

REAGAN ADMINISTRATION STRESSES U.S. WILL MAKE NO DEAL WITH TERRORISTS, WILL NOT ASK OTHERS TO DO SO EITHER
By Theo Stone

WASHINGTON, June 17 (JTA) — The Reagan Administration stressed today that it will make no concessions to Shiite Moslem terrorists holding hijacked American airline passengers hostage in Beirut and indicated it will not ask Israel to make concessions.

Secretary of State George Shultz declared, in a statement read to reporters by State Department spokesman Bernard Kalb, that "we will not make deals with terrorists and will not encourage others to do so." This was taken as a reference to Israel which has been confronted with demands by the hijackers to release 700 Shiite prisoners from the Atlit detention camp near Haifa in exchange for more than 30 Americans from the hijacked TWA flight 847.

"Hijacking and other forms of terrorism are unacceptable in any civilized society. We call upon those holding hostages to treat them properly and to release them immediately," Shultz said. Apart from reading Shultz's statement, Kalb refused to answer questions pertaining to the hijack situation.

The Administration position was also conveyed by Presidential press secretary Larry Speakes at the White House whose remarks were almost identical to those of Shultz. "We do not make concessions and we do not encourage others to make concessions. We do not ask others to do what we would not do," Speakes said. He said the Administration has not been in direct contact with Israel over the crisis and is not trying to influence the Israelis.

McFarlane Spoke to Berri

Speakes confirmed that National Security Advisor Robert McFarlane has spoken by telephone to Nabih Berri, leader of the Shiite militia, Amal, who is Minister of Justice in the Lebanese government. Berri apparently has assumed the role of intermediary with the hijackers.

Speakes emphasized that McFarlane's call to the Shiite leader was not to negotiate but to make clear that the U.S. holds the hijackers responsible for the fate of the hostages. He said the U.S. does not regard Berri as a mediator.

Berri was also reported today to have sent messages to United Nations Secretary General Javier Perez de Cuellar informing him of the hijackers' demands and to ask him to do whatever he could to help in the situation. De Cuellar is said to have been in contact yesterday with the U.S. and Israeli Ambassadors to the UN, Vernon Walters and Binyamin Netanyahu respectively.

According to reports from Beirut this morning, the hostages, all males, were removed from the TWA Boeing 727 airliner at Beirut airport and dispersed to unknown locations. The transfer was said to have taken place last night after news media personnel left the airport at the demand of the hijackers.

The Administration confirmed yesterday that at least six Americans with "Jewish-sounding names" were removed from the main body of hostages Satur-

day. Their whereabouts are unknown nor it is known who their captors are. Speakes said today that he could not confirm that the bulk of the hostages were no longer aboard the aircraft and had been taken to secret hideouts, as reported by Beirut Radio.

The hijack drama began last Friday when Flight 847, originating in Cairo, was seized by armed gunmen who boarded the aircraft at Athens and hijacked it while en-route to Rome. During the ensuing 48 hours the plane was forced to fly twice to Algiers and three times to Beirut. Most of the 145 passengers, mainly women and children, and some of the flight crew were freed during the repeated landings. One American passenger, described variously as a U.S. Marine and a Navy diver, was badly beaten and then shot to death by the hijackers.

Their demand for the release of the Shiite prisoners captured in Lebanon by the Israel Defense Force involved Israel directly in the crisis.

The prisoners are not terrorists but guerrillas who attacked IDF units in the process of withdrawing from south Lebanon during the past few months. Israel reportedly plans to release them in stages, now that the withdrawal has been completed.

Difficult Decision For Israel

But it would be difficult for Israel to free them under pressure from the hijackers. Only last month Israel released 1,150 convicted Palestinian terrorists in return for three of its soldiers held captive by terrorists in Damascus. That lopsided trade-off has been severely criticized in Israel and abroad. Many Israelis believe it was a contributing factor in the TWA hijack.

The hijackers are said to be members of Hizbollah (Army of God), Islamic fanatics outside the Shiite mainstream who are said to be influenced by the Ayatollah Ruhollah Khomeini of Iran. Hizbollah was responsible for suicide attacks on the IDF in Lebanon. The hijackers have also been identified as members of the Islamic Jihad (Holy War) dedicated to making war on Zionism, Christianity, Israel, the U.S., and communism.

