



SPECIAL ALERT FOR TERRORISTS SEEKING TARGETS IN EUROPE

LONDON, Jan. 2 (JTA)--Heathrow and all other airports throughout Britain were on a special alert today following Scotland Yard reports of Arabs on the loose in Europe seeking new terrorist targets. According to reports, security authorities at Heathrow now have a list containing 30 names of terrorists who may be trying to pass through London or get into the country intent on attacking prominent Jews. The list is being kept a close secret but airline officials have been informed and told to watch for the names.

Police are said to be aware that these terrorists might be traveling on false passports. Immigration control men are now working in close cooperation with Scotland Yard scrutinizing all Middle East passports. Any passengers even slightly suspect are being searched. A tight watch is also being kept on diplomatic mail and luggage which is normally exempt from airport controls. Police have been told to keep the closest possible watch on luggage being brought in from embassies, especially Arab embassies.

DAYAN TO MEET WITH KISSINGER IN WASHINGTON FRIDAY TO DISCUSS ISSUE OF DISENGAGEMENT ALONG CANAL

JERUSALEM, Jan. 2 (JTA)--Defense Minister Moshe Dayan will meet with U.S. Secretary of State Henry A. Kissinger in Washington Friday to discuss the issue of disengagement of Israeli and Egyptian forces along the Suez Canal, it was announced officially today. Sources here were optimistic that Dayan would find Kissinger generally in agreement with the Israeli position on disengagement and that the disengagement talks in Geneva would reach a successful conclusion by the end of the month.

Kissinger reportedly speaks in terms of the last week of Jan. as the time for reconvention of the Geneva conference on the Foreign Ministers' level to ratify the disengagement accord which hopefully will have been reached then. The military talks resumed late today and are expected to move into substantive matter next week--after the Kissinger-Dayan meeting. Points which Dayan and Kissinger will discuss include the following:

Mutuality: This is one cardinal principle on which no agreement has yet been reached with Egypt. Israel demands that in return for evacuating the west bank of the Suez Canal and pulling away from the canal to the Mitha Pass, Egypt should furnish a suitable substantial quid pro quo. Israel thinks in terms of reopening the canal to all shipping and rehabilitating the canal-side cities Israel would see in the normalization of civilian life on the canal a proof of Egypt's good faith--and also an insurance against the war's sudden resumption. Egypt's leaders would have to think hard before resuming the war once the canal was humming again with life and commerce.

Time: The duration of the disengagement agreement is very important in Israel's eyes. Israel wants to see it in effect for months or perhaps a year or more before moving to further talks and further pullbacks. The working of it would be an ongoing test of Egypt's sincerity and

intent observers here believe.

Thinning out of Egypt's east bank forces: No agreement has been reached on this yet but Israel is determined that the Egyptian force remaining on the east bank pose no aggressive threat. The UNEF and buffer-zone between the two armies would prevent sudden attacks and Israel proposes joint Israel-Egypt patrols to prevent clandestine buildups.

Sources here say the U.S. agrees with most of Israel's principles, hence Dayan's optimism that he and Kissinger will find common ground when discussing the implementation of those principles. (See separate story P. 3 for Washington reaction to Dayan-Kissinger talks.) By David Landau

EXPECT AGREEMENT TO BE WORKED OUT WITH EGYPT ON DISENGAGEMENT SOON

JERUSALEM, Jan. 2 (JTA)--Knowledgeable sources said today that they expected an agreement would be worked out with Egypt at the Geneva disengagement talks within the next few weeks. The talks were to resume late today after having been recessed for five days for "consultations" during the period of the Israeli elections. The sources said they expected the talks would move next week from "definition of principles" to a concrete and substantive stage.

Definition of principles means agreement on what is involved, in general terms, in the disengagement: Israel's evacuation of the west bank of the Suez Canal; Israel's withdrawal from the canal's east bank; thinning out of remaining Egyptian forces on the east bank; connection if any between the disengagement and subsequent Israeli pullbacks. Once having defined and agreed upon these principles, the two sides would move next week into the concrete bargaining stage: How deep is withdrawal to be? How much of the Egyptian east bank force is to be pulled back? What is to be the strength of remaining Egyptian forces? What sort of linkage, if any, between this and subsequent pullbacks?

