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ISRAEL'S RELATIONSHIP WITH SOUTH AFRICA TO BE PHASED OUT By Gil Sedan

JERUSALEM, March 19 (JTA) -- The Inner Cabinet decided after protracted debate Wednesday to phase out Israel's relationships with South Africa, particularly its trade in military equipment and technology.

Although there will be no abrogation of current military contracts, Israel will not enter into new ones with the Pretoria regime. Overall relationships with South Africa will also be reduced over a period of time. Details of the new policy will be worked out by a special Cabinetappointed team which will have two months to complete the task.

Those decisions represent Israel's response to possible reprisals by the U.S. Congress against countries selling weapons and military equipment to South Africa. Congress enacted sanctions against South Africa over President Reagan's veto and appears likely to cut off or reduce American aid to countries that continue to do business with the apartheid government.

According to press reports, the value of existing military contracts with South Africa is estimated at between \$200 million and \$500 million annually, most involving transfer of technology rather than weapons.

Opposing Views On Sanctions

Despite that threat, the Inner Cabinet (five Labor and five Likud Ministers) took five hours of sometimes heated debate to reach its decisions. Likud Minister of Commerce and Industry Ariel Sharon spoke for the ministerial faction opposed to sanctions. He maintained that Israel could stand up to American pressure on the issue.

But Foreign Minister Shimon Peres warned that Israel's international standing could suffer if it refused to join the West in sanctions. He was especially wary of Israel's relations with the U.S., already strained by the Jonathan Pollard spy case and the Iran-Contra arms sale scandal.

Surprisingly, Peres won the support of both Premier Yitzhak Shamir and Defense Minister Yitzhak Rabin.

The new policy will deprive Israel of South African coal on which it relies heavily for its electric power plants. Peres said, however, that Israel could fill its coal needs from the People's Republic of China or Australia.

PERES INDICATES THAT ISRAEL'S DECISION ON SOUTH AFRICA WAS PROMPTED BY CONCERN FOR U.S. VIEWS By Gil Sedan

JERUSALEM, March 19 (JTA) -- Vice Premier and Foreign Minister Shimon Peres, defending the Cabinet's decision to phase out Israel's military relationship with South Africa in the Knesset Thursday, appeared to indicate that the government was acting out of concern for American

The new policy (see separate story) came under attack from left-and rightwing Knesset members. Likud's Benny Shalita said the government's decision was hasty and amounted to capitulation to liberals in Israel and the West.

Yair Tzaban of Mapam and Yossi Sarid of the Citizens Rights Movement (CRM) charged. on the other hand, that the government's action was too little and too late. They warned that U.S. aid to Israel would be jeopardized when the full extent of Israel's arms deals with South Africa becomes known and that Israel would "pay dearly" for its past policies when the apartheid regime is ultimately overthrown.

Geula Cohen of the Tehiya party said that while she supported the government's decision, it looked too much like surrender to American pressure, which she opposed in principle. According to Cohen, this could lead to pressure on other issues, such as the Palestinian problem.

Peres Responds To Critics
Peres dismissed as "a bare-faced lie" the claim by Communist MK Meir Wilner of nuclear cooperation between Israel and South Africa.

To Tzaban and Sarid, he said "your fine words will not protect us against embargoes, nor maintain our security." He added that it was hypocritical to portray Israel as South Africa's main arms supplier. "Is it Israel that supplies South Africa with Mirage fighters, Centurion tanks or artillery?" he asked, referring to a French combat plane and a British tank.

Responding to Cohen, Peres said "All your talk about keeping a straight back and standing up to the Americans is nonsense. As long as the USSR continues to pour arms into the Arab countries, Israel will need another power to supply her with arms."

Israel, he said, must take American views into account because no other nation shows more consideration for Israel.

CABINET UNIT SUFFERS SETBACK IN PROBE OF THE POLLARD AFFAIR By Gil Sedan

JERUSALEM, March 19 (JTA) -- Three Israeli diplomatic officials believed to have been associated with Jonathan Pollard's espionage activities in the U.S. have refused to appear before the Cabinet-appointed committee investigating the government's role in the Pollard affair on grounds that they might incriminate themselves.

