

**ISRAELI JETS HIT TERRORIST TARGETS;
ISRAELI SOLDIER KILLED IN BEIRUT**
By David Landau and Hugh Orgel

JERUSALEM, Feb. 23 (JTA) — An Israeli soldier was killed in south Lebanon today and Israel Air Force jets attacked targets in Lebanon for the third time this week. A military spokesman said two buildings serving as terrorist headquarters and bases were hit in the Behadoun area near the Beirut-Damascus highway and that a 130 mm. artillery battery was also hit. Reports from Beirut said four Israeli aircraft carried out the raid.

The soldier was killed when his patrol was ambushed in Nabatiya, within the Israel-occupied zone.

Meanwhile, senior Israeli sources sought today to reconcile the stepped up air attacks and armored patrol activity well north of the Awali River line with the government's insistence that it has no interest in Lebanon's internal politics and internecine strife. Opposition critics say the military actions and the professed policy of non-intervention in Lebanese affairs are contradictory.

Valid Security Interests North Of Awali River

The senior sources told the Jewish Telegraphic Agency today that Israel will "not interfere" in the "internal Lebanese" issue but at the same time it has valid security interests in the area north of the Awali River where the Israel Defense Force is presently deployed. Israel does not want a massive reinfiltration of the area by the Palestine Liberation Organization nor does it want a "wild west" situation to develop there, the sources said.

According to the sources, the Druze in central Lebanon are seeking to follow up their recent successful operations against the Lebanese army by establishing "an outlet to the sea" for their embryonic "canton" in the Shouf mountains southeast of Beirut. That is the underlying strategic significance of the Druze thrusts toward the Beirut-Sidon coastal highway, the sources said.

That assessment implied that the Druze, like the Israelis, discount any prospect that the government of President Amin Gemayel and its remaining armed forces would be able to assert authority in all parts of the country. The Druze want their seaport just like the solidly Christian enclave north of Beirut has a seaport at Junieh, the sources said.

The sources stressed that Israel's security concerns north of the Awali are valid even though there is active consideration in government circles for a redeployment of the IDF to new lines south of the Awali River and closer to the Israeli border. That is the reason for the strengthened ground patrols and the air strikes this week, the sources said.

They indicated that Israel would not object to a United Nations buffer role north of the Awali but they do not see it materializing because of maneuverings by the Soviet Union in the UN Security Council. There is even less chance of a UN force to replace the multinational force in Beirut, according to the sources.

There has been criticism in opposition circles—and privately in some government circles as well—of the wisdom of the IDF's high profile north of the

Awali. Haaretz and The Jerusalem Post asked editorially this morning how "flag showing" north of the Awali can be reconciled with non-intervention and redeployment in Lebanon.

**REAGAN REITERATES THAT ISRAEL'S
SETTLEMENT POLICY ON WEST BANK IS
NOT HELPFUL TO THE PEACE PROCESS**
By David Friedman

WASHINGTON, Feb. 23 (JTA) — President Reagan reiterated his position last night that Israel's settlement policy on the West Bank is not "helpful" to the peace process since a peace agreement will require Israel giving up some of the territory it now holds.

"Obviously, the peace process, when negotiations come between the Arab states and Israel, is going to have to involve territorial changes in return for secure peaceful borders," Reagan said in response to a question at a nationally-televised press conference from the East Room of the White House.

He stressed that "from the very beginning" his Administration made it clear that the settlement policy was not "helpful" to the overall peace process, although it never called it illegal as did the Carter Administration. He repeated that any forthcoming negotiations must be based on the Camp David "process" and United Nations Security Council Resolutions 242 and 338.

Cites New Reason For Sending Marines Into Lebanon

On Lebanon, Reagan for the first time said one reason the U.S. marines had gone into Lebanon was because "we wanted to prevent a war between Syria and Israel." He said there had been five wars between Israel and Syria. Actually there had been three: the 1948 War of Independence, the 1967 Six-Day War and the 1973 Yom Kippur War. The 1956 Sinai campaign and the war of attrition in the 1970's were between Israel and Egypt.

Up to last night, Reagan had stressed that the marines were in Lebanon as a "stabilizing force" to allow the government of Lebanon to regain sovereignty over its country as the Israeli and Syrian armies withdrew.

He repeated this last night and said "progress" was being made and this is why terrorists began hitting at the marines and the other members of the multinational force. He charged that the terrorist attacks were made "on the part of those who don't want a peaceful settlement."

