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**SHAMIR MEETS WITH ATTORNEY GENERAL
ON CASE OF SENIOR SECURITY AIDE
ACCUSED OF OBSTRUCTING JUSTICE**
By Gil Sedan

JERUSALEM, June 22 (JTA) — Attorney General Yosef Harish was meeting Sunday with Deputy Premier Yitzhak Shamir and Justice Minister Yitzhak Moda'i to discuss the case of Avraham Shalom, head of Israel's internal security services, Shabak, who has been accused of obstructing justice.

Harish, in office less than a month, has said he supports a secret investigation of the charges but noted he was obliged by law to consult with senior ministers before deciding how to proceed. He is expected to meet on the subject with Premier Shimon Peres but no time has been set.

Harish appeared before the Supreme Court Friday in a 4 1/2 hour secret hearing on a petition by one of Shalom's former subordinates who wants the Shabak chief suspended and himself re-instated. Although the hearing was closed, the media reported that Harish spoke in defense of Shalom.

The petitioner, Rafi Malka, was recently dismissed from Shabak, also known as the Shin Bet. The reason was not disclosed but his dismissal followed his complaint to former Attorney General Yitzhak Zamir that Shalom ordered the killings of two Arab bus hijackers while they were in custody of security agents and subsequently organized an elaborate coverup when the matter came under investigation before a Shabak internal disciplinary court and two other quasi-judicial bodies.

Harish Avoids Consulting Attorneys

Harish reportedly argued against suspension until a formal investigation of the charges is launched. He went to court Friday unaccompanied by the three senior State Attorneys who had helped Zamir build what the latter called a *prima facie* case against Shalom. According to the media, Harish avoided consulting with the attorneys, Dorit Beinisch, Ehudit Karp and Yehudit Tzur.

In an apparently unrelated development, attorneys throughout the country held one-hour rallies Sunday to protest what are claimed to be invendos and defamation of character against the three women attorneys.

A statement read out at two of the meetings charged that there was a campaign to cast aspersions on senior legal staff of the Justice Ministry and to remove them from the decision-making process. Details of the alleged slander have not been made public.

State Attorney Yona Blattman charged in a radio interview that there are certain people who are determined to "get rid of attorneys." There had been considerable resentment against Zamir who held the office for nearly seven years before he resigned earlier this month. His critics charged he was too liberal and too independent.

Meanwhile, two members of the Inner Cabinet spoke out over the weekend in favor of a full scale inquiry into the charges against Shalom. Deputy

Premier Yitzhak Navon said Israel's security would be damaged if there was no probe and Police Minister Haim Barlev concurred.

Peres, Shamir and a majority of the Inner Cabinet objected strongly when Zamir ordered a police investigation. Peres and Moda'i subsequently indicated they would accept a judicial inquiry conducted in secret. Shamir has opposed any kind of investigation on national security grounds.

SPAIN, ISRAEL SIGN TRADE AGREEMENT

JERUSALEM, June 22 (JTA) — Spain and Israel have concluded an agreement which will further trade contacts between the two countries.

The agreement was signed by the heads of the Israeli and Spanish Chambers of Commerce at the end of the first official visit of Spanish business men to Israel since diplomatic relations were established earlier this year.

The trade delegation met with deputy Premier and Foreign Minister Yitzhak Shamir and discussed possible areas of cooperation such as tourism in which the Spanish are very experienced with some 43 million tourists visiting Spain each year as against 1.5 million who visit Israel.

Israel imported \$80 million worth of goods from Spain last year. The imports included cars, food products and textiles. This is far greater than Israeli exports to Spain which consist mainly of diamonds and some agricultural products.

PANEL RULES AGAINST ACCUSED NAZI

PHILADELPHIA, June 22 (JTA) — A three-judge federal panel ordered that a Lithuanian-born man accused of participating in Nazi atrocities against Jews, Juozas Kungys, be stripped of his United States citizenship.

The panel of the United States Court of Appeals for the Third District, said Friday that Kungys, of Clifton, N.J., made material misrepresentations about his background when he immigrated in 1948 and obtained citizenship in 1954.

The ruling rejected a lower court's verdict in favor of Kungys. The Office of Special Investigations (OSI), a division of the Justice Department, had accused Kungys in 1981 of participating in the 1941 murder of more than 2,000 Jews in Nazi-occupied Kedainiai in Lithuania.

