PREVENTING BEIRUT BATTLE

By Edwin Eytan

PARIS, June 30 (JTA) -- French Foreign Minister Claude Cheysson warned here today that an Israeli attack on west Beirut "destroying Beirut or shelling it to death would be a real crime against humanity." Cheysson, who was speaking in the French National Assembly, said France is deploying major diplomatic efforts to prevent a battle in the Lebanese capital and to "safeguard the honor and the dignity of the Palestinians."

He said President Francois Mitterrand is sending special envoys to a number of foreign countries to obtain increased backing for the French initiative. "Some progress has been made by now, even the Israelis and Americans admit that it would be wrong to try and humiliate the Palestinians," he said.

Cheysson did not reveal what the French initiative consisted of but diplomatic sources say it is a plan to evacuate the Palestinian terrorists trapped in Beirut to Cairo, presumably either on French ships or at least under the escort of French naval vessels.

Egyptian-Israeli Relations Attacked

Cheysson today conferred for the second time with Egyptian Minister of State for Foreign Affairs Boutros Ghali, reportedly to try and map out joint Franco-Egyptian action. Ghali also conferred with Mitterrand yesterday, immediately after his arrival in Paris.

Speaking on French television and radio today, Ghali said Israeli-Egyptian relations "have been affected by the Israeli aggression in Lebanon" and indicated that the peace prescribed by the Camp David Agreements has been hurt as well.

Ghali renewed President Hosni Mubarak's offer for a Palestinian government in exile to settle in Cairo but said that its actions will have to be strictly political and diplomatic. "Egypt will not allow them (the Palestinians) to undertake any military operations from Egypt," he said. "We have signed a peace treaty with Israel and we are respecting it to the letter."

ISRAELI-EGYPTIAN RELATIONS THREATENED

By Gil Sedan

JERUSALEM, June 30 (JTA) -- Political circles here are clearly worried over the possible deterioration of relations with Egypt because of Israel's invasion of Lebanon. They are warning that while Egypt will honor the letter of its peace treaty with Israel, the normalization process could be halted and the relations between the two countries could revert to a state of non-belligerency rather than that of partners in peace.

According to these circles such a trend is evident in the strong anti-Israel line adopted by the Egyptian press since the war in Lebanon began and the tough statements by President Hosni Mubarak who has been urging the U.S. to exert pressure on Israel to loosen its grip around Beirut.

Israeli circles concede that Mubarak's position has been badly shaken by the events in Lebanon at a time when Cairo is trying to repair its relations with the rest of the Arab world. They say the Egyptian President appears to be confused over what line to take. But other Middle East experts said that Egypt was in an advantageous

position since it is the only Arab country to have diplomatic relations with Israel and open lines to all other parties concerned in the Lebanese conflict.

WAR AFFECTS TOURISM

By Hugh Orgel

TEL AVIV, June 30 (JTA) -- Israel's invasion of Lebanon has affected its tourist industry. Long-shoremen at Piraeus in Greece and at Australian ports have declared a boycott of Israeli ships. A counter-boycott of Greek vessels was instituted at Israeli ports but officials say it is hurting Israel more than Greece. Few Australian vessels call at Israel.

But Greek cruise ships which called regularly at Israeli ports are no longer arriving with hordes of tourists -- this at a time when Israeli tourism is at an all-time low because of the war in Lebanon. Israel tour operators who charter Greek ships are also hurt. Israel, which possesses no cruise ships or other passenger-carrying vessels cannot retaliate in kind against the Greeks.

The International Federation of Transport Workers (IFT) has promised to try to end the ban against Israeli shipping, the Israel Marine Officers Union was informed today. The union is affiliated with the IFT.

PLO RETURN TO TERRORISM SEEN

By Gil Sedan

JERUSALEM, June 30 (JTA) -- The Palestine Liberation Organization, its military infrastructure annihilated by Israeli forces in Lebanon, may revert to its original guise of a purely terrorist organization engaging in terrorist activities in Israel, the occupied territories and abroad, an Israeli expert warned today.

Prof. Amnon Cohen of the Hebrew University, a former Arab affairs advisor to the Military Governor of the West Bank, said in a radio interview that it was too early to write the PLO's obituary. The terrorists are broken and their response so far to Israel's conditions for ending the war in Lebanon indicate that their "spirit was shaken." But even if they withdraw from Lebanon they could continue to exist as a political entity and to some degree as a military factor, Cohen said.

He noted that the PLO retained "hard cores" in Lebanon and in other countries. Several Arab states have offered to "adopt" them and new elements could emerge inside the PLO as a result of the war, he said.

According to Cohen, President Hosni Mubarak of Egypt is following the line toward the PLO adopted by the late President Anwar Sadat. He is not deserting the Palestinians but is trying to persuade them to resort to political rather than military means to solve the Palestinian problem, Cohen said.

JERUSALEM (JTA) -- Rabbi Meir Kahane and ten activists of his Kach movement staged a sit-in at the offices of the International Red Cross here Wednesday demanding that Syria's 4000-member Jewish community be exchanged for Palestinians and Syrians taken prisoner by Israel during the war in Lebanon. Kahane asked the Red Cross to act as go-between in the exchange.

