

3 U.S. FIRMS MUM ON ALLEGED PLOT TO GIVE ISRAEL BOMB TECHNOLOGY By Kevin Freeman

NEW YORK, July 9 (JTA) -- A wall of silence descended upon the three private American companies alleged to have conspired with Israel in an attempt to illegally obtain for the Jewish State the technology for cluster bombs, a weapon the United States banned from export to Israel in 1982.

Representatives of the three companies contacted by the Jewish Telegraphic Agency said they have "no comment" on the allegations involving Israel. Persons answering the telephones at the companies -- two in Iowa and the other in Erie, Pennsylvania -- refused to discuss the allegations or to provide any detailed information about the companies' operations.

The Justice Department and the U.S. Customs services are investigating the three companies for allegedly acting in collusion with representatives of the State-owned Israel Military Industries to evade the Arms Export Control Act. The law limits defense items that can be exported from the U.S. without an export license.

Israel Denies Allegations

In Israel, meanwhile, Defense Ministry officials said there was no basis for the allegations against the Jewish State. "The entire development of cluster bombs in Israel is original and independent and therefore there is no foundation to the allegations against Israel," a Ministry spokesman said. He added that all technological know-how reaching Israel from the U.S. arrived in Israel legally.

In Washington, the Israel Embassy issued an angry rebuttal to the charges. An Embassy spokesperson referred to a statement issued in Israel by the Defense Ministry. (See separate stories.)

U.S. Envoy Meets With Peres

Thomas Pickering, the United States Ambassador in Israel, Tuesday night handed Premier Shimon Peres the text of the charges under investigation and questions being asked by the American law enforcement agencies.

It has been charged that Israel sought to purchase technology to build cluster bombs from the American contractors and urged them to describe the equipment sold to make it appear that it is not being used for military purposes.

The U.S. halted sale of cluster bombs to Israel in 1982 after reports that Israel used the deadly anti-personnel weapon when it invaded Lebanon.

Pickering reportedly promised Peres that the investigation of the charges would be "discreet and quiet." But sources here noted Wednesday that information was being leaked to the American media, apparently by officials of the Justice Department or the Customs Service.

Israel's Ambassador in Washington, Meir Rosenne, was called to the State Department Tuesday by Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, who informed the envoy of the ongoing investigation, it was reported in Jerusalem.

According to U.S. Customs officials, federal agents have conducted searches in Iowa at the Vector Corp. in Marion and Bexco International in Cedar Rapids. Another search was planned at Assembly Machines Inc. in Erie, Pa. The federal agents seized records at Bexco, a firm with only two employees which acts as a manufacturer's representative for Vector, according to the reports.

One report from Washington Wednesday said several officials of Israel Military Industries and of a number of other American companies have been subpoenaed in the ongoing investigation.

The reports of Israeli efforts to obtain cluster bomb technology follows on the heels of the continuing U.S. probe into the spy scandal involving U.S. Naval analyst Jonathan Pollard, who has admitted to supplying Israel with sensitive intelligence data.

STATEMENT BY ISRAEL'S DEFENSE MINISTRY

TEL AVIV, July 9 (JTA) -- The Defense Ministry Wednesday issued a strenuous denial of U.S. reports that Israel had stolen sophisticated technical data for the production of cluster bombs. The Defense Ministry spokesman issued the following statement:

"Yesterday, the U.S. media published information again tying the name of the State of Israel with unlawful export of means for the production of sophisticated weapons. The Ministry of Defense this morning has carried out a check following those claims.

"The results of the check have made it clear that those claims published by the U.S. media were unfounded.

"The Ministry of Defense determines that the raising of the subject arouses serious astonishment and may unjustly prejudice Israel's reputation and cloud the good relations prevailing between the U.S. and Israel.

"The Ministry of Defense takes a grave view of the fact that this matter has been published before the facts have been clarified. This affair relates to equipment for the production of grenades for gun projectiles independently developed by the military industries in Israel.

"The Ministry of Defense wishes to emphasize that the whole development was totally independent and that the grenades are original Israeli ones and that their production was already started some time ago. The military industries have asked for the production process to acquire industrial equipment of various kinds in the U.S.