The officials are Yosef Yagur, former Scientific Attache at the Israel Consulate General in New York; Ilan Ravid, former aide to the Scientific Attache at the Embassy in Washington; and Irit Erb, a former secretary at the Scientific Attache's office. The three left the U.S. immediately after Pollard was arrested by federal agents in 1985.

Their lawyer, David Libai, stated in a letter to Premier Yitzhak Shamir Wednesday that his clients would not appear because "their rights will not be safeguarded."

It was the first setback suffered by the two-man body consisting of Tel Aviv lawyer Yehoshua Rotenstreich and Gen. (Res.) Zvi Tsur, a former Chief of Staff, and it may prove fatal. Rotenstreich made it clear that the investigation

could not proceed without the full cooperation of all parties concerned.

The committee, established by the Inner Cabinet last week, has no powers of subpoena and cannot require witnesses to testify under oath. Foreign Minister Shimon Peres has said the government would abide by its recommendations, though not required to by law.

The panel has been criticized as toothless. Opposition MK Yossi Sarid remarked Wednesday that "either there will be an investigation or else it is going to be a farce."

PROSECUTION IN DEMJANJUK TRIAL TO SEEK WITNESSES IN BELGIUM, W. GERMANY By Hugh Orgel

TEL AVIV, March 19 (JTA) -- The prosecution in the case of accused war criminal John Demjanjuk won approval Thursday to seek permission from the authorities in Belgium and West Germany to question residents who may have evidence pertinent to the trial.

The three-judge panel agreed to the prosecution's request as the trial of the Ukrainian-born former American citizen ended its fourth week in Jerusalem district court. The State Prosecutor's office is expected to send officials to Belgium and West Germany in the near future, but procedures for such a move remain to be established.

Legal circles said the questioning of witnesses abroad might be carried out by a team of prosecution and defense lawyers. The court rejected a defense motion to read into the record evidence submitted to an American court in the 1978 denaturalization trial of Ukrainian-born Feodor Fedorenko who, like Demjanjuk, allegedly was a guard at the Treblinka death camp.

Presiding Justice Dov Levin said it was clear from the outset that a judgement by an American court was inadmissable but the defense could bring witnesses from the American court here to testify.

TRIAL OF VANUNU POSTPONED By Hugh Orgel

TEL AVIV, March 19 (JTA) -- The trial of Mordechai Vanunu, scheduled to open in Jerusalem district court this week, was postponed Thursday because of a dispute between the defendant and his lawyer. No new date was announced and legal observers doubt the proceedings will begin until late next month.

Vanunu, a former technician at the Dimona nuclear facility, is accused of selling secret material about Israel's alleged nuclear weapons capabilities to a British newspaper. He and his family fired defense attorney Amnon Zichroni over differences in defense strategy.

Zichroni prepared a purely legal defense. Vanunu demands that his trial be made into a public forum against Israel's nuclear research and development programs. The court has not officially accepted Zichroni's dismissal. If a new lawyer is named he will need time to familiarize himself with the case.

The court also must decide on Vanunu's request that certain evidence considered classified by the prosecution be made public. The trial will be conducted in camera because of the sensitive nature of the evidence.

SOVIET DOCUMENTS ON NAZI WAR CRIMINALS SAID TO BE VALID By Susan Birnbaum

NEW YORK, March 19 (JTA) -- Repeatedly in the cases of alleged Nazi war criminal John Demjanjuk, in Israel, and admitted Nazi Karl Linnas, in the United States, voices have been raised against the use of wartime documents provided by the Soviets for use in the proceedings, which has been challenged and denounced by those who say the Soviets cannot be trusted to provide truthful evidence.

Apprehension about such usage was negated Tuesday by Martin Mendelsohn, a Washington attorney who serves as counsel to Simon Wiesen-thal in Vienna as well as to the Los Angelesbased Wiesenthal Center.