NEW YORK (JTA) -- Oleg and Natalia Popov and their two young sons received permission to emigrate to Israel after waiting three years since their first application, the Greater New York Conference on Soviet Jewry has learned. Oleg, now age 39, had worked as a physicist in Riazan and Moscow.

**SPECIAL INTERVIEW: PART II
BERMAN SEES PRESIDENTS CONFERENCE
AS REFLECTING VIEWS OF AMERICAN JEWRY**
By Yitzhak Rabi

NEW YORK, June 30 (JTA) -- Julius Berman, who officially becomes chairman of the Conference of Presidents of Major American Jewish Organizations tomorrow, discusses the role of the Presidents Conference, in this second and final installment of his hour-long interview with the Jewish Telegraphic Agency.

Excerpts from the interview follow:

Q. What is your conception of the President's Conference as an organization?

A. I believe that the Presidents Conference is an unbelievable phenomenon in the history of the American Jewish community. We all realize that American Jews are the most over-organized entity probably in the world. Over-organization usually means disorganization, with everyone speaking for himself or herself. The ability of the various national organizations, now totalling 36, to come together and work out a consensus on a specific subject and to continue to work together on that issue, without in any way homogenizing the rest of the organizational world and covering up the numerous areas in which there might be disagreement, can be called a miracle of modern times. Over the years, slowly but surely, both within the American Jewish community and within the public at large, including the powers in Washington, a consensus has grown that the Presidents Conference reflects the position of the total American Jewish community.

Q. Where is the boundary between the views of the Israeli Government and the views expressed by the Presidents Conference?

A. The Presidents Conference reflects only, and I repeat only, the views of the American Jewish community. At no time does it speak on behalf of the Government of Israel, nor should any of its statements be construed as such.

Decision Made By American Jews

Q. Do you foresee a situation where, at least theoretically, there will be a confrontation or a difference of opinion between the Israeli Government and the Presidents Conference?

A. Being a conservative lawyer, I have always taken the position that I do not speculate on possible hypotheticals. I take the issues as they come up. Please do not misunderstand me. We will rarely take a position on any issue involving Israel without ascertaining the position of the people who live, breathe and work in that land. However, the ultimate decision is one made by the American Jewish community as reflected through the Presidents Conference.

Q. How would you assess the present relationship between the Presidents Conference and the Government of Israel?

A. When everyone talks of relationships we must remember that I can only talk from one side of the equation. From our perspective, we believe that we generally have a good relationship for the simple reason that the overall interests are similar.

Q. How do you assess the power of the Presidents Conference in real terms -- political terms in regard to the Administration in Washington?

A. Initially I should say that it is the type of question that should be addressed to the Administration rather than to the Chairman-elect. My own feeling is that it turns on the positions we are

taking. If they are considered, well-reasoned positions that take into account the interests of the United States and all its citizens, they should have a very telling effect upon the Administration.

Q. In your view, is the current Administration pro-Israeli?

A. I don't like to put labels on an administration. Certainly I would not want to do that at the beginning of my term in office. In general, I prefer focusing on individual issues and decisions. I find those types of adjectives as not serving a purpose.

Conference Has Access To White House

Q. During the term in office of your predecessor, Howard Squadron, there was a question of accessibility to the White House. Can you comment on that?

A. In terms of the Presidents Conference, there never in recent years has been a problem of access to the White House. Indeed, although I was elected on June 9 to a term as Chairman, which does not commence until July 1, the fact is that in less than 24 hours from the election I was in the White House with a delegation from the Presidents Conference to meet with Vice President George Bush, who, in the absence of the President in Europe, was heading the crisis team in charge of the Lebanon situation.

Q. Do you have on your agenda, in the near future a meeting with Administration officials?

A. It is in the nature of the position. A few days ago there was a meeting with Secretary of Defense Caspar Weinberger. Realizing that we do not arrange for ceremonial meetings, but acknowledging that we are in the midst of a crisis period in the Mideast, I tend to believe that there will be meetings with the Administration repeatedly in the near future.

Q. During the AWACS debate, the question of dual loyalty among Jews was raised. What is your answer if this, in the context of the present conflict, would come up again?

A. This is a subject which has been on my mind for many months now. When we met with President Reagan in the Cabinet Room of the White House, the issue was raised by the Jewish representatives because at that time a suggestion was made by a member of the Administration relating to a possible charge of dual loyalty. We said then, and I want to repeat now, that as citizens of the United States, a free and open democracy, we shall never fear or be inhibited from stating our position on matters that come on the agenda of this nation, and we will do so openly and with pride, exercising our full rights as members of this great nation. If the Jewish community ever started thinking in these terms, and inhibited itself or refrained from stating its position because of the fear of such a libelous charge, I believe that it would be the beginning of the end of this community.

NEW YORK (JTA) -- Moshe Arens, Israel's Ambassador to the United States, has accused American business forces that are interested in maintaining professional relations with Arab countries with fostering the anti-Israel propaganda that has permeated the American press during the Lebanese conflict.

"No doubt those putting forth the argument that Lebanon and the PLO are one and the same who are concerned for Saudi Arabia and commercial connections with that country," Arens charged Tuesday in an address to the 93rd annual meeting of the Central Conference of American Rabbis meeting here at the Grand Hyatt Hotel. The four-day convention ends Thursday.