Kungys, who claimed he had been a victim of Nazi persecution, was also accused by the OSI of lying about his background so that he could enter the United States.

**NISSIM REFUSES TO CONVENE PANEL
INVOLVED WITH BANK FRAUD SCANDAL**
By Gil Sedan

JERUSALEM, June 22 (JTA) — Finance Minister Moshe Nissim refused Sunday to convene the ministerial committee charged with implementing the recommendations of the Beisky commission which rendered its report two months ago on the 1983 bank shares scandal.

Energy Minister Moshe Shahal demanded that the committee meet early this week amid growing consternation over one bank director's refusal to resign and

charges that another received disproportionate compensation for stepping down. But Nissim insisted there was no point for the committee to meet until the team of professionals studying the report completes its work.

The commission, headed by Supreme Court Justice Chaim Bismil, issued a scathing report on April 20 accusing Israel's five largest commercial banks of grossly inflating the value of their shares to mislead investors, leading to the financial panic of October, 1983.

The commission recommended that the chairmen of the banks be forced to resign within 60 days and that they never again occupy positions of trust at the banking institutions at home or abroad.

Bank Official Refuses To Resign

Attention was focussed on Raphael Recanati, chairman of the board of the Israel Discount Bank, who refused to quit when the deadline passed last week. His colleagues at the other banks have all stepped down, and Michael Bruno, the newly appointed Governor of the Bank of Israel, demanded that Recanati do likewise.

Recanati threatened in media interviews over the weekend to pull the Recanati family out of the Discount Bank which they have largely owned for years. Bruno refused to comment but apparently decided to wait several days to study legal means to bring about Recanati's departure.

Nissim, for his part, argued that the Cabinet had no reason to discuss the personal implications of the Beisky report since that was the province of the central bank, headed by Bruno. The Cabinet did not take up the issue at its weekly meeting Sunday, contrary to expectations that it would discuss the Beisky report.

Sharp Rebuke

Meanwhile, Labor MK Haim Ramon, a member of the Knesset's State Control Committee, received a sharp rebuff from a top official of the Bank Leumi whom he had asked for details about compensation awarded its former chairman, Ernest Japhet.

Japhet resigned immediately after the Beisky report was released. According to Ramon, he was awarded \$5 million, plus his year's salary in advance along with "very generous" expenses, and receives a monthly pension.

Ramon alleged that the decision to grant him a \$5 million severance was made in secret by a four member committee of the bank's directorate.

Answers Demanded

Noting that Bank Leumi is a public trust, Ramon asked, "If Japhet and other directors of the bank deserve this money, why should it be kept from the public and if this is not the case, the shareholders should know about it."

He wrote to Leon Dulzin, chairman of the Jewish Agency and World Zionist Organization Executives who is the Bank Leumi Governor, demanding answers. Dulzin responded that he has no knowledge of the amount of compensation given Japhet nor is he required to know.

He said he was informed by the bank that all payments were legal, in compliance with agreements, and "not a penny beyond what was required." He added, "I have never asked about the salaries of its (Bank Leumi's) officials and it is not my business."

EPPLER, JDC PRESIDENT, ANNOUNCES SINGER ELECTED JDC BOARD CHAIRMAN

NEW YORK, June 22 (JTA) — The American Jewish Joint Distribution Committee (JDC) unanimously elected Herbert Singer, a leading New York attorney, as chairman of the JDC Board of Directors, it was announced here by JDC president Heinz Eppler. It was Eppler who placed Singer's name in nomination at the recent semi-annual meeting of the JDC Board.

The position of JDC Board chairman became vacant when Henry Taub resigned that JDC post after his election as president of the United Israel Appeal. The JDC Board elected Taub an honorary president of the JDC.

Singer has been an active member of the JDC Board for the past 22 years, serving as vice chairman and co-Treasurer. He was instrumental in the foundation of the JDC/Brookdale Institute of Gerontology and Adult Human Development in Jerusalem.