MARCHERS IN TEL AVIV DEMAND DEATH PENALTY FOR TERRORISTS By Hugh Orgel and Gil Sedan

TEL AVIV, June 17 (JTA) — Tens of thousands of rightwing political and religious militants demonstrated in Malchei Yisrael Square here last night demanding the death penalty for Arab terrorists and the immediate release of 20 alleged members of a Jewish terrorist underground currently on trial and others already serving sentences for acts of violence against Arabs on the West Bank.

The organizers of the demonstration, the Gush Emunim, told the cheering crowd that "this demonstration is bigger than Peace Now's crowd of 400,000" who demonstrated in the same square in September 1982 for a commission of inquiry to investigate the Sabra and Shatila refugee camps massacre. But seasoned observers estimated last night's numbers at between 40-50,000. Police and municipal officials declined, as in the past, to estimate the numbers of people at political rallies.

(A few hundred supporters of the Gush Emunim demonstrated outside the Israel Consulate in New York yesterday to protest Israel's recent release of 1,150 Palestinian terrorists in exchange for three Israeli soldiers held prisoner in Damascus. The demonstration, organized by a group called Justice Committee for Jewish Settlers, also demanded the death penalty for Arab terrorists and urged the Israel government not to negotiate with the Lebanese Shiite hijackers of a TWA plane who are presently holding American passengers hostage in Beirut.)

Hijacking Blamed On Terrorist Release

The mass demonstration in Tel Aviv also referred to the hostage situation in Beirut where the Shiites are demanding that Israel release 700 Shiite prisoners captured in Lebanon in exchange for the Americans. Banners carried by the crowd claimed the TWA hijacking was a direct result of Israel's release of Palestinian terrorists last month.

But mainly, speakers at the rally denounced Attorney General Yitzhak Zamir who ruled recently that the judicial process must run its course in the case of the alleged Jewish terrorists before the President can consider petitions for clemency. Rabbi Moshe Levinger, leader of the Gush Emunim in Kiryat Arba, accused Zamir of "one-sided bias against Jews and in favor of Arabs."

Charges of bias were also leveled against the Israeli media, especially television which Levinger claimed "distorts justice like Zamir." A gang of rowdies cut the cables of one television unit which was broadcasting the rally live.

29 Released Terrorists Ordered To Leave

The organizers of the demonstration were careful to note at the outset that Zamir has ruled that no reference is allowed to the terrorist trial currently in progress. But this was ignored by several speakers, including the parents of some of the accused. The police took photographs of banners referring to the trial and the people carrying them. They indicated that legal action may be taken against them but no arrests were made.

It was announced meanwhile that 29 of the Palestinian terrorists released in the May 20 prisoner exchange will have to leave the West Bank by the end of this month because they were not legal residents of the territory at the time of their arrest. This was in fact part of the prisoner exchange deal conducted under the auspices of the International Red Cross, which allowed some 600 bona fide residents of the territory to return to their homes.

A number of the latter have left however due to threats and harassment by Jewish settlers. Col. Freddie Zachs, head of the civil administration in the West Bank, said at a press conference yesterday that so far none of the freed terrorists has been involved in illegal activities.

HERZOG ARRIVES IN IRELAND FOR STATE VISIT, AMID TIGHT SECURITY By Maurice Samuelson

DUBLIN, June 17 (JTA) -- Chaim Herzog, Israel's Irish-born President, today began a five-day state visit to a rain swept Irish Republic amid the tightest security screen here since the visit of President Reagan last year.

Armored cars and heavily armed troops blocked off Dublin Airport where Herzog and his wife,

Avra, arrived in the first-ever direct flight to Dublin by an El Al jet. The security fears were heightened by the hijacking drama in the Middle East as well as a vociferous campaign against Herzog's visit by local supporters of the Palestine Liberation Organization.

Refusing a rain coat or umbrella, the President stood proudly in the rain during a 21-gun salute as an army band played "Hatikva" and "The Soldier's Song", Ireland's national anthem. He then inspected an Irish Army guard of honor which included many men who had served with the United Nations force in Lebanon.

The Herzogs and their host, President Patrick Hillery, then left in a fast moving motorcade to the residence of the Irish head of state in Phoenix Park, where security was supplemented by Irish detectives patrolling the grounds armed with Israeli style Uzi-submachine guns.

