

THE JERUSALEM POST

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PRICE: 35 AGORA;
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GOV'T SAID IN ACCORD ON OUTLINE OF PEACE

By SHALOM COHEN, Jerusalem Post Diplomatic Reporter
Israel is now entering a tense and protracted period of diplomatic activity in the wake of the cease-fire. Intensive debate is expected both here and abroad on the territorial and political consequences of the war.

ISRAEL LOST 679 KILLED, 2,563 WOUNDED

The Army spokesman announced last night:

The Israel Defence Forces salute the memory of the heroes who fell in this war and who were instrumental in achieving victory.

Our losses in the war up to and including Sunday, June 11, 1967, were: 679 killed;

2,563 wounded, 255 of them with medium to serious wounds, while the remainder were lightly wounded.

Jordan lost up to 50% of army, says Beirut doctor

BEIRUT (UPI) — A Lebanese doctor who headed a medical team treating war wounded in Jordan estimated here last night that between one-third and half of Jordan's 65,000-man army were casualties.

Dr. Jamal Bihazi led a team of Lebanese doctors from the American University Hospital in Beirut. He said in the hospital at Sakib, Jordan, 100 patients were treated in 24 hours and 80 per cent of these were military. About 25 per cent of the wounded, the doctor said, were soldiers being treated for Napalm burns.

It was impossible to estimate civilian casualties, the doctor added, because most of these were left in the Israeli-occupied West Bank of the Jordan river.

DE GAULLE SEEN LIFTING ARMS BAN

By JACK MAURICE
Jerusalem Post Correspondent

PARIS — President de Gaulle is expected to order an early removal of the ban on French arms sales to the Middle East — of which Israel has been the only victim — in order to prevent U.S. and Britain getting Israel's aircraft orders.

Officials here appear to be highly embarrassed by the arms embargo. The state radio deliberately muted references to the origin of the Israeli Air Force jets until their supremacy was assured, then triumphantly vaunted the contribution of French workmanship and techniques to Israel's victory.

This uneasiness was highlighted yesterday by the pro-Government "Journal du Dimanche," which commented, "only an objective study, which cannot be possible until military secrecy is lifted, can say if this embargo has been really harmful to Israel. On the French side it is readily stated that the ban could have had effect only in the long run, whereas Israel never envisaged anything other than a lightning campaign."

"It is added that the Israelis stocked up on French arms, and planes left for Israel only two days before hostilities were unleashed."

The week-end demonstrations here over the Mid-East crisis included pro-Israel rallies in Marseilles and Toulon, and a gathering of hundreds Arab students outside the Syrian Embassy here shouting "Long live Nasser and Arab revolution."

Iran wants Israel to return areas seized

TEHERAN (AP) — The Shah yesterday ordered Prime Minister Amir Abbas Hovsida to launch a diplomatic campaign through the U.N. for the return of Arab territories occupied by Israel, an Iranian Government spokesman said. He said the Shah also ordered immediate air dispatch of 15 tons of medicine to Jordan. Two plane-loads of blood plasma were sent to Iraq yesterday morning, officials said.

N.Y. RALLY HEARS CALLS FOR MID-EAST PEACE

NEW YORK (INA) — A capacity crowd of 20,000 at Madison Square Garden last night paid from \$10 to \$100 — with boxes ranging from \$1,500 to \$2,000 — to hear Mrs. Golda Meir and New York Senators Jacob Javits and Robert Kennedy call for new initiatives to secure peace between Israel and the Arab states.

MORNING AFTER THE WAR

THE removal of an immediate threat of destruction to Israel will doubtless be considered not only by Israel's enemies, but also by her so-called friends, as a welcome opportunity to renew balance-of-power stratagems with little concern for the resultant political instability. The hypocritical sequel to the Sinai Campaign may be attempted again and strong nerves and the utmost unity will be required to foil it.

The wave of sympathy with this country which swept many Western nations while Israel appeared to be in great danger is therefore likely to be followed by indignation at the refusal to give up dearly bought advantages, and revert to the accepted role of victim.

In the wake of the shooting war with the Arabs we may have to face a species of cold war with other nations. Though it is still impossible to say what form it may assume, and whether any attempt might be made to impose sanctions, we cannot afford to disregard the possibility of unfriendly gestures — whether under U.N. auspices or under some other flag of convenience — intended to embarrass Israel and weaken her stand.

The extent to which we will benefit from our military victory will therefore depend crucially upon our ability to hold our own in other respects — primarily economically. In the past Israel has never been able to afford to disregard any threat to the smooth flow of aid — public and private — upon which our economy has come to depend.