"The Ministry of Defense declares that in order to acquire the said equipment the military mission in New York has, according to procedures, applied for export licenses from the U.S. Administration's State Department.

"The Ministry determines that all the applications have been lawfully made and that no item, large or small, relating to this subject is exported from the U.S. to Israel without a lawful permit.

"The Ministry of Defense also resolutely determines that there was no case here of unlawful technological export. As already stated, the entire development and the related know-how are original Israeli ones."

ISRAEL EMBASSY ANGERED BY CHARGES

By David Friedman

WASHINGTON, July 9 (JTA) -- The Israel Embassy here reacted with anger Wednesday to what it said

were "unfounded" charges that Israel illegally sought to import technology from the United States in order to make cluster bombs. Yosef Gal, the Embassy spokesman, read a statement in which he said the Israeli Ministry of Defense had investigated the charges and "categorically" denies Israel had done anything illegal.

"The Ministry of Defense asserts that the raising of this subject arouses much amazement and may unjustly cause damage to Israel's reputation and spoil the good relations prevailing between the United States and Israel," Gal said. "Israel regards with gravity the fact that this matter has been published before the facts have been clarified," he added.

David Hoover, a spokesman for the U.S. Customs Service, confirmed Wednesday that search warrants have been issued for two Iowa companies, Vector Corp., of Marion, and Bexco International of Cedar Rapids, and Assembly Machines, Inc., of Erie, Pa.

He said subpoenas had been issued for employees of the companies as well as members of the Israeli Defense Ministry's Procurement Mission in New York. He would give no further details on the investigation which was first revealed by CBS News Tuesday night. The State Department would not comment on the case Wednesday.

Gal said that Israel's cluster bombs and the bomblets they contain have been developed and manufactured by Israel's military industries. He said the Procurement Mission was asked to acquire various industrial equipment from the U.S. needed for production of the weapon.

Gal stressed that the Mission, acting "according to procedure, applied for export licenses from the U.S. Department of State. All applications have been lawfully made and no item, small or big, related to this subject is exported from the United States to Israel without a lawful permit."

WALDHEIM WOULD 'WELCOME' COMMITTEE TO INVESTIGATE HIS PAST

VIENNA, July 9 (JTA) -- Kurt Waldheim said at his first press conference following his inauguration as President of Austria Tuesday that he would "welcome" the suggestion by Nazi-hunter Simon Wiesenthal to have an international committee investigate his past.

Waldheim, who has been linked to atrocities against civilians and the deportation of Greek Jews when he was a Wehrmacht intelligence officer in the Balkans during World War II, had only one condition. He said he would agree to an investigation if the international body includes military experts familiar with the hierarchy of the German army and the way it operated during the war.

His defense against charges of war crimes based on a growing body of documentary evidence brought to light over the last four months, is that he was a small cog in the German military machine simply passing on intelligence to his superiors.

The new Austrian President told the press conference that he has no immediate plans to travel abroad but that his first trip probably will be to the U.S. Asked about recommendations by U.S. Justice Department officials that he be placed in the "watch list" of aliens exclud-

able from entry into the U.S., Waldheim said he was "confident in the judgement" of Attorney General Edwin Meese.

He maintained that "no proof whatsoever has been presented about the various allegations made against me and I trust the Attorney General to check the facts." He said he was grateful to President Reagan for his recent statement that no proof of the allegations has been forthcoming.

Asked if he plans to establish contact with Austria's Jewish community, Waldheim said "I already have such contacts but I hope to further intensify them." He also predicted that Israel's Ambassador to Austria, Michael Elitzur, who was called home when Waldheim was elected on June 8, "will eventually return to Vienna."

OPTIMISM OVER RESOLVING TABA DISPUTE

By Gil Sedan

JERUSALEM, July 9 (JTA) -- David Kimche, Director General of the Foreign Ministry, said Tuesday that he was more optimistic than at any time in the past over the prospects of resolving Israel's border dispute with Egypt over Taba.

Kimche spoke to reporters following talks with an American delegation, headed by State Department legal advisor Abraham Sofaer, who has been trying to mediate between Israel and Egypt. It was the first time in the past 18 months of negotiations between the two countries that the senior Foreign Ministry official sounded so hopeful.