SHAMIR TO INAUGURATE ISRAELI EEC CHAMBER OF COMMERCE IN PARIS By Edwin Eytan

PARIS, June 22 (JTA) — Israeli Deputy Premier and Foreign Minister Yitzhak Shamir will inaugurate on Monday the Israeli-European Economic Community Chamber of Commerce here. Shamir is scheduled to arrive Monday in Paris for a three day working visit during which he will confer with both President Francois Mitterrand and Premier Jacques Chirac.

The new Chamber of Commerce will link Israel to the 12-member state EEC, Israel's main foreign trading partner. Chirac, as well as French Finance Minister Edouard Balladur, will attend the inauguration ceremony in the French Senate.

French officials say Chirac plans to use the opportunity to stress that France's improved relations with Syria, Algeria and Iran will not be at Israel's expense.

Chirac phoned on Sunday Syrian President Hafez El Assad to thank him for his help in securing the release of two of the nine French hostages held by Shiite extremists in Lebanon. The two, French TV reporters arrived Saturday night in Paris after a three month captivity.

In a public statement, Chirac thanked Syria, Algeria and Iran for their aid but said that France will not change its former policies in the area. He was referring at the time to France's close ties with Iraq but officials here say that he plans to stress Monday that this also applies to Israel.

Shamir will meet with Chirac twice. First he will be the Prime Minister's luncheon guest at the Hotel Matignon and then the two, accompanied by Israeli Ambassador Ovadia Soffer, will drive together to the Senate building for the official inauguration.

PRESIDENTS CONFERENCE TESTIFIES IN SUPPORT OF MNF STATUS FOR ROMANIA

NEW YORK, June 22 (JTA) — In recent testimony before the House subcommittee on trade, the Conference of Presidents of Major American Jewish Organizations said it "continues to support" most-favored-nation status for Rumania under the waiver provision of the Jackson-Vanik Amendment.

Alfred Moses, a vice president of the American Jewish Committee, presented the testimony in behalf of Conference chairman, Kenneth Bialkin, who was in Israel. Noting that he had conferred with Rumanian President Nicolae Ceausescu in 1980 and again last February on religious freedom and emigration rights, Moses told the House subcommittee:

"Progress has been made since our meeting with President Ceausescu in 1980. Emigration procedures have been simplified, the waiting period for persons seeking passports to emigrate has been reduced and the backlog of applicants seeking passports to emigrate to Israel has decreased. As a result, over the last six years roughly 25 percent of the Rumanian Jewish community has left for Israel."

Urges Continued MFN Status

For these reasons, he said, and despite "short-comings in Rumania's human rights policy and the burdens Rumania continues to place on persons seeking to emigrate," the Presidents Conference favors granting a waiver under the Jackson-Vanik Amendment permitting Rumania to continue to enjoy most-favored-nation-status in its trade relations with the U.S.

Moses also noted that the number of permissions to emigrate is "down considerably this year," adding: "This troubles us. We communicated these concerns last week to the Rumanian government through its ambassador in Washington and have received assurances that the numbers for June and the rest of the year will show an increase. We also let the ambassador know how important it is that the Rumanian synagogues in Bucharest ... not be bulldozed to make room for Bucharest's urban renewal."

Moses testified that there are no restrictions against the free exercise of Jewish religious life in Rumania, that a number of important synagogues have been restored under the leadership of Chief Rabbi Moses Rosen and that the Federation of Jewish Communities "maintains an extensive support system throughout Rumania for the remaining, largely elderly, Jewish communities," including kosher kitchens, old age homes, and ritual baths. There is also religious instruction for children, he said.

Moreover, he added, "outcroppings of anti-Semitism that appeared in the government-controlled press a few years ago have not reappeared." The Presidents Conference representative, speaking in the name of the 40 constituent members of the Conference, concluded "Admittedly the record is not all one-sided, but the alternative to extending most-favored-nation status is to snuff out the best means at our disposal to influence conditions in that country for the better."

SECULAR LEADER SAVED FROM ENRAGED MOB

By Gil Sedan

JERUSALEM, June 22 (JTA) — Police rescued a secular leader from enraged Orthodox Jews who surrounded his car on a Jerusalem street Saturday evening, after he fired a pistol into the air in a vain attempt to disperse the crowd.