Mendelsohn, addressing the Jewish Community Relations Council Holocaust Commission, said that although Linnas -- who as of this writing still remains in the U.S. despite court orders to deport him -- "tried to raise a smokescreen that somehow his conviction in the U.S. courts was a result of Soviet evidence. While some Soviet evidence and Soviet material was used in preparing U.S. evidence, in fact, there's very little of that."

Evidence In The Linnas Case

In the Linnas case, Mendelsohn said, "evidence was used which came in part from the Soviet Union and in part from other places in the world. But all of that evidence was presented to the court under existing U.S. federal rules of evidence, and was examined by the U.S. district court judge according to those rules and found to be valid under those rules," and admitted as such.

Linnas and his lawyers, said Mendelsohn, did not rebut the evidence despite being "given every opportunity under our system to prove that it was false, to show if there was a mistake, to show that there might be some misinterpretation." The U.S. judge, he emphasized, "found the evidence overwhelming and essentially unrebutted."

Above all, said Mendelsohn, the two men have been tried not so much on the basis of this evidence but on the testimony of eyewitnesses from Treblinka death camp in Demjanjuk's case, and Linnas's "unrebutted confession" made to a newspaper reporter in 1961 and "to one of his neighbors more recently."

Issue Of A Soviet Identity Card

Mendelsohn spoke specifically about the identity card provided Israel by the Soviets which places Demjanjuk at the Trawniki training camp, which the SS used to train Soviet POWs to be "good concentration camp guards." This card, said Mendelsohn, "whether it's genuine or not, really doesn't matter." Sole use of that card as evidence could probably not prove Demjanjuk's guilt or identity as "Ivan the Terrible," Mendelsohn feels. "It is the six eyewitnesses. . . who testified to the atrocities that he committed" that will prove the case, he said. "What Demjanjuk's lawyers have been able to do, however," he said, is "engage in media manipulation," making the card central to the case. "But it is not." Demjanjuk was repeatedly given the opportunity in Cleveland, six years ago, to prove the card false, "a piece of KGB disinformation.

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And he did nothing. He produced no witnesses, he produced no contrary evidence. He did play the press," Mendelsohn said, but "the judge was not deceived.

"The judge knew that the government had produced experts to testify that the card was genuine and accepted it as genuine. The reason he accepted it as genuine was because he believed the U.S. witnesses and because Demjaniuk's lawyers, despite what they said outside the courtroom, did nothing to refute the genuineness of that card. That's a very important point that has been lost."

Mendelsohn said he is "not apologizing at all" for using Soviet evidence. "I think it's good stuff."

SPECIAL INTERVIEW THE NEED FOR MORAL COURAGE By Yitzhak Rabi

NEW YORK, March 19 (JTA) -- MK Rafael Eitan, a leader of the ultra-nationalist Tehiya Party and a former Chief of Staff of the Israel Defense Force, charged that the Israeli government "does nothing to encourage aliya." He said that Israel lacks "the moral justification" to ask the Jews of the world to come and live in Israel. while so many Israelis leave Israel to live abroad.

"They (the leaders of Israel) do nothing to attract new olim and to stem yerida (emigration of Israelis)," Eitan said during an interview Thursday with the Jewish Telegraphic Agency here. He said that the Jews of the world do not come on aliya because of the government's red tape, Israel's "deteriorating" education system, and because "no new settlements are built in Eretz Yisrael."

Eitan, who served as head of the IDF during the controversial Lebanon war, argued that two factors determine aliya: severe, violent anti-Semitism, such as the Holocaust; or idealism of would-be olim, who want to come and be "pioneers" in Israel.

"Today, thank God, we don't have a Holocaust. But those idealistic Jews who want to come and build new settlements, cannot do it because the government does not build new settlements. Israel, therefore, is not attractive to them. . .

Eitan scoffed at the suggestion made Wednesday in Jerusalem by Absorption Minister Yaacov Tsur that direct flights from the USSR and Eastern Europe to Israel be established as a way of curtailing the "neshira" (dropout) of Soviet Jews who do not settle in Israel after leaving the Soviet Union.

"Well, I ask the Minister, what would he do then with Soviet Jews who refuse to stay in Israel? You can't build an aliya movement on a direct flight from one country to another . . . The issue is deeper than that. Today's Israel does

not attract the Jews."