The American delegation continued its talks in Cairo Wednesday where it conveyed Israel's latest compromise proposals to the Egyptian authorities. Sofaer is expected back in Israel this week or early next week with the Egyptian response.

Israel and Egypt have agreed to submit the Taba dispute to international arbitration. They have yet to agree on the terms of reference of the arbitration panel and its composition.

Premier Shimon Peres told the Knesset's Foreign Affairs and Security Committee earlier in the week that the Sofaer mission had some chance of success. He predicted that "A new chapter in relations between Israel and Egypt will open after the compromise has been signed." He said he has received messages to that effect from Egyptian President Hosni Mubarak.

ARABIC PAPER FACES CLOSURE

JERUSALEM, July 9 (JTA) -- The editor of the East Jerusalem Arabic newspaper Al-Mithak has appealed to the Jerusalem branch of the Israel Journalists Association for help to block the shut-down of the daily on grounds that it is a front for a terrorist organization.

Mahmoud Khatib, who edits Al-Mithak was notified by Jerusalem District Commissioner Rafael Levy this week that the Interior Ministry is considering closing the newspaper because it was "guided" by the Popular Front for the Liberation of Palestine, a terrorist group headed by George Habash and based in Lebanon. Similar notification was sent to an associated publication, the Arabic weekly Al-Ahd.

The editors of both were summoned to the commissioner's office next week to argue why the closures should not be ordered. Khatib launched a public campaign to avert closure and met with Journalist Association's Executive Board. It was the first time an Arab editor sought help from Israeli colleagues. Khatib told them that his paper has never had connections with any terrorist organization.

SPECIAL TO THE JTA
SOUTH AFRICAN ZULU CHIEF
IS ARDENT SUPPORTER OF ISRAEL
 By Charley Levine

ULUNDI, Kwazulu, South Africa, July 9 (JTA)—The man who could well emerge as South Africa's first Black President is an outspoken supporter of Israel.

"Israel is indeed a land of miracles," enthusiastically declared Chief Mongosuthu Gatscha Buthelezi, who claims the support of South Africa's largest ethnic group, the six million Zulus, whose ancestors fought the British in the 19th century. "It is miraculous to see what Israel has achieved in 38 years in the face of great adversities and hostilities."

Regarded by more radical Blacks as an apologist for apartheid by liberal whites as an authentic voice for compromise, and by the South African government itself as a responsible, but annoyingly independent champion of Black power and pride, Buthelezi has led the proud Zulus for 30 years. He is chief minister of his tribe's important Buthelezi clan, and head of Inkatha, a militant cultural-political organization that boasts a paid-up membership of a million.

Inkatha activists wear military-style uniforms, attend demonstrations armed with spears, clubs and shields, and have engaged in several, well publicized bloody clashes with followers of the outlawed African National Congress (ANC), an organization committed to the violent overthrow of white rule in South Africa.

Attitude Of The ANC

In sharp contrast to Buthelezi's Inkatha movement, the ANC, which admits to Soviet backing, has adopted a generally anti-Western and specifically anti-Israeli line. South African officials attribute the ANC's position on Israel to support that the underground group has reportedly received from the Palestine Liberation Organization and Libya.

According to both South African and Israeli experts on international terrorism, the PLO and the Libyans have provided the ANC and the smaller, perhaps even more radical, Pan African Congress with arms, money and military training and logistical support for over five years.

"I would say that Libya's Colonel Qaddafi is today part of the ANC," Buthelezi said during the course of a lengthy interview conducted at his ministerial headquarters in Ulundi, capital of Kwazulu. "The ANC describes itself as anti-Zionist, not anti-Semitic, like many African groups. But anti-Zionism and anti-Semitism are one and the same thing. I have always found."

"Anti-Zionism, equating Zionism with racism -- all this is really a cover for anti-Semitism. It's an abhorrent, abominable thing."

Views Israel As A Model

An articulate, urbane leader, who advocates power sharing for South African Blacks, instead of revolution, and remains committed to non-violent change -- for practical as well as moral reasons -- Buthelezi makes no secret of his admiration for Israel and his view of the country as a model for other developing nations.