The incident occurred on Yosef Ben-Matityahu Street, bordering a religious neighborhood. Abraham Fritzi, chairman of the Jerusalem Committee Against Ultra-Orthodox Violence, drove there to investigate a barricade of garbage carts erected earlier in the day to block traffic because, according to the Orthodox, a passing car had hit one of their children that afternoon.

He was stopped and his car was encircled by a mob of black-garbed men. He fired a single shot to no effect. When police arrived to extricate him, they were stoned as was Fritzi's car. The windshield was shattered but there were no injuries.

But calm reigned in Petach Tikva Friday night, scene of almost weekly clashes between ultra-Orthodox Jews and Sabbath movie-goers. The man-

agement of the Heichal cinema decided to keep the movie house closed as a one-time goodwill gesture after the religious leaders in Petach Tikva agreed to control their cohorts. According to the theater manager, he wanted to give the police a night off to spend with their families.

In Tel Aviv, several hundred people attended a rally organized by Mapam, the Citizens Rights Movement and the Shinui Party Saturday to protest attempts to force secular Jews to observe Orthodox religious practices.

HOSPITAL NURSES THREATEN TO HOLD A FULL STRIKE ON MONDAY

TEL AVIV, June 22 (JTA) — Israel's hospital nurses, who held a three-hour work stoppage on Friday, reiterated Sunday their determination to hold a full strike Monday if their demands for establishment of an independent union, or at least an autonomous division within the General Nurses Union (which also includes clinic and public service nurses) is not met immediately.

The issue of the 11,000 male and female nurses in hospitals throughout the country, and of the health services in general, was raised at Sunday's Cabinet meeting in Jerusalem. Israel Radio said the presentation by Health Minister Mordechai Gur was more a monologue than a debate, with ministers asking only a few questions.

The nurses said they were prepared to go to prison rather than obey court-imposed back-to-work orders if such were issued. "The prisons just can't take 11,000 detainees if we are found guilty of contempt of court," they said.

They are demanding higher pay and better working conditions in under-staffed hospitals. The nurses said they would man emergency wards, intensive care units and maternity wards during the open-ended work stoppage they are now threatening.

Administrative staffs, including technical staff and laboratory workers at two Kupat Holim hospitals were also discussing Sunday a three-day work stoppage to begin Monday. They are also demanding pay increases.

BIALKIN DECLINES INVITE TO GREECE

NEW YORK, June 22 (JTA) — Kenneth Bialkin, outgoing chairman of the Conference of Presidents of Major American Jewish Organizations, has declined an invitation to visit Greece on grounds that "the government of Greece in recent years has followed a pattern of pro-PLO and anti-Israel activity."

Bialkin, who will be succeeded on July 1 by Morris Abram, was responding to an invitation sent to him and several other American Jewish leaders by Andrew Manatos, a principal of a Washington firm representing Greek American groups.

The invitation was on behalf of major Greek ship-owners and other businesses. Bialkin, in a letter to Manatos, acknowledged that Greece has recently shown "signs of greater balance and inclination toward a warming of relations with Israel" but maintained that "until there has been some greater demonstration" of this change of attitude, it would not be appropriate to accept the invitation.

TEL AVIV (JTA) — An explosive charge went off in the port town of Ashdod Sunday. One woman passer-by was treated for shock. The charge had been placed near a post office branch in an Ashdod suburb.

SOLONS URGE PRESIDENT TO SHUN WALDHEIM'S INAUGURATION; WJCONGRESS RELEASES NEW 'SECRET' NAZI DOCUMENT

By Judith Kohn

WASHINGTON, June 22 (JTA) — Over a hundred members of the House of Representatives have appealed to President Reagan to boycott the inauguration of Kurt Waldheim as President of Austria.

In a letter sent to the White House last week, the legislators asked that neither he nor any other American official attend the former UN Secretary General's inaugural ceremony, scheduled for July 8.

Revelations about Waldheim's activities as a Wehrmacht officer in the Balkans marred his campaign for the Presidency, and his election earlier this month led to an outcry from the world Jewish community.

Attendance Would 'Send A Message'

Noting the millions of Jews and others who died at the hands of the Nazis, the letter, initiated by Rep. Ron Wyden (D. Or.), said that U.S. attendance at the inauguration "would send a message to millions of people that these deaths can be swept under the rug as easily as Kurt Waldheim's war record was for so many years."