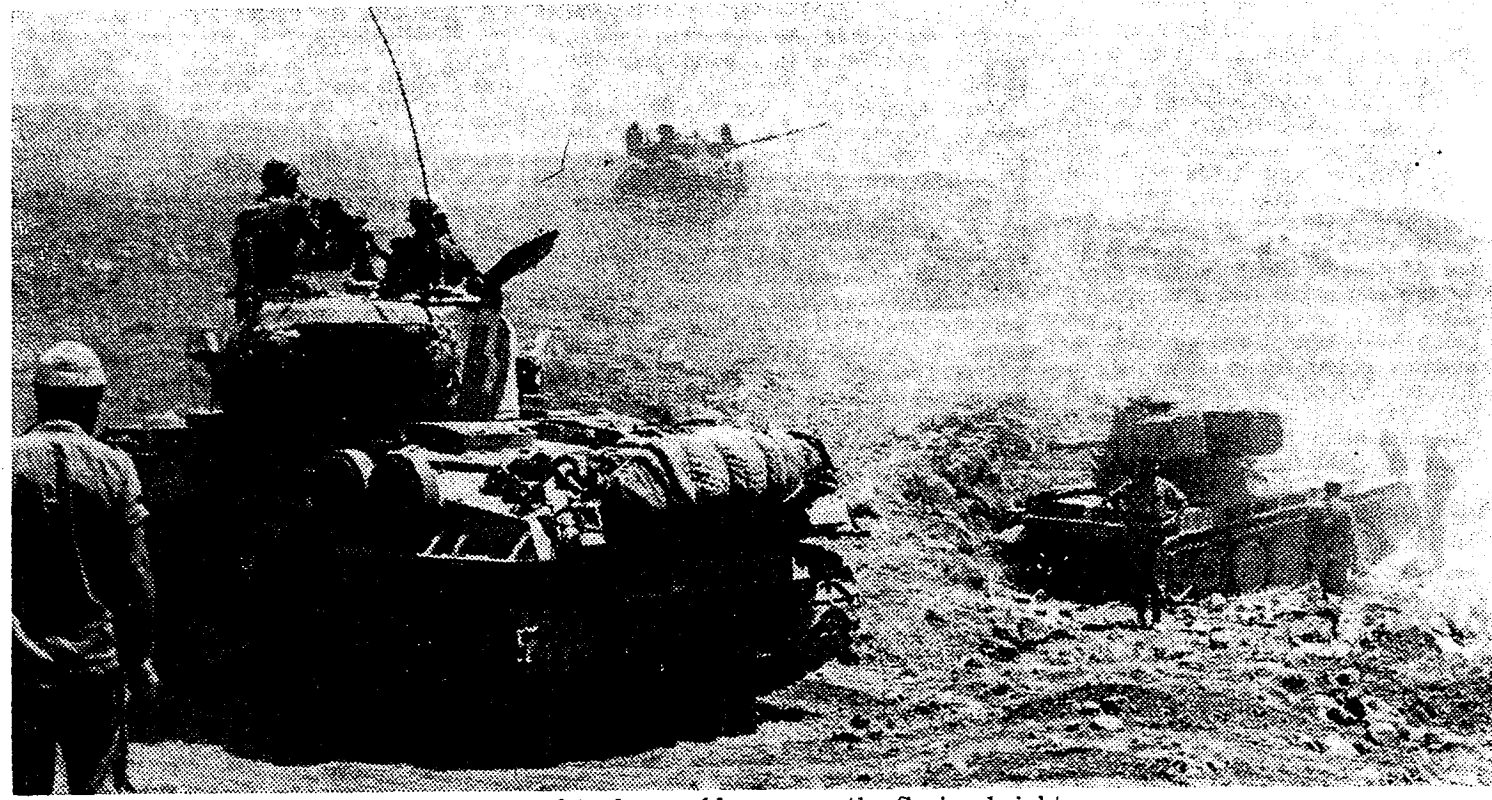
To some extent this continues to be the position. The rapid rise of living standards and the inflated cost of production which hinders exports have widened our foreign trade gap, and thus have made us particularly dependent upon inflow of foreign funds. And now the war effort — including the cost of military hardware, the maintenance of a large army in the field, and the dislocation caused by the call-up to normal production — must impose a great additional burden on the Israeli economy. It is in view of this development that a huge new loan drive — aimed at raising \$500m. — has been launched abroad, and that world Jewry has been asked to make an extraordinary financial contribution towards this emergency.