Diplomatic Effort To Continue

Reagan said that because the MNF had become a target of terrorists they had been "redeployed" to the ships off shore. But he stressed that the U.S. ships would remain there and that his special envoy, Donald Rumsfeld, would continue his diplomatic effort in Lebanon, Syria and Israel.

"As long as there is a chance for a peaceful solution we're going to try to see if there is any contribution we can make to achieve that," the President declared. "We're not bugging out, just going to a more defensible position."

Reagan rejected the criticism being made in some quarters that it was the policies of Secretary of

State George Shultz that "failed" in Lebanon. "I think that he has done a splendid job and I have every confidence in the world in him," Reagan said, adding he hopes Shultz stays on as Secretary. He said "the idea for the mission happened to be mine."

ROSENNE SKEPTICAL ABOUT REPORTS OF SECRET U.S. CONTACTS WITH PLO

By Yitzhak Rabi

NEW YORK, Feb. 23 (JTA) — Meir Rosenne, Israel's Ambassador to the United States, said last night that he does not believe published reports that the Reagan Administration conducted secret discussions through an intermediary with PLO chief Yasir Arafat over a nine-month period ending in June, 1982.

"I refuse to believe this is true," Rosenne said at a press conference at the Zionist Organization of America headquarters prior to his address at the ceremony marking the opening of the Jacob Goodman Institute for Middle East Research and Information. But the Israeli envoy said he is going to meet with Secretary of State George Shultz "in the next few days" and discuss the issue with him.

The Ambassador refused to speculate about any possible change in American-Israeli relations as a result of the reported contacts between the U.S. and the PLO. "I have no comment to make" until the issue is cleared up, Rosenne said.

Shultz: Little Came Of The Contacts

Earlier in the day, Shultz told the Senate Foreign Relations Committee that the Reagan Administration did have indirect contacts with the PLO but that little came of them. "As I have looked at the record of those meetings, what was talked about in private was identical with what was talked about in public," he said.

"And if it proved anything, it was that the constant refrain we hear — that if only we would sit down with the PLO and talk with them everything would start falling in place — is simply not the case." Shultz said there were numerous discussions with the PLO through Arab states.

The New York Times, in its account last Sunday of the indirect talks identified the American intermediary with the PLO as John Mroz, as the president of the East-West Security Foundation, who was director of Middle East Studies at the International Academy of Peace in New York when the effort with the PLO began.

Charges UN is Center Of Anti-Semitism

In his address at the opening ceremony of the Jacob Goodman Institute, Rosenne said the United Nations has become the world center of anti-Semitism. He charged: "We are all victims of the vilification of the Jewish people by the United Nations." He said that the UN General Assembly 1975 resolution equating Zionism with racism has been the source of anti-Semitic attacks the world over in recent years.

Ivan Novick, Board chairman of the Institute and immediate past president of the ZOA, declared that the establishment of the Institute is "the beginning of a special national educational effort to provide accurate information and understanding of Zionism as the historic movement of the Jewish people for self-determination. The Institute will also be an important resource for students, academicians and organizations who need pertinent data on Zionism, anti-Zionism and related subjects."

The Institute has been established by Libby Goodman in memory of her late husband. At age 18, Jacob Goodman enlisted in the Jewish Legion and fought under General Allenby in World War I. He subsequently played a crucial role in advancing the Zionist cause in America.

AMENDMENT TO GREEK PENAL CODE MAKES RELIGIOUS BIAS PUNISHABLE

ATHENS, Feb. 23 (JTA) — The Greek Parliament has approved an amendment to the penal code providing criminal penalties for acts of religious discrimination, including anti-Jewish acts, the World Jewish Congress reported today.

The legislation had for many years been urged on the government by the Central Board of Jewish Communities in Greece, the representative body of Greek Jewry and the WJC affiliate here. The Central Board tried unsuccessfully in 1979, during the Administration of the previous Greek government, to secure passage of the relevant legislation.

According to the president of the Central Board, Joseph Lovinger, the personal intervention of Prime Minister Andreas Papandreu was instrumental in achieving the Amendment's approval despite the strong opposition to it exhibited during the parliamentary discussions.

Elements Of The New Amendment

Under the new amendment, an individual found responsible for activities leading to religious discrimination against a religion recognized by the State Constitution (like Judaism), is liable to punishment of up to two years imprisonment.