A spokesman for the White House told the Jewish Telegraphic Agency that the subject of representation at Waldheim's inauguration had not yet been considered and would only be taken up once an official invitation is received.

The letter to Reagan was co-sponsored by Thom-as Daschle (D. S.D.), Don Sundquist (R. Tenn.), and Benjamin Gilman (R. NY). It was signed by 79 Democrats and 32 Republicans.

An investigation into Waldheim's war activities is continuing at the Justice Department, which is considering whether to bar the Austrian President-elect from entering this country.

The Department indicated last week that there had been a delay for at least several days on a decision whether to bar Waldheim from the United States. That decision is now expected to be reached by Attorney General Edwin Meese sometime this week, a Department spokesperson said.

A Mass Of Material

Reports here said however that attorneys representing Waldheim met with Justice Department officials and left such a mass of material in Waldheim's defense that Department officials said it would take as much as a few weeks to study the material and reach a conclusion.

Department spokesperson John Russell told the JTA that he was unaware whether the material submitted in Waldheim's defense included anything it had not already seen in explanation of Waldheim's activities as an officer in the Wehrmacht.

New Documentation Released

Meanwhile, new information concerning Waldheim's past activities emerged this week when the World Jewish Congress released in New York a captured Nazi document marked "secret" which was located by WJC researchers in the United States National Archives.

The document, an intelligence report that is reported to have gone to Waldheim, details the slaughter by German troops of women and children, the shooting of priests and teachers, as well as the destruction of an historic church in Greece.

The document, dated January 8, 1944, bears a "received" stamp of Waldheim's office in Arsakli, Greece with the initial "W" in the "03" box. Waldheim has already acknowledged his 03 intelligence status in his memo to the Justice Department of April 6, 1986.

'03' Rating Evaluated

As 03, Waldheim was a senior intelligence officer. According to the authoritative analysis by American military intelligence, the 03 "was the deputy of the chief intelligence officer. He was responsible for all operational intelligence and the control of the intelligence staff."

In his June 11 news conference in Vienna, Waldheim denied to reporters that he was "a German intelligence officer" and claimed he was "a sort of secretary and nothing more."

A previously released German war document of December 1, 1943 showed that as 03, Waldheim's responsibilities included morning and evening intelligence reports, prisoner interrogation, and special tasks, a euphemism in Nazi reports generally used to describe secret measures related to mass terror, torture or executions.

In a related development, the 55-member United States Holocaust Memorial Council has urged in a resolution that Reagan bar Waldheim from the U.S. pending an investigation of his war-time activities. He "should be declared persona non-grata," the Council declared.

NEW YORK VANDALISM BILL SIGNED

NEW YORK, June 22 (JTA).— Mayor Edward Koch has signed into law a bill imposing a minimum fine and increasing the maximum fine on anyone found guilty in New York City of damaging a house of worship.

In recent years, acts of vandalism against synagogues in New York City have occurred frequently. The new law also subjects to both imprisonment and a fine anyone who knowingly assists a vandal. The bill was introduced in the City Council by Queens Councilman Sheldon Leffler.

The bill raises the maximum fine from \$500 under current law to \$1,000 and for the first time imposes a minimum fine of \$250. A spokesperson in Leffler's office told the Jewish Telegraphic Agency that to the best of the Councilman's staff knowledge, the measure was the first of its kind. The City Council passed the Leffler measure unanimously on May 22.

Daniel Ginsburg, chairman of the New York regional board of the Anti-Defamation League of B'nai B'rith, lauded Leffler and the City Council, adding that "the psychological damage inflicted on the congregants of a vandalized house of worship can be as serious as the physical damage done to the property itself because it represents an assault on their most fundamental beliefs."

TEL AVIV (JTA) — A sudden work stoppage by 250 ground staff employees delayed El Al flights to the U.S. and Europe last week, affecting about 700 passengers. It was the first job action to hit the State-owned airline since it was placed in receivership and reorganized three years ago. The employees walked off the job to attend a union "education and instruction meeting" to discuss the delayed payment of promised efficiency bonuses. They denied they were striking. El Al was on the brink of collapse in 1983 after years of strikes and job actions by one or another of the scores of workers committees, each representing relatively small groups of employees.