The simplest indicator is the nation's dollar reserves. At the end of 1967 they amounted to about \$50m., while the trade gap was then about \$300m. The reserves thus were equivalent to the average trade gap for two months. In 1966 the trade gap was about \$450m., including all — or part — of strategic purchases. In the current year it was expected to drop to approximately \$410m., though this forecast has doubtless been upset by the recent developments (urgent strategic purchases, interruption of the tourist season, etc.). But should the deficit even come to, say, \$500m., the whole of it could be easily covered from our present dollar reserves, which amounted to about \$730m. at the end of December last. If worse comes to worst Israel could thus pay its way for over a year, not for a few weeks as a decade ago.

Another positive trend should also be borne in mind. While Israel is still heavily dependent upon foreign aid, less of it comes now in form of outright gifts. In 1967 U.S. grants-in-aid, loans of U.S. agencies, and transfers of the U.J.A. accounted for almost 40 per cent of the then trade deficit. In 1966 the figure was only 20 per cent. Indeed, U.S. grants have virtually ceased, while Eximbank and World Bank loans depend on economic as much as political considerations. The U.J.A. is still important as a source of funds, but much less so than in the past, and under the present circumstances the American government is unlikely to take any action likely to interfere. There is thus time for readjustment, for redistributing our economic resources, for our economy is now more flexible than it was in the fifties. This point is now of particular importance because the resources at our disposal have greatly expanded, giving the economy much more mobility. We are now producing more and better than in the past, but we are now also able to adjust production according to the market demand, and changes in our public requirements. This was amply demonstrated in the past fortnight, when the economy had to switch overnight to a war footing.

Any kind of political cold war would require an immediate cut in our foreign trade gap by reducing local consumption, as well as an all-out export drive. Should we have to fall back for extra foreign currency — say — only private transfers from abroad, personal restitution, and the donations of World Jewry, we could still cover a foreign trade deficit of about \$300m. That is of course, much less than we had last year, and earning the rest might involve a period of austerity and considerable strain, but it could be achieved within a reasonable time. Having secured our national independence, we could thus also give it the economic meaning which alone can make it permanent and real.

There is nothing new about the problem. What is new is only its possible urgency, and the new mood generated by the military victory. There is no reason why the nation's economy should not be as soberly and efficiently planned as its military exploits.



A column of tanks rumbles across the Syrian heights.

First Israel-flag vessel transits Tiran to Eilat

By ZE'EV SCHUL, Jerusalem Post Military Reporter
SHARM E-SHEIKH. — The 4,000-ton s.s. Dolphin, flying the Israeli flag, passed through the Straits of Tiran yesterday morning on her way to Eilat.

STOP PRESS:

The Dolphin tied up at Eilat's floodlit quay at midnight, to the cheers and flag-waving of crowds of Eilatites. Her 25-man crew, under Captain Menahem Cohen, was greeted by Mayor Yosef Levi.

SOVIET TRANSPORTS LAND IN CAIRO

CAIRO. — Soviet transport planes were flying into and out of Cairo yesterday as police blocked streets leading to the civilian airport.

There was speculation that the planes might evacuate Soviet civilians and embassy dependents from Egypt. Two leading Kuwait dailies bitterly attacked the Soviet Union yesterday alleging it conspired with the West against the Arabs "in statements if not actions."

There were anti-Soviet demonstrations in Khartoum yesterday, the Sudanese accusing Moscow of failing to honour its promises to the Arabs in their war against Israel.

Nasser shuffles top army echelon; Fawzi now C.-in-C.

CAIRO. — President Abdul Nasser yesterday accepted resignations from almost the entire top echelon of Egypt's military forces in a massive army turnover following his ill-fated war with Israel.

The only top-ranking man not removed was General Mohammed Fawzi, who was named Commander-in-Chief of Egyptian forces to replace Marshal Abdul Hakim Amer. Amer resigned on Friday after Nasser had announced he was quitting, and before the President changed his mind. In all, 11 generals resigned.

The new post of Commander-in-Chief substitutes for Amer's former title of Deputy Supreme Commander under Nasser. Nasser's decree accepted the resignations of the commanders of the navy, air force, land forces — respectively, Adm. Soleiman Essat, Gen. Sidky Mahmoud, and Gen. Abdul Mohsel Mortaga. Mortaga also was the general officer commanding the Sinai front. Others whose resignations were accepted in the sweeping military shakeup included Field Marshal Amer's two assistants, Gen. Halim Imam and Gen. Abdullah Hilal.

The only new appointment, aside from Fawzi, was that of Marshal Madkour Abou-lezz, who replaced Mahmoud as the Air Force Commander.

In announcing yesterday's changes, Cairo

TWO HURT BY MINE

ASHKELON. — Two of the three occupants of a civilian jeep were injured when the vehicle struck a mine south of here yesterday. They were taken to hospital where their condition was reported as not serious. The third person was unhurt.