Laments Lack Of Values

Eitan lamented the lack of values in Israeli society today. He said that the situation is a direct result of a failed education system. He warned that unless major improvements are undertaken in the field of education, the situation may have a devastating effect on the future of the Jewish State.

"Education must be Israel's top priority, even before security," he said. "When it comes to Israel's defense, things and mistakes can be corrected in a relatively short time. But if you

fail in education, you have to improve on things gradually and step by step during many years.

"The government should allocate for education all the money needed. The teaching profession must be given top priority in Israel and only the best should be recruited as teachers. If we will start now -- there are 20 years of work ahead of us. Israeli society has lost many values. The leadership did not know how to keep and preserve values, Zionist, nationalistic values, values of work, national honor, values of modest consumption."

But, Eitan stressed, the education system in Israel has also failed in teaching tens of thousands of children, who have grown to be illiterate adults lacking basic reading and writing skills. He said he does not believe that the present government is going to do anything to improve the situation. "If anything, they make it worse," he charged.

West Bank Settlements Do Not Impede Peace

Eitan, who advocates the annexation of the West Bank to Israel and believes that Israel has the sole right to the whole Land of Israel, said that it is "nonsense" to believe that if Israel leaves Judaea and Samaria, then there will be peace in the Mideast.

"Did any Arab come to make peace before the Six-Day War when we did not control Judaea and Samaria? Why should they make peace if we withdraw? If they wanted peace so much they could have made it before June 1967. The simple truth is that the Arabs do not want peace at all. Only when they realize that they can never defeat us, only then they will start to move toward peace," Eitan said.

He said that he does not believe in formal peace agreements, and that he prefers de-facto peace between Israel and its neighbors.

"Look," he said, "we have a peace treaty with Egypt, but we have better relationships with Jordan than with Egypt. We have developed trade, tourism and dialogue with Jordan. Who needs more? Besides, King Hussein knows that once he signs a formal peace treaty with us he is doomed. He will be killed like Sadat and it will be the end of his kingdom."

Eitan, who left for Israel Thursday night after a five-day lecture tour here, declined to discuss any aspect of the Jonathan Pollard affair. He said, however, that he has a great deal of criticism of the Israeli government's part in the affair, but, he stressed, "I intend to make all the criticism only when I am back home."

CORRECTION: Due to the garbled transmission from Israel, David Landau was incorrectly identified as the author of articles on a Cabinet meeting and the criticism by Anti-Defamation League of B'nai B'rith leaders of the way Israel has handled the Jonathan Pollard affair. Hugh Orgel wrote both stories which appeared in the March 12 Daily News Bulletin.

NEW YORK (JTA) -- A Medical Action Committee to provide support for refuseniks with medical problems, and for refuseniks who are physicians or health care professionals, has been formed by the National Conference on Soviet Jewry.

REFUSENIKS ASK FOR RIGHT TO EMIGRATE

NEW YORK, March 19 (JTA) -- Eight longterm refuseniks in Leningrad, tired of waiting for their exit visas to emigrate to Israel, sent a telegram to Soviet leader Mikhail Gorbachev on Monday. They wrote:

"We, a group of Leningrad Jews, have a problem for many years for the right to leave for Israel, for the right to be reunited with our relatives and with our friends, our people. However the Soviet officials again and again say no to our legal appeal, violating the international deals of the Civil Rights and Helsinki Agreements, both of them signed by the Soviet Union.

"They keep telling us that the interests of such a great superpower as the USSR will suffer if we find at last our families, our homes, and possibility to plan our future by ourselves, and bringing up our children as we prefer. We are living examples of the divergence between the proclaimed course of democratization and reality in the case of emigration policy.

"Years in refusal don't pass without damage to us. Our chances to begin a new, successful life are decreasing. Our health is getting worse. We have little hope to solve our problems.

"On the 23rd of March we shall go on demonstration, with the demand to give us exit visas. We can't and don't want to wait any more. If not now, then when?"

