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REAGAN: TOP U.S. PRIORITIES IN THE MIDEAST IS TOWARD THE STATE OF ISRAEL AND TO ASSURE PEACE

WASHINGTON, Feb. 3 (JTA) -- President Reagan said yesterday that America's "number one ... moral commitment" in the Middle East is "to see that the State of Israel has a right to continue living as a nation" and that he also feels "that morally, the United States should do every-thing if can in an even-handed manner, to bring peace to the Middle East." But he emphasized that the process "starts with the acceptance of Israel as a nation" by those countries which refuse to recognize it.

Reagan, in the first of a series of informal news conferences with selected reporters in the Oval Office, also reiterated his belief that Israel' military capabilities are "of benefit" to the U.S. in the region and his disagreement with the Carter Administration's contention that Israeli settlements on the West Bank are "illegal." However. he criticized Israel's current settlement moves as "ill advised" and unnecessarily provocative."

Reagan, responding to questions by reporters from The New York Times, the Wall Street Journal Christian Science Monitor, Chicago Tribune and Time magazine, made his most comprehensive comments on the Middle East since his election last November.

With respect to the strategic security of the region, he maintained that the U.S. should establish a "ground presence" there "for the Soviets to know that if they made a reckless move, they would be risking a confrontation with the United States.

Moral Commitment To Israel

Asked if his was an "even handed policy in the Mideast," the President replied: that we have, No. 1, a moral commitment for the present to see that the State of Israel has a right to continue living as a nation. I believe that. and think that we're morally bound to do that.

But beyond that, I think it's also a two-way street He added, "I think Israel, being a country sharing our same ideals, I think democratic approach to things, with a combat-ready and even a combat-experienced military, is a force in the Middle East that actually is of benefit to us. But I also feel that morally the United States should do everything it can in an even-handed manner to bring peace to the Middle East. Now this, based on our first commitment, means that we have to get over the hurdle of those nations in the Middle East that refuse to recognize the right of Israel to exist.

Peace will come when that first step is taken Now a few of them have -- as Egypt did; and (President Anwar) Sadat who I think is one of the great statesmen for doing that."

Says Settlements Are Not Illegal

Asked if he approved of the "accelerated settling of the West Bank" by Israel, Reagan said, "As to the West Bank, I believe the settlements there -- I disagreed when the previous Administra tion referred to them as illegal, they're not illegal. Not under the UN resolution that leaves the West Bank open to all people -- Arab and Israel alike,

Christian alike. "I do think, perhaps now with this rush to do it and this moving in there the way they are is illadvised because if we're going to continue with the spirit of Camp David to try and arrive at a peace, maybe this, at this time, is unnecessarily

Questions PLO's Claim To Legitimacy

provocative."

The President questioned the Palestine Liberation Organization's claim to legitimacy as representing the Palestinian people. Asked if he had "any sympathy toward the Palestinians or any moral feelings toward them and their aspirations," Reagan replied:

"I know that that's got to be a part of any settlement. I think in arriving at that, here again, there is the outspoken utterance that Israel doesn't have a right to exist; there is the terrorism practiced by the PLO. I never thought that the PLO had ever been elected by the Palestinians. Maybe it is recog nized by them as their leadership, but I've never seen that that's been definitely established. But, again, it starts with the acceptance of Israel as a nation.

Reagan conceded that the U.S. does not now possess the force to stop the Soviets "if they set out to advance logistically; we know that we couldn't do that. What is meant by a presence," he said, "is that we're there enough to know and for the Soviets to know that if they made a reckless move, they would be risking a confrontation with the United States ... But I think there should be some kind of American presence. Well, we're doing it right now with the navy in the Indian Ocean. But I think we need a ground presence also." He did not speci-fy where it would be located.

State Department spokesman William Dyess said in response to questions today that the President's remarks are being transmitted to U.S. diplomatic missions abroad. "All points are being notified of the President's statements on foreign policy," he said. But he refused to discuss the statements in any way.

WEINBERGER INDICATES HE FAVORS BEEFING UP SAUDI ARABIA'S ARMS By Joseph Polakoff

WASHINGTON, Feb. 3 (JTA) -- Defense Secretary Casper Weinberger indicated today that he favored improving Saudi Arabia's armed forces by agreeing to the Saudis' request to enhance the combought from the U.S., "We want to make them as effective as we can for their purposes," Weinberger said in response to questions at a press conference.