It is believed that the mine was one of those laid last Monday night by a group of marauders from the Gaza plain. (Itm)

AFTER MIDNIGHT

Syria last night requested an urgent meeting of the U.N. Security Council "in view of the fact that Israeli forces are still advancing in Syria." Adib Daoudy of Syria told reporters the meeting was requested especially because Israeli troops were now

Syria saved by the bell from total defeat

By JOSEPH GRIGG,
(UPI Correspondent)

Syria was saved by the bell. Only the cease-fire on Saturday night saved it from total defeat. This was the inescapable conclusion of those who followed the Israeli Army in its unparalleled succession of lightning victories in one week against the armed forces of Egypt, Jordan and Syria. This correspondent drove into Syria close on the heels of the advancing Israeli tank and infantry spearheads. When the cease-fire went into effect at 6.30 p.m. on Saturday, advance Israeli units were reported to have reached within 20 kilometres of Damascus.

Israeli forces drove into Syria in a multi-pronged offensive along a 150-km. front from the snow-capped Mount Hermon range in the North to Lake Kinneret. The military build-up from the front, right back to long columns of supply trucks clogging highways to the rear, was as great as any this correspondent had witnessed in covering this war on the Sinai, Jordan and Syrian fronts.

Across the border in Syria, burned-out Russian-built T34 tanks, bomb-blasted concrete strong points and the bodies of still unburied Syrian soldiers were evidence of the fierceness of the fighting. Long lines of prisoners were being brought in, some blind-folded with their own flowing keffiyas, and driven back to the rear in trucks.

In Damascus, the Defence Ministry, yesterday paid tribute to the nation's troops, which it said were now "firmly entrenched in their second line of defence and eager to restore every inch of the homeland." The communique, broadcast on Damascus radio, said the troops had upset all "imperialist, Anglo-American-Israeli plans." It said Syrian troops had fought with unprecedented gallantry.

Meanwhile, a group of U.N. observers, members of the U.N. Truce Supervision Organization, left for Israel-occupied Kuneitra yesterday morning, accompanied by Israeli liaison officers. (Reuter, UPI)

Mopping up on all fronts

Jerusalem Post Military Reporter

TEL AVIV. — Mopping up operations continued yesterday in all occupied areas, winding up the final stage of the "90-hour war."

The rapid advance — armoured corps units in Sinai averaged 100 km. per day — left tens of thousands of stragglers trapped in huge pockets. Most of these men are now reported to be heading for home. The Defence Forces are making no attempts to interfere with them. Some isolated groups, especially from the parachute and commando units, decided to continue the fight. One such group, operating in Israel, has been almost completely wiped out. Some snipers were also reported from the Gaza plain, eastern Israel and certain parts of Sinai. Meanwhile, Israel's military leadership has begun the process of stock-taking and preliminary evaluations. The casualty list was expected to be published this morning.

Prisoners are still being counted. The estimate ranges at present between 13,000 to 15,000 men, mainly Egyptians. The number is still growing as stragglers, trying to cross the waterless dunes of the Sinai de-

sert, give up and turn themselves over to Israel patrols.

No final evaluation of the booty is yet available. All that is known at this stage is that the bulk of the Egyptian armoured corps fell into Israeli hands. Flying over the Mifla pass at noon yesterday, I saw the "cemetery" of the Egyptian corps. Israeli fighter-bombers had caught several close-formation Egyptian convoys on the run and dealt them a devastating blow. The road, stretching through a mountain pass, was covered with the skeletons of charred vehicles of every kind and description. The carnage reached as far as the eye could see. In some places the vehicles appeared piled on top of each other.

ROWS OF TANKS

Elsewhere in the vicinity of Jebel Libne, the gypsum "White Mountain" of the central Negev, row upon row of Egyptian tanks, still neatly lined up in battle formation, had been reduced to charred hulks. This was the result of a tank engagement earlier this week. Lying next to most of the tanks were the still unburied bodies of the Egyptian soldiers, hard to discern at first, their yellow-grey uniforms blending with the ground.

At Jebel Libne the Defence Forces captured tremendous stores of small arms, all of Soviet manufacture and still neatly boxed and greased, as well as huge fuel and food reservoirs of all conceivable types.

ON SALE TODAY

THE JERUSALEM POST

WEEKLY OVERSEAS EDITION

The Overseas Weekly (which is normally not sold in Israel) contains the day-to-day coverage of last week's war. It is being put on sale at kiosks in all towns today to satisfy demand from readers here who missed some of last week's issues.

Price 80 Agorot

AIR FRANCE

announces that its flights to

PARIS

have been resumed on Friday, June 9, 1967 and that the Far East

will be served as per normal schedule as from today, Monday, June 12, 1967.

For further information please apply to your travel agent or to Air France.

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