The eight who signed the telegram are: Leah Shapiro, Michael Baizer -- just fired from his job, and this week in Moscow demonstrating for refuseniks -- Elena Keiss-Kuna, Abba and Ida Taratuta, Boris Lokshin, Nelly Shpeizman -- whose husband, Yuri, suffers from cancer -- and Inna Rozanskaya (signed a "Wife of Boris Lobonikov").

N.Y. POLICE INVESTIGATING VANDALISM AT JEWISH CEMETERY

NEW YORK, March 19 (JTA) -- A police detective was pessimistic Wednesday about finding any solid leads in his investigation of the upsetting of about 100 tombstones Monday night in the Mount Lebanon Cemetery in Queens.

The Jewish cemetery, containing 78,000 graves, had suffered no significant vandalism in several years, according to a spokesman who declined to identify himself when the Jewish Telegraphic Agency called.

As no graffiti was found, he did not suspect anti-Semitism as a motive, and noted that nearby non-Jewish cemeteries also are victims. Vandalism, he said, "is almost impossible to stop."

Detective Daniel Daly of the 104th Precinct said "it seems to be an isolated incident. There doesn't seem to be any anti-Semitism." He was not aware of any other incidents of vandalism at Mount Lebanon or any neighboring cemeteries.

Daly said police dusted the area for fingerprints and took acrial photos, but because of the nature of the crime, "It will be very difficult to find" the vandal or vandals. He suspected teen-

The Jewish Defense Organization sent about 25 people armed with licensed firearms and baseball bats to guard the cemetery Tuesday night and plans to continue the vigil, JDO leader Mordecai Levy told the JTA.

The cemetery spokesman said "There is no reason" for their presence. Daly cautioned against the use of vigilante tactics.

U.S. DEPENDENCE ON MIDEAST OIL CREATES POTENTIAL FOR A NATIONAL SECURITY THREAT, WARNS REPORT By Judith Colp

WASHINGTON, March 19 (JTA) -- Increasing United States dependence on Middle Eastern oil is creating the potential for a "national security threat in the next decade," a Reagan Administration official warned Tuesday.

"Although lower oil prices have benefited the economy in the short-term, there is justification for national concern over both the declining competitiveness of American oil and gas and over rising imports," said Secretary of Energy John Herrington in releasing a report on energy secur-

The report, which was submitted to President Reagan, states that the Persian Gulf is expected to supply between 30 and 45 percent of the world's oil by 1995.

"Over the longer term, U.S. oil imports could exceed the range they reached in the mid-1970's," the report states. "U.S. net oil imports (could reach) in the range of 8 to 10 million barrels per day -- about one half or more of total projected U.S. oil consumption." The bulk of this oil comes from the Persian Gulf nations.

Oil imports are currently 33 percent of U.S. consumption.

The report warns that "recent Middle East history shows that oil supplies there can be interrupted" as they have been 15 times since 1950 such as during the Iranian revolution and the Iran-Iraq War.

A "politically inspired oil embargo" such as occurred in 1973-4 during the Yom Kippur War is not a "significant threat," although it could become one if oil imports increase, the report

"Although there is only a small risk of a significant disruption that could cause another sharp increase in oil prices in the near term," the report says, "many of the political, social and military factors that led to sharp disruptions are likely to persist in the future."

The Department of Energy stops short of supporting an oil import tax, noting that for a \$10 barrel fee the GNP would lose as much as \$273 billion from 1988 to 1995, said Herrington. An oil import fee would also cause U.S. businesses to pay higher energy costs than international competitors and would hurt U.S. export sales, said Herrington.

Herrington said he supports tax initiatives to increase U.S. production such as the elimination of the windfall profits tax, deregulation of natural gas and electricity, development of coal, and regulatory measures on nuclear power to restore its economic vitality.

The Department of Energy report notes that while other fuels such as coal, natural gas, nuclear power and renewable resources will increase their share of world energy consumption, oil will remain the most important fuel in the 1990's.

TEL AVIV (JTA) -- The Knesset marked International Women's Day Tuesday by enacting a law equalizing the retirement age of women and men. Until now, men retired at 65 and women at 60. Under the new measure, women may work until age 65 unless they choose to take their pensions at 60.