"They (the Saudis) have a basically difficult de-fense problem with a long coastline and a small number of forces and immensely valuable resources for the free world," he said. He added, "We want to do everything we can to assist them in providing

the additional security, they need."

The Saudis have asked for additional fuel tanks, and bomb racks for their F-15s. The Carter Administration did not send the request to Congress be-

fore it left office. Weinberger and the State Department indicated that the Reagan Administration would make its decision soon.

Israel and its supporters in the U.S. have whemently opposed the supply of equipment that would increase the range of the Saudi jet fighters Congressional sources had informed the Carter. Administration that enhancing Saudi aircraft would disturb the military balance of power in the Middle East and would pose a threat to Israel.

Questioned About U.S. Troops In Israel

In another matter related to the Middle East. Weinberger said that he could not conceive of "a serious request" from Israel to station American troops on its soil but "we will certainly examine" that kind of question if it is ever raised in a sympathetic viewpoint." The question was put to the Defense Secretary in light of discussions in the Reagan Administration of an American presen in the Middle East to deter Soviet aggression

Weinberger referred to Israel as "a good and strong and important ally" but he did not know if it wanted U.S. troops. "I would be very surit wanted U.S. troops. "I would be very sur-prised if it did," he said. He said the question was "hypothetical" and observed that the respons to such a request would depend on "what the host country wants." He said if it ever grose it would be considered "just as we did with Saudi Arabia when the request was made for the AWACS plane: The U.S. sent four of the giant communications aircraft to Saudi Arabia, piloted by Americans, the help keep the Saudis informed of developments in the Iraqi-Iranian war.

In another development, it was announced that Sen. John Tower (R. Tex.), chairman of the Armed Services Committee, is to leave Friday fo London and will then continue on to Bonn and the Middle East where he will visit Israel, Egypt, Saudi Arabia, Oman and Tunisia. The Bonn gov-ernment is reportedly considering the sale of 300-600 of its advanced Leopard II tanks to Saudi Arabia, a move that has been avestioned by some leading members of the Bundestag and is opposed

by Israel. Meanwhile, former Secretary of State Henry Kissinger met with Secretary of State Alexander Haig today to give him an oral report on his visit to the Middle East last month. The State Department refused to discuss their conversation.

KNESSET UNIT SETS JUNE 3 AS THE NATIONAL ELECTION DAY

JERUSALEM, Feb. 3 (JTA) -- The Knesset Legal Committee today set the national election date for June 30. The Knesset plenary is expected to approve the date tomorrow... The Legal Comin the thereby shifted the government's original July 7 proposal one week forward. All but one of the Likud coalition members supported the June 30 date while the Labor opposition members abstained since they wanted a May election. The same voting pattern is thought likely to be re-peated in the plenary tomorrow.

ABU-HATZEIRA TRIAL BEGINS By David Landou

JERUSALEM, Feb. 3 (JTA) -- Religious Affairs Minister Aharon Abu-Hatzeira and three co-defendants pleaded not guilty today to charge of giving and receiving bribes. Their trial opene before a three-judge panel in a Jerusalem distric court to hear their pleas. It was adjourned until Feb. 15 when the hearings will begin.

The 42 year-old minister and his senior aide, Moshe Gabbai, are accused of accepting bribes and diverting Ministry funds to certain religious institutions. The two other defendants, Rabbi Amrom Koroch and Shmuel Daskal, both of Binei Brak, are charged with giving bribes to Abu-Hatzeira through Gabbai. According to the police the amount involved was 65,000 Shekels.

The State Prosecutor's Office, represented by Jerusalem District Attorney Michael Kirsch, plans to call 27 prosecution witnesses. After registering their pleas, Abu-Hatzeira and Gabbai left the court by a side door but were unable to avoid local and foreign reporters. The Minister refused to com-ment but Gabbai said he felt "fine" though he ad-

mitted "it isn't pleasant." Daskal, a leader of B'nei Brak's Vishnitz Hasidic community, was not present in court. His attorney said he was abroad but would return in time for the

hearinas. SINNERS, BUT ARE THEY WINNERS?

NEW YORK, Feb. 3 (JTA) -- The New York Times routinely devotes space on the first page of its second section for correcting or clarifying errors in its news reports.