It is clear already that the disengagement being negotiated will be rather a large concept involving complete evacuation of the west bank and major realignment on the Sinai, with the interposition of UNEF between the two forces in Sinai. There is very definite interest on the part of both superpowers and of Egypt to reach quick agreement on disengagement.

Thus Israel will be concerned that its own intricate and possibly drawn-out process of coalition forming is not permitted to stand in the way of progress at the Geneva talks. On the other hand, some well-placed observers here feel that no final decisions could be taken at Geneva before a new Cabinet is set up here--or at least before such a Cabinet was well on the way to shaping up.

Uncertain Mandate Forms Talks' Background

Meanwhile, Israel's delegates left today for Geneva. Gen. Mordechai Gur and Col. Dov Sion refused to make any statements prior to their departure. The El Al jet in which they left also carried Lt. Gen. Ensis Sillasvuo of Finland, commander of the United Nations Emergency Force (UNEF) who serves as chairman of the Geneva disengagement talks. The talks will resume in the aftermath of the Israeli elections which left

Premier Golda Meir's ruling Labor Party with an uncertain mandate and against the background of increasingly serious breaches of the cease-fire on both the Egyptian and Syrian fronts.

The cease-fire problem was discussed in Jerusalem last night by Gen. Sillasvuo, Israeli Defense Minister Moshe Dayan and Chief of Staff Gen. David Elazar. The UNEF commandeer flew here yesterday from Cairo. A communique issued after the meeting did not mention the disengagement talks as having been on the agenda but it was learned on good authority that they were mentioned in connection with daily shooting incidents on the Egyptian front. Sillasvuo reportedly informed Dayan that the Egyptians were not prepared to observe the cease-fire completely as long as Israeli forces continued to fortify their positions. But the violations, on their present scale, will not interfere with the disengagement talks, it was noted after the meeting.

AMERICAN GIRL, 5 ARABS QUESTIONED IN CONNECTION WITH SIEFF SHOOTING

LONDON, Jan. 2 (JTA)--Scotland Yard disclosed today that an American girl arrested at Heathrow Airport Saturday with a suitcase of arms and ammunition has been linked to the mysterious shooting of Joseph Edward Sieff at his central London home Sunday night. Five Arabs were detained at the same time as the girl and are being questioned at Ealing police station, a Scotland Yard spokesman said. He said the link between the arrests and the Sieff shooting had been withheld until now because the authorities were seeking more Arab terrorists.

According to the spokesman, it has not been decided whether the five detainees would be deported or charged with conspiracy to commit violence. The girl, who was not identified, was described as a teen-ager who landed at Heathrow from Los Angeles. After leaving passport control she was stopped by police who found guns and more than 160 rounds of ammunition in her suitcase. A man she tried to contact on leaving the airport was also detained.

Meanwhile, Sieff's condition continued to improve today. The 68-year-old department store executive and British Zionist leader was taken out of the intensive care unit and moved into a private room at Middlesex Hospital yesterday. He underwent surgery for the removal of a bullet from his head. Doctors said today they were confident he would recover completely.

The hunt for his assailant continued but clues were slim. Scotland Yard issued a description of the suspect who was described as about 25 years old, dark and slender. Neither Mrs. Sieff nor the butler who admitted the gunman to the Sieff home could offer a better description because the man's face was hooded.

NEW KNESSET TO BEGIN JAN. 21

JERUSALEM, Jan. 2 (JTA)--The eighth Knesset will open on Jan. 21 with Golda Meir, as the oldest member administering the oath of loyalty to her 49 colleagues. President Ephraim Katzir will open the session after which the oldest member takes the chair until a Speaker is elected during the session. Political circles have cast some doubt on whether Labor's Yemenite Knesset member and former Minister Yisrael Yeshayah--the Speaker for the latter part of the seventh Knesset--will be

re-elected Speaker for the eighth. He performed poorly as Speaker and even his party colleagues would be hard put to defend his candidacy. He often lost control of rowdy Knesseters and screamed and banged his gavel to no effect whatever.