"I am deeply inspired by what I saw in Israel," he said, referring to his visit there last year. "I returned home with increased hope and a realization

that people facing adversity can become ingenious beyond all predication. In addition, visiting Israel for me, my wife and those who accompanied us was a very special spiritual experience for us as Christians."

He said that he was moved in particular by his visit to Yad Vashem, the Holocaust memorial in Jerusalem, adding that as a result of the visit and his reading of the history of the Holocaust he is especially sensitive to the newly-risen strength of the neo-Nazi AWW, an Afrikaner extremist group that sports brown-shirted uniforms and waves swastika-like banners.

"They really cause my flesh to crawl because I say, 'God help us if we're going to have a repeat performance of that kind of racism which cost the world so many lives,'" Buthelezi said.

Buthelezi is quick to take issue with Anglican Bishop Desmond Tutu, who recently likened apartheid to the Nazis' genocidal program. "One can hardly say apartheid is the same as Nazism," the Zulu chief said. "I mean, apartheid is based on a racist premise and bad enough, but it's hardly murderous."

He pointed out that while the Nazis sought to exterminate the Jews, South African policy seems bent on preserving its Black majority, but as second class, or subservient, citizens.

South Africa And Biblical Egypt

"I believe as you do in the God of Abraham," Buthelezi declared, "and I believe that we are all creatures of His creation. The Jewish people may not be in a position to know the extent to which the Black people identify their situation in South Africa with that of the Israelites in biblical Egypt, the land of bondage. We often hear Blacks ask, 'When are we going to get out of Egypt?'"

Buthelezi's friendship for Israel is music to the ears of many South African Jewish leaders, who have grown increasingly concerned over the prospects of an ultimate ANC victory and the establishment of a pro-Soviet regime. Zionist Federation chairman Moshe Friedman has said that the Zulu leader "illustrates statesmanship, peaceful change, conciliation, the rejection of violence and discrimination."

"Buthelezi is a moderate with millions of followers, and as such, he holds one of the keys to a longterm political solution of South Africa's problems," says the president of both the South African Board of Jewish Deputies and South African B'nai B'rith, Dr. I. Abramowitz. "His problem is that he's seen as sending signals out to whites that he is prepared for gradual change. That is not acceptable to many Blacks in the climate we face today."

Positive Impression Of South African Jews

Buthelezi's pro-Israeli stance seems rooted in his positive impression of South African Jews. He explained that as a young man, he admired the Jews at Adams College who belonged to the progressive Institute of Race Relations. He was a guest in the home of veteran civil rights crusader and opposition parliamentarian Helen Suzman, and later frequented the home of Arnold Zulman, in nearby Durban.

"Zulman remains one of my closest friends even now," Buthelezi said. "His house was like my home because I could not stay in a hotel, and he opened the doors of his house to me. I remember that he received a telephone threat from some whites at that time, more than 10 years ago, threatening him because he was my friend."

The Zulu leader recalled attending "shul in Durban many times. When I stayed with the Zulmans I went to shul, and also attended the Bar Mitzvas of their children." When Buthelezi's mother died last year, Zulman took part in her funeral. Buthelezi said it touched him deeply.

Today, Buthelezi's closest Jewish confidant is Rowley Arenstein, 68, who holds the distinction of having been the first radical attorney banned by the Nationalist-led government after it came to power nearly four decades ago.

No longer a practicing lawyer, Arenstein is a frequent visitor to Buthelezi's Ulundi headquarters. "No white person in Durban is as concerned with our cause generally as in practice as he is," Buthelezi said.

WALDHEIM GETS 'JUST DESSERTS'

By Margie Olster

NEW YORK, July 9 (JTA) -- The menu fit the day. While the main course -- Kurt Waldheim's inauguration as Austria's new president--was served in Vienna, Jewish student protesters outside the Austrian Consulate in New York served up "just desserts": strawberry short-memory cake, fudged dates, I Scream and Clean-up Operations Sponge Cake to commemorate the day.

Elsewhere in New York Tuesday, Brooklyn District Attorney Elizabeth Holtzman continued her campaign urging the U.S. government to bar Waldheim from entering the U.S. during a protest at the Isaiah Wall opposite the United Nations.