Sometimes, however, the goofs prove too embarrassing for this procedure. To call attention to such goofs and other journalistic transgressions by its reporters and the news desk, the Times has an internal bulletin titled "Winners & Sinners" which describes itself as "A bulletin of second-quessing issued occasionally from the news desk of The New York Times.'

The Winners & Sinners issue of Jan. 9 dealt with two goofs which created a great deal of consternation and anger within the Jewish community. A story in the Times Dec. 7 referred to "Perry Como's Christmas in the Holy Land" which was described as "An hourlong musical special taped on location in

Palestine and featuring the popular singer." The second story on Dec. 14 stated: "Since join-ing the Roman Catholic Church's diplomatic service

in 1952, Archbishop Laghi has served in Nicaragua, India, Jerusalem and Palestine and at the Vatican."
Winners & Sinners commenting on these items, observed: "There hasn't been a 'Palestine' since 1948. An error on so emotional a subject infuriates readers: it's hard for them to believe that some of us don't read our own paper. Hard for us to believe, too.

HALACHIC AUTHORITY OFFERS VIEW ON U.S.-IRAN HOSTAGE AGREEMENT

NEW YORK, Feb. 3 (JTA) -- An authority on Jewish religious law asserted today, against a back-ground of continuing debate on whether the Reagan ground or continuing departs on whether the bodger.
Administration should hong the agreement made
with tran by the outgoing Carter Administration?
to free the hostages, that "it is a general rule of
law, especially Jewish law, that agreements made
winder durings are not bridging." under duress are not binding

Rabbi Seymour Siegel, Professor of Ethics and Theology at the Jewish Theological Seminary of America, gave that response on whether the United States government was "morally obliged to fulfill this agreement." The Reagan Administration has indicated it would honor the agreement but not until it had completely reviewed the pact.

Siegel, until recently chairman of the Committee on Law and Standards of the Rabbinical Assembly, the association of Conservative rabbis, said the dur-ess exemption rule was based "on the notion that contracts are enforceable only when the parties are acting freely."

However, he sold, in the American-Iranian accord "the case is complicated since part of the funds being transfered unquestionably belongs to the Persian government." He sold that, accordingly, "It would be right to return to the hostoges captors the morey that legitimately belongs to them."

But he qualified this by saying he felt that the Reagan Administration should withhold part or the funds to compensate the hostages "for their legitimate grievance against those who injured

them both physically and morally."

Siegel also stressed that an important factor was that "we are not dealing with agreements made between individuals but between governments." He declared it would be "dishonorable for sovereign states not to honor their promises."

"Jewish tradition sees the value to society and to individuals of preserving the dignity and power of political authorities," he declared, "governments should honor agreements even when their counterparts are not of the highest moral standards."

TERRORIST BASE RAIDED

TEL AVIV, Feb. 3 (JTA) — I zroell forces raided a Palestinian terrorist base south of SIdon on the Lebanese coast last night. They ambushed a leep, killing all of its passengers said to have been members of a terrorist organization, on army spokesman reported today. No further details of the operation were disclosed.

The raid was the third attack by Israeli forces on terrorist targets in Lebanan during the past week. The earlier actions followed the rocket shelling of Kiryat Shemoneh and Metullah in Upper Gallies by terrorists. Israel retailated with artillery and an air attack on terrorist bases.

LABOR PARTY CONCLAVE FOCUSES ON YERIDA, ISRAEL-DIASPORA RELATIONS By David Landau

TEL AVIV, Feb., 3 (JTA) — The Lobor Party, or wention ended late last night after approving 1071-member Central Committee — the largest by far in 1s history — and leaving the way open for further enlargement in order to accommadate all special interest groups and factions so as to present an image of unity in the elections, now expected to be held on June 30. Originally we central Committee — the party's policy-making body between conventions — was to have been limited to 750 members.

The Labor convention opened last December with a turbulant leadership contest in which incumbent party challman Shimon Peres decisively defeated hisrival, former Premier Yitzhak Rabin. It was resumed last week to elect a Central Committee and take care of other unfinished business but generated little exclument and faily little

public interest.