Lovinger confirmed that the new law had been a subject of discussions in the private talks on the island of Corfu between Papandreu and WJC president Edgar Bronfman last summer, which had been a major impetus in realizing the initiative.

Greek, U.S. Jewish Leaders To Meet

Meanwhile, in New York, the director of the WJC-American Section, Elan Steinberg, disclosed that a prominent group of American Jewish leaders will be meeting with Greece's Minister of Culture, Melina Mercouri, and Margaret Papandreu, the wife of the Prime Minister, "to continue the dialogue aimed at fostering the improved relations between Greece and the Jewish people."

Steinberg noted that there had been "difficulties in the relationship" and while these "could not be swept under the rug, the objective now is to build upon the positive developments in a mutually beneficial manner."

The upcoming meeting in New York will be chaired by Bronfman and will be held on March 5. Among the participating Jewish leaders will be: Frieda Lewis, president of Hadassah; Bernice Tannenbaum, chairman, World Zionist Organization-American Section; Gerald Kraft, President of B'nai B'rith; and Rabbi Arthur Schneider, chairman, WJC-American Section.

JEWISH AGENCY ELECTS AHARON TO HEAD ITS IMMIGRATION DEPARTMENT

By Gil Sedan

JERUSALEM, Feb. 23 (JTA) — Haim Aharon, Israel's Ambassador to Colombia, was unanimously elected to the chairmanship of the Jewish Agency's immigration department by the Agency's Board of Governors yesterday. He replaces Rafael Kotlowitz whom the Board ousted last October after an incumbency of nearly six years.

Aharon, 40, was born in Chile and settled in Israel when he was 15. He headed the Herut party's aliya division until his appointment to Bogota three years ago. Leon Dulzin, chairman of the Jewish Agency and World Zionist Organization Executives, hailed Aharon's election, noting that he had chosen the aliya post over an important diplomatic career. Aharon himself promised "a new era" in relations between Israel and the diaspora regarding aliya.

His approval by the Board of Governors was in sharp contrast to the rejection last year of Herut's first choice, former Defense Minister Ariel Sharon, who was considered too controversial to promote aliya among Jews overseas.

Gutman Elected Comptroller

The Jewish Agency Board also elected Renana Gutman, a lawyer, as Comptroller of the Jewish Agency. Gutman was born in Poland, settled in Palestine in 1940 and is a graduate of the Hebrew University. She served in the army with the rank of lieutenant and worked in the State Comptrollers Office from 1958-1977, serving as its director general for the last five years. Since 1978 she has held senior posts with Kupat Holim, the Histadrut sick-fund.

JEWISH AGENCY APPROVES 1984-85 BUDGET

JERUSALEM, Feb. 23 (JTA) — The Jewish Agency Board of Governors yesterday approved a \$400 million budget for the Jewish Agency in fiscal year 1984-85 plus an additional \$54 million for Project Renewal. Raymond Epstein, chairman of the Agency's finance committee, said the budget for rural settlement would amount to \$80 million and \$60 million would be allocated to the aliya budget based on a forecast of 18,000 immigrants in 1984-85. A similar budget will be assigned to youth aliya on the assumption that 17,000 children will be absorbed in the budget period.

MOYNIHAN AND EAGLEBURGER DISAGREE ON MOVING U.S. EMBASSY IN ISRAEL FROM TEL AVIV TO JERUSALEM

By David Friedman

WASHINGTON, Feb. 23 (JTA) — Sen. Daniel Moynihan (D-N.Y.) declared today that moving the U.S. Embassy in Israel from Tel Aviv to Jerusalem would be a major contribution to the Middle East peace process. But Lawrence Eagleburger, Undersecretary of State for Political Affairs, said such a move would undermine America's ability to play an effective role in that process.

"There will be no peace in the Middle East as long as there remains any doubt in the minds of the enemies of Israel as to the commitment of the United States to the permanence of the State of Israel," Moynihan told the Senate Foreign Relations Committee. "There is nothing we can do more to bring peace to Israel and the Middle East than put our Embassy in its capital and say our Embassy is there to stay and the State of Israel is there to stay and nothing will change that."

Moynihan spoke in favor of the bill he introduced to move the Embassy and the Ambassador's residence to Jerusalem. He said the bill now has 28 co-sponsors in the Senate. A similar bill was introduced in the House this week by Reps. Tom Lantos (D-Calif.) and Benjamin Gilman (R-N.Y.).