Some observers detect the beginnings of a movement among all the non-Labor parties to support a Speaker from outside Labor's ranks. The name of Independent Liberal Gideon Hausner has been mentioned but the religious parties would probably balk at him.

The new Cabinet will probably only take shape after 2-3 weeks of tough negotiations. The first feelers have already gone out from Labor to the National Religious Party, the ILP and the Agudist bloc which is believed keep this time to join the government. No hard bargaining is expected before the first soldiers' votes are known since some pundits feel these might diverge significantly from the civilian results. The official election results must be published before Jan. 14, but the central elections committee hopes to have them out next week.

Negotiations Towards Coalition

Meanwhile, the Labor Party and its prospective coalition partners began initial moves today towards negotiations. None of them was adopting any definitive positions until the soldiers' vote results becomes known, probably tomorrow. All eyes are turning to the NRP which the elections placed in the enviable position of holding the balance. This party's leaders made early statements stressing their electoral promises to oppose any policy aimed at returning any of the west bank--and to seek the formation of a national unity Cabinet embracing Likud, too.

But hardened observers believe the chances are that ultimately NRP will find a way to square with their conscience, their electoral promises and their hard-liners, and join with Labor in the renewed traditional coalition. Of course the NRP would demand a price--and a very high price--in the field of religious affairs, and this in turn would pose problems for the ILP joining the coalition.

INCIDENTS ALONG FRONTS

TEL AVIV, Jan. 2 (JTA)--An Israeli soldier was wounded yesterday in an exchange of fire with the Egyptians in the Ismailia region south of Nefisha village. Other exchange of fire took place in various sectors of the cease-fire lines. Egyptian forces fired a number of mortar shells east of Lake Timsah. An incident developed on the Syrian front yesterday after Syrian forces tried to establish positions in an area held by Israelis. The Syrians disregarded a warning after which Israeli forces opened fire on a number of Syrian vehicles setting a tractor on fire. Syrian gunners fired a number of artillery shells east of Kuneitra.

A fire broke out in the Abu Rodets oil fields on the shores of the Red Sea in southwestern-Sinai last night and efforts are still being made to extinguish it. Oil field workers were evacuated and no casualties were reported. Reports from the area said an initial investigation ruled out any question of sabotage. Deputy Finance Minister Zevi Dienstein said this morning that the fire was the result of a "grave accident" but did not elaborate. Directors of the Netivei Neft company which operates the oil fields flew to the scene this morning.

JERUSALEM (JTA)--A plan to settle 1000 immigrant families from North America in Safed is being considered by the Jewish Agency. Prof. Ranan Weitz, chairman of the Jewish Agency settlement department, prepared the plan for the group absorption in that Galilee town.

U.S. OFFICIALS OPTIMISTIC ABOUT DAYAN-KISSINGER TALKS

WASHINGTON, Jan. 2 (JTA)--High official circles expressed optimism today that the meeting between Israeli Defense Minister Moshe Dayan and top U.S. officials Friday will lead to a settlement of the disengagement issue at the Geneva talks by the end of this month. Dayan will be meeting with Secretary of State Henry A. Kissinger and Defense Secretary James R. Schlesinger.

A White House spokesman in San Clemente and State Department officials here both announced Dayan's unexpected visit. In San Clemente, a spokesman said that the Dayan-Kissinger conversations will be on the Geneva conference with "emphasis on the subject of disengagement of forces." Both Egypt and Israel, he said, feel it is "important to have their positions coordinated" as the Geneva conference moves into "a more active phase." White House sources said that an agreement on disengagement of forces on the Suez was likely this month but declined to be more specific.

Dayan, who met here Dec. 7 with Kissinger, Schlesinger and other top American diplomatic and defense leaders, was reported by White House officials as meeting again with Kissinger on "technical questions regarding disengagement." Kissinger was pictured by American sources as brimming with optimism over the progress between Egyptian and Israeli military officers in Geneva regarding separation of forces and that he was also cheerfully surmising that the Arabs might lift the oil embargo in the near future, too.

Kissinger has been in San Clemente for the past two days with Nixon and is expected to return to Washington tomorrow. The Dayan-Kissinger meeting, Department spokesman George Vest said, was arranged prior to Monday's Israeli elections. Western diplomatic sources told the Jewish Telegraphic Agency that the Dayan visit is to explore further problems of disengagement with Kissinger and Schlesinger. An Israeli source said the meeting was by "mutual agreement" but it was understood elsewhere that it had been suggested by American leadership to help speed the disengagement process.