It addressed itself, at the closing session, to two deeply troubling issues — yerida, the emigration of Israelis who settle permanently abroad, and the cleavage between Israelis and disspora Jewry over the meaning and future of Zionism

Yerida Threatens Israel

The latter issue centered around a report submitted to the plenary session of the World Jewish Congress held in Jerusalem last month which upthed the right of diaspora Jews to criticize policies of the Israell government, ques-

tioned the probability of large-scale aliya from Western nations and challenged a fundamental Zion-1st tenet that diagona Javes five in "exile." Speakers at the closing session, who included MK Uzi Baram, Yehlel Leket who heads the Labor

Speckers of the closing session; who included MK UrB Barron; Yehiel Leket who heads the Labor Zionist Organization, and veteran Laborite David Hacohen, focused on yerida which, they warned, threatment the very existence of the State baccuse it was draining away some of the first baccuse it was draining away some of the first young people, including many native born Isrcellis.

Baram said there were three "basic issues of national existence": yerida, the attenuation of the Zionist movement and the strinkage of Jewry. There are six million Jews in the U.S. but not six million who identify themselves as Jewish, he said.

PANIC HITS TA STOCK EXCHANGE

TEL AVIV, Feb. 3 (JTA) — A wave of selling swamped the Tel Aviv stock exchange for the third consecutive day today as thousands of shareholders rushed to unload stocks that had sowed by an average 32 percent lost month. As stocks, particularly industrial shares, plummeted, some observers likened the point to Wall Street's "Block Thursday" in 1929,

Experts noted that Israellis have been Investing heavily in stocks during the past year as a hedge against inflation, driving prices up to a point where they no longer reflected the true value of the shares. The selling wave may have been triggered by rumors of an an impending tax on capital gains from the stock market transactions. They were promptly denied by the Treasury.

HISTORIC PRECEDENT FOR A CONVERTED JEW BECOMING A CARDINAL

PARIS, Feb., 3 (JTA) — Catholic sources here recalled today that there is only one other known instance, besides that of Magr., bean-Marie Lustiger, of a converted Jew becoming Archbishop with the rank of Cardinal. Lustiger, converted Jew who was yesterday appointed Archbishop of Paris, will be officially elevated to the rank of Cardinal at the

next Consistery presided by Pope John Paul II.

The Catholic church has had several Cardinals of
Jewish origin but only one other, Cardinal Pietro
Pierleoni, who was born a Jew and later became a
Catholic convert. Pierleoni was baptized when he
was I4, just like Lustiger, and appointed Cardinal by
Pope Honorius II in IIIO6.

FASHION WEEK IN ISRAEL By Hugh Orgel

TEL AVIV, Feb. 3 (JTA) — Some 300 foreign buyers from over a dozen countries are here this week, inspecting the fashion goods displayed by 82 local manufacturers at this year's Israel foll/winter fashion week at the Hilton Hotel. The organizers sold they were not worried by the decline in the number of buyers, from 500 last year. Israelli fashions were in brisk demand despite the worldwide economic slowdown which had kept some buyers of home.

Fashion center and export institute sources said exports were down to the U.S. this year due to high custages barriers, but fashion exports to Britain had increased by over 80 percent between 1978 and 1980. West Germany remains Israel's main custamer for fashion goods. It purchased \$127 million worth list year. Exports to Britain, Holland and France have also risen, industry sources said.

HAIFA (JTA) — Waste product of coal-fuelled power plants could be recycled to provide raw material for cement, concrete, and road-building industries, occording to research at Technion.

NORTH AMERICAN MEMBERS OF THE JERUSALEM COMMITTEE ENDORSE ISRAELI ADMINISTRATION OF THE CITY

NOTRE DAME, Ind., Feb. 3 (JTA) -- Mayor Teddy Kollek of Jerusalem declared here that recent threats by Arab leaders to "liberate" Jarusalem do not disturb him. "It's not the first time," he said. "But Arobs in Jerusalem are the most civilized, best educated of any in the world, and they don't want to see their city divided any more than the Jews."

Kollek's remarks were made to the 23 North American members of the Jerusalem Committee who held a two-day meeting at the University of Notre Dame where they endorsed Israel!s administration of Jerusalem. The meeting was the first held by the committee outside Jerusalem and the first where North American members met separ-

The participants expressed the hope that similar regional meetings will be held in other areas of the world and recommended the full 130-member committee meet in Jerusalem this year.

Success In Uniting The City

The Jerusalem mayor emphasized the success he has had in uniting the city's religious entities during the Jordanian occupation 13 years ago. "There is more tolerance in Jerusalem now than there has ever been," he said. "Under the 19 years of Jordanian rule Christians and Jews weren't allowed to visit their holy places; there was no free Christian education; 58 synogogues were destroyed.