Sen. Arlen Specter (R-Pa.), who joined Moynihan in testifying before the committee, also stressed that the U.S. "gives comfort" to the Arabs in their

refusal to recognize Israel by failing to relocate the Embassy in Jerusalem. Eagleburger noted the special close relationship that has existed between Israel and the U.S. since 1948 and said, "There cannot be any doubt about our commitment to Israel."

Danger Of Moving Embassy Is Cited

Eagleburger said the U.S. considers West Jerusalem as an area administered by Israel and East Jerusalem as occupied territory. He reiterated the U.S. position that the status of Jerusalem must be determined by negotiations although he stressed that the Administration believes the city should remain undivided.

"A change in the U.S. position on the status of Jerusalem would serve only to undermine our ability to play an effective role in the Middle East peace process," Eagleburger said. "Indeed, moving our embassy to Jerusalem would be widely perceived as an effort by the U.S. to pre-empt negotiations altogether by pre-judging a crucial issue," he said.

Eagleburger noted that while the U.S. position may be "frustrating" to the Israelis, it has not been a "major irritant" in dealing with them and has not prevented agreement on a wide variety of issues.

Sen. Joseph Biden (D-Del.) said he believes the Embassy move is the "wrong fight" to make at this time. But he suggested to Eagleburger that the Administration go ahead and do it on its own. "If the Arabs can sustain and swallow our policy in Lebanon, they can take just about anything," Biden said.

Shultz Raises Constitutional Issue

Secretary of State George Shultz, in a letter read by Sen. Charles Percy (R-Ill.) the committee chairman, said the proposed legislation would interfere with the President's Constitutional right to conduct foreign policy. Specter replied that Congress has more Constitutional justification for this measure than Presidents have had for going into Korea and Vietnam, not to mention more recent engagements.

Percy noted that this was the first time a Congressional committee has ever considered this issue. This was also pointed out yesterday to representatives of the Jewish media by Thomas Dine, executive director of the American-Israeli Public Affairs Committee (AIPAC). He said this now created a "precedent" and no matter what happens to the current bill, the issue will continue to be brought up in each session of Congress. Dine rejected the view that this is not the time to raise the issue. "Should we wait another 35 years?" he asked. "If not now, when?"

At today's hearing, The Rev. John Walker, Episcopal Bishop of Washington; Father Milton Efthimou, of the Orthodox Church; Father J. Bryan Hehir, of the U.S. Catholic Conference; and David Sadd, executive director of the Association of Arab Americans, spoke against the proposed move.

Representing the Jewish community in support of the bill was Kenneth Bialkin, chairman of the Anti-Defamation League of B'nai B'rith who charged that the U.S. has been giving in to "fear" of Arab reaction. "It is time to end several generations of U.S. surrender to intimidation and threats from our so-called friends in Arab lands," he said.

Richard Hellman, of the International Christian Embassy in Jerusalem said that Israel's protection of the rights of Christians and Moslems in Jerusalem and the "holy sites of all faiths has been exemplary." Also speaking in favor of the move were Dr. Calvin Thomas of the Moral Majority and Sister Rose Thering, a Seton Hall University professor.

LEVINSON, A FORMER BANK HAPAOALIM BOARD CHAIRMAN, AN APPARENT SUICIDE

By Hugh Orgel

TEL AVIV, Feb. 23 (JTA) -- Yaacov Levinson, a former board chairman of the Bank Hapoalim, one of Israel's three largest banks, was found dead at his Ramat Gan home this morning, an apparent suicide. The 52-year-old Israel-born banker, long active in Labor Party circles, had been under investigation for alleged illegal financial transactions involving overseas companies. He will be buried at Kibbutz Sor'a tomorrow.

David Libai, the family lawyer, said Levinson's body was discovered by his family on a roof top balcony. Alongside were a pistol and a suicide note. Extracts from the note, which Libai read to reporters, accused unnamed enemies of "drinking my blood, drop-by-drop" for "more than a year." "My strength is exhausted. I can no longer bear the degradation," the note said.

Levinson's activities as head of the Bank Hapoalim had been under investigation internally by the bank's current management for nearly a year. Their findings were submitted to Attorney General Yitzhak Zamir who passed them on to the police. Only this week, the police set up a special team to continue the investigation. The police said today it would go on despite Levinson's death.