About a dozen students from the Jewish Students Network shirked the near-100 degree afternoon heat in midtown Manhattan and gathered around a table with lavish desserts facing the Austrian Consulate.

Among the literature spread across the protestors' table were menus entitled "Following Orders and Selections." The desserts baked by the student protestors included Talk-late-tip cookies, Morality Upside Down Cake, Impeach Pie A La Mode with Wald-Naz, Seven Liar Cake and Blackout Cake.

Alan Orlich, one of the protest organizers, said the demonstrators wanted "to show how they've (Austrians) perverted culture. We want people to understand that they've made a mockery of a great culture," Orlich said.

After the protestors delivered a "menu" to the Austrian Consulate, a curious clerk came out to survey the sweet table. The clerk, who said he knew Waldheim personally, said Austrian Jews are in a "sandwich." He conceded that "there is anti-Semitism" in Austria but added that two Jews worked in the consulate here.

The man, who asked not to be identified and stressed that he was offering his personal opinions only, said Waldheim's best political strategy was to make people feel "if he is guilty, we are guilty." He cited a speech in which Waldheim told an Austrian audience "When I am a Nazi, you are a Nazi."

Protest Rally At The UN

Meanwhile, Holtzman told a crowd of about 200 people, including Holocaust survivors and their children, that "Waldheim's election and inauguration are an affront to those who sacrificed to defeat Hitler and his Nazi cohorts and those who were the victims of their murderous rage as well as those everywhere who are committed to justice and decency."

She was referring to a growing body of documentary evidence recently brought to light that Waldheim was involved in atrocities against civilians and the deportation of Greek Jews when he served as a Wehrmacht intelligence officer in the Balkans during World War II.

"Although the Austrian people have gathered today to honor the former Nazi, Waldheim, the rest of the world must condemn him," Holtzman said.

She explained that "the President of the United States must bar Waldheim from entering this country" because "both U.S. law and international conventions and treaties allow this. Morality mandates this. Our country should not welcome any person, whatever his or her office, who assisted in Nazi atrocities," Holtzman said.

Members of various Jewish and religious groups participating in the rally included the American Jewish Congress, the International Network of Children of Jewish Holocaust Survivors, Holocaust Survivors U.S.A., The Generation After, the Simon Wiesenthal Center, the New Jewish Agenda, American Gathering and Federation of Jewish Holocaust Survivors and East Brooklyn Churches.

SHCHARANSKY CRITICAL OF ISRAEL'S POLICY REGARDING SOVIET JEWRY

JERUSALEM, July 9 (JTA) -- Natan Shcharansky charged Tuesday that the Israeli government is avoiding a comprehensive public campaign on behalf of Jews in the Soviet Union.

His statement before a Knesset subcommittee on Soviet Jewry was Shcharansky's first criticism of Israel policy since his arrival here last February 11 after nearly nine years in Soviet prisons and labor camps.

The internationally famous aliya activist and dissident told the Knesset panel that Israel should exert heavier pressure on the U.S. to act for Soviet Jews "so that at the next summit, the American press will write more about the anti-Soviet demonstrations and less on the dress of Mrs. Gorbachev."

His caustic comment was a reference to the excessive media attention given the costumes of the wife of Soviet leader Mikhail Gorbachev when she accompanies her husband on visits to the West.

NURSES CONTINUE THEIR STRIKE

TEL AVIV, July 9 (JTA) -- Representatives of 11,000 striking hospital nurses walked out of a meeting at Histadrut headquarters here Wednesday evening shortly after a compromise seemed to have been reached to end the strike which began June 23. Nevertheless, hope was expressed that the end of the strike may be imminent.

It hinges on whether the strike committee accepts the negotiations formula proposed by Histadrut Secretary General Israel Kessar. The nurses representatives who left the talks said they would have to report to their strike committee.

A sticking point is what the nurses termed the government's unwillingness to consider payment for their "annual summer vacation" taken during the past two weeks. That terminology was adopted to get around the hospitals' refusal to pay the nurses for the days they were away from their jobs.

The strike was called originally to obtain recognition of the hospital nurses' union as their sole bargaining agent. When that point was won, however, the strikers demanded that the government agree to negotiate wage increases, larger nursing staffs and better working conditions.