"Now the holy places are meticulously taken care of: Arabs are allowed the citizenship they desire and the education system they want. Each religion administers its own holy places; there is free access to the Arab countries, and everyone can participate in the local democratic elections The committee's report endorsed Kollek's efforts toward unity and universal access to the city, as well as his plans for autonomous governing units within the multitude of cultural and relig

ious communities. Coming in the wake of criti-cism of last summer's Knesset reaffirmation of a united Jerusalem as Israel's capital, the resolutions stressed the need for harmonious relations and unity within the city. Tranquility Of Jerusalem Cited

Father Theodore Hesburgh, president of Notre Dame and a member of the Jerusalem committee, who hosted the event, contrasted the tranquility of Jerusalem with the tension and armed conflicts elsewhere in the Middle East. Stating the consensus of the committee, he declared

"I believe that any person of good-will fully acquainted with the facts of the situation and with the ways in which Jerusalem now lives, thrives, and is administered, will join me in rec agnizing that the progress made by Mayor Teddy Kollek and his administration holds the promise of enabling Jerusalem to fulfill its historic role as the "City of Peace."

The special advisor to the mayor, Zvi Brosh, stated, "There is an almost total consensus among larcells on the state of Jerusalem; that it must remain a unified city and that it retain its status as the capital of the State of Israel.

Speaking to various proposals for the future of Jerusalem, including partition, international-ization and sovereignty by one nation, J. Kenneth Blackwell, former mayor of Cincinnati and a committee member, noted "Access to Jerusalem may belong to the world, but the care of Jerusalem belongs to Israel."

Brosh stressed not only unity, but autonomy as well: "We see that Jerusalem is a pattern that proves well: "We see mar Jerusalem is a pattern that proves that coexistence between Arabs and Jews can work; the city can remain united, simultaneously giving the Arabs every possible advantage of freedom and control over their own lives." Kollek also emphasized that "We're not looking for a melting pot."

Recommendations By The Committee

The committee resolution supported these views, recommending that the local religious communities within the city be given extended responsibilities of self-government and that this should be legalized. Kollek has pressed for the status of boroughs on the model of London's self-governing cities, as a means of offering each distinct section as much autonomy as possible, thereby preserving the unique nature of the diverse cultures and traditions that have existed in the city for centuries.

Kollek also wants to create areas where the homogeneous entities can meet, and he is trying to bridge the physical divisions architecturally, through city planning strategies. The committee, which includes such renowned architects as Buckminster Fuller, Harry Mayerovitch, Samuel Mozes and Moshe Safdie, recommended that such interaction be encouraged whenever possible in the commercial, business and recreation centers of the city.

The group also recommended the continued independence of the holy places, the vesting of administrative authority over them in the religious bodies responsible for them, and enhanced universal access for all faiths. The committee indicated its satisfaction with these measures instituted by Kollek, With over a million Christian, Jewish, and Moslem pilgrims each year to the 4,000- year-old city, with more han 150,000 Arabs from countries not recognizing Israel, this is undoubtedly a key concern.

Charles Haar of Harvard Law School recommended.

that a thorough documentation of the degree of autonomy be made within each living area, and this should then be confirmed by law, "so that there is no feeling that it could be suddenly swept away.

MORRIS FREILICOFF DEAD AT 94

WASHINGTON, Feb. 3 (JTA) -- Morris Freilicoff, who worked for the Day-Morning Journal, a New York based Yiddish newspaper from 1925 to 1963, died last Friday at George Washington University Hospital. He was 94 years old. In addition to his work on the now-defunct Yiddish paper, Freilicoff
was a student of Yiddish literature and lectured widely
on the subject. He was one of the founders of Labor Zionism in this country.

Born in Russia, he grew up in London and moved to the U_sS. when he was about 17 years old and settled in Washington. He earned two degrees at the National Law School. At the time of his death he resided in Bethesda, Md.

NEW YORK (JTA) -- The third annual Jewish National Fund radiothon, held last Sunday and simul-cast on WEVD and WMCA, roised more than \$100,000 in donations honoring the 80th anniversary of the JNF. According to Dr. Samuel Cohen, JNP executive vice president, the 6 1/2 hour radiation, featuring show business celebrities, Jewish community leaders, and radio personalities, was the most successful to date, An estimated combined audience of 220,000 listeners. tuned in to the entertainment, informational and fund-raising program. The radiothon was hosted by Rabbi William Berkowitz, JNF president.