U.S. officials declined publicly to comment on the results of the Israeli elections but privately they welcomed the retention in power of Prime Minister Golda Meir's party and its allies. The feeling is that Mrs. Meir and her top lieutenants will be more amenable than the rival right-wing array in political opposition in Israel towards concessions to the Arabs, particularly the Egyptians, in bringing about steps towards a settlement in the Mideast.

An "interim agreement" between Israel and Egypt which would reopen the Suez Canal has long been seen in American circles as a decisive first step towards the full settlement. That seems to be the prospect now in Geneva. (By Joseph Polakoff.)

INTERNAL REVENUE TO DETERMINE WHY HATE GROUP HAS TAX EXEMPT STATUS

NEW YORK, Jan. 2 (JTA)--Congressman Hugh L. Carey (D.N.Y.) announced today that Internal Revenue Commissioner, Donald C. Alexander is, at his request, immediately auditing the neo-Nazi National Youth Alliance of Arlington, Va., to determine why they were granted an exemption from federal income taxes. Carey

called for the IRS review when columnist Jack Anderson recently disclosed that the NYA, headed by former Nazi William L. Pierce, had a major tax exemption as a result of the IRS approval of the group's innocuous application in Oct.

A check of the application revealed that the NYA, a branch of the arch-conservative Liberty Lobby, listed itself as a group "engaged in charitable activities...helping to build character, patriotism, a sense of community, and an appreciation of the American heritage in young Americans." The group, however, is the sponsor of anti-Semitism and anti-Black hate mail and the publisher of a magazine urging violence, bigotry and even political assassinations.

Also Has Reduced Mailing Rates

The Brooklyn Congressman said he was "thoroughly disgusted" to learn that the group had such an exemption and that the NYA had also managed to gain reduced mailing rates usually provided only for non-profit groups. Carey went on to say that he had urged the immediate investigation "to find out exactly why an organization dedicated to scurrilous activities has slipped by IRS review, while the IRS last month moved to revoke the tax exempt status of the Fair Campaign Practices Committee, a group dedicated to good government that has a distinguished list of members."

An IRS spokesman said that periodic checks of tax exempt organizations are made to ascertain "whether they are what they say they are." He added, however, that with 600,000 organizations under this tax exemption, the IRS finds it difficult to audit all of them. Under the tax privilege granted to the NYA, the group is "not liable for Social Security taxes, or for taxes under the Federal Unemployment Tax Act (FUTA)," and is able to make deductions for federal estate gift taxes purposes.

Anderson, in his syndicated column published Dec. 26, identified Pierce as a former friend of the late George Lincoln Rockwell, "fuehrer" of the American Nazi Party. Pierce once promised there would be "a Jew hanging from every lamppost in the country."

GOREN MEETS POPE'S ENVOY ON POWs

JERUSALEM, Jan. 2 (JTA)--Chief Rabbi Shlomo Goren met today with the apostolic delegate in Jerusalem, Monsignor Pio Laghi, to enlist his church's aid on two humanitarian issues: Israeli POWs in Syria and Israeli dead still on the battlefields of Sinai within the control of Egypt's Second and Third Armies. According to the Chief Rabbi's bureau, the Monsignor promised to pass on Rabbi Goren's representations immediately to the Pope. Delicate contacts between Israel and the International Red Cross are proceeding on both these subjects, but officials here refuse to divulge any details.

PARIS (JTA)--The Palestinian terrorist ring broken up by police last week was preparing major attacks on diplomats and Rome's Clamping Airport police sources indicated. They said questioning of the suspects, 10 of whom are said to be Turkish, and examination of confiscated papers indicate the group was aiming to strike at unnamed European ambassadors and their families and at Rome's second airport. The group had been stockpiling explosives and arms in a small villa south of Paris for the past six months, police said.

TEL AVIV (JTA)--Police have uncovered a group of extreme leftists who regard themselves as anarchists and call themselves "The Black Front." Five of them have been arrested.