The charges against Levinson were leaked to the media and were published in the magazine Haolam Haze three months ago. Subsequently, the bank management confirmed that it was conducting an investigation.

Claim Levinson Was Pushed Into A Corner

Communications Minister Mordecai Zipori accused the media today of building up the "Levinson affair" before any determination was made of Levinson's guilt or innocence. "You see how the media have pushed a man whom nobody knows was guilty or innocent into a corner from which he could find no other way out," Zipori said of the suicide.

Labor MK Uzi Baram, a close personal friend of Levinson, said he was convinced of his innocence and cited the suicide note which accused a "gang" within the bank management and Histadrut of hounding him with baseless allegations. Levinson's lawyer, Libai, told reporters that he and another attorney had discussed the matter at great length with Levinson and had full reason to believe he was innocent.

Haolam Haze editor Uri Avneri said today that he, too, had met with Levinson several weeks ago to discuss the charges but was not convinced by Levinson's explanations.

Levinson is generally credited with having built up the Bank Hapoalim from a small institution to one of the country's top banks, vying for first place with the Bank Leumi. According to press reports, the bank's investigators were looking into Levinson's activities as chairman of a company known as U.S.A. Investments, incorporated in the State of Delaware in 1982, which may have caused a conflict of interests with his position at Bank Hapoalim.

Aspects Of Investigation

Another aspect of the investigation was Levinson's conduct as board chairman of the Bank Hapoalim and his subsequent chairmanship of the Ampal Co., a Bank Hapoalim subsidiary. Since 1977, Bank Hapoalim was said to have sold at least a third of its share of Ampal to another company controlled by a West German trade union's bank.

In that same year, Bank Hapoalim began selling off a large part of its assets to Ampal. This included 38 percent of the America-Israel Bank which was sold to Ampal for an alleged \$1 million less than the true value of its shares.

Within the next five years, Ampal was said to have bought up hundreds of millions of dollars worth of Bank Hapoalim holdings in West Germany and in the Cayman Islands, a well known Caribbean tax shelter. The lion's share of the profits from these transactions went to American businessmen, according to the press accounts. But according to Baram, what started as a political quarrel within the Bank Hapoalim management snowballed into an avalanche of accusations which forced Levinson to take his own life.

Long Involved In Banking Operations

Levinson was born in Israel in 1932 and was, for a time, a member of Kibbutz Rosh Hanikra. In addition to his Bank Hapoalim position, he was a member of the Bank of Israel advisory board and a co-chairman of the America-Israel Bank. He served as a director of the economic department of the Hevrat Haavdim, a holding company owned by Histadrut, and later as chairman of its executive committee.

Haim Barlev, Secretary General of the Labor Party, stressed today that although Levinson had been a party member, the party was in no way involved with his personal financial affairs. Barlev apparently is trying to head off possible political use of the Levinson affair by the Likud government. Likud Party spokesmen have already demanded an inquiry into a possible connection between Levinson's alleged offenses and what they claim to be improper practices by the Bank Hapoalim, Histadrut and the Labor Party.

Levinson was once suggested as a possible Finance Minister in the next Labor-led government. The media recalled today the suicide several years ago of Avraham Ofer, a former Housing Minister in a Labor government, who killed himself under the shadow of alleged financial irregularities. Like Levinson, Ofer had been an official of the Hevrat Haavdim.

ISRAEL'S FIRST SOCIAL SCIENCE JOURNAL IS PUBLISHED IN ENGLISH

NEW YORK, Feb. 23 (JTA) -- "Israel is a microcosm of the problems here in the U.S. In Israel, there are problems between Arabs and Jews, the religious and non-religious, and the many different Jewish ethnic groups," a leading Israeli social scientist said today in announcing the publication of Israel's first social science journal in English.

Dr. Fred Lazin, Director of the Hubert Humphrey Center for Social Ecology, part of Israel's Ben-Gurion University of the Negev, announced the Center's publication of the new journal, "Israel Social Science Research" during a luncheon at the New York offices of Robert Arnow, president of American Associates, Ben-Gurion University of the Negev.

Lazin described the journal as "filling a gap, bringing Israel's social science research to other social scientists around the world." The premier issue of the journal, edited by A. Paul Hare, includes articles on the Israeli family, on civil-military relations and on differences in attaining status for Israeli Jews of European-American origin and Asian-African origins.