Later Herzog called on Dublin Lord Mayor, Michael Holloran, and the diplomatic corps before attending a state banquet at Dublin Castle, which served as a political prison during British rule over Ireland.

Judging by local press reaction, Irish feeling about the Herzog visit is a mixture of pride over his Irish background and reservation about Israeli policy towards the Palestinians.

ARAB BANK OKAYED FOR WEST BANK By Gil Sedan

JERUSALEM, June 17 (JTA) -- A series of economic liberalization measures in the West Bank will be capped by the establishment of the first Arab bank in the territory, the head of the civil administration, Col. Freddie Zachs, told reporters today.

He said the government and the Bank of Israel recently gave final approval to the project initiated by a prominent Nablus businessman, Zafer Al-Masri. It is aimed at improving the quality of life in the administered territories where the vast majority of the inhabitants are Palestinians. Until now, only Israeli banks were allowed to operate, with the exception of a minor bank, Falastin, in the Gaza Strip.

Zachs said the only remaining obstacle is posed by the Jordanian authorities. The Arab bank will of necessity have strong ties with Jordan because the principal currency used in the West Bank is the Jordanian Dinar. But Amman objects to Israel's insistence that it must operate under the supervision of the Bank of Israel, the country's central bank, which supervises all financial institutions.

Zach predicted that once the Arab bank opens in Nablus, West Bank residents will deposit millions of Dinars they have been hoarding in their homes, thereby stimulating the territory's lagging economy.

Another recent liberalization measure was the lifting on May 1 of restrictions on the import of foreign currency into the territories. In the past the amounts of currency brought in were strictly limited because the Israeli authorities feared it would find its way into enemy hands. But during the current fiscal year, which began October 1, about \$50 million were brought in, helping to shore up Israel's dwindling foreign currency reserves.

According to the annual report of the civil administration, published today, the population of the West Bank stood at 787,000 at the end of 1984, an increase of 20,000 over the previous year. About 40,000 are Jewish settlers living in about 100 settlements all over the territory.

INNER CABINET SPLITS ON PARTY LINES TO REJECT PERES' REQUEST FOR ARBITRATION OF TABA DISPUTE

By David Landau

JERUSALEM, June 17 (JTA) -- Premier Shimon Peres suffered a setback to his strategy for thawing the "cold peace" with Egypt when the inner Cabinet failed last night to approve his plan to submit the Taba border dispute to international arbitration, as Egypt demands.

The 10-man body consisting of five Labor and five Likud ministers split along party lines on the issue. A tie vote constitutes rejection of the motion at hand. The Likud ministers, headed by Deputy Premier and Foreign Minister Yitzhak Shamir, insist that conciliation be tried first to resolve the Taba dispute before going to binding arbitration. The 1979 Israeli-Egyptian peace treaty provides for both methods to solve disputes that cannot be resolved through negotiations.

The inner cabinet called on Peres and Shamir to get together and devise a formula acceptable to both major components of the unity government. Sources close to Peres did not conceal their disappointment over the deadlock. The Premier is prepared to accede to Egypt's view of how the Taba dispute should be settled. In return, he has reason to believe, Cairo will be amenable to a package formula that would resolve all outstanding bilateral issues between the two countries, including the return of the Egyptian Ambassador to Tel Aviv.

Peres had made clear privately that he is prepared to press this strategy for improved relations with Egypt even at the risk of a coalition crisis. But he intends to wait several weeks before taking precipitate action, his aides say.

EUROPEAN PARLIAMENT URGES EEC MEMBERS TO MEET JOINT DELEGATION

By Yossi Lempkowitz

STRASSBOURG, June 17 (JTA) -- The Parliament of Europe has called on the 10 member states of the European Economic Community to meet as soon as possible with a joint Jordanian-Palestinian delegation to hear its views on the Middle East peace process.

The resolution was adopted by the Parliament as the 10 EEC Foreign Ministers prepared to meet in Luxembourg tomorrow to consider the issue, among others on their agenda. They are expected to discuss how and when the current President of the EEC, Italy's Foreign Minister Giulio Andreotti, will meet with a delegation of Jordanians and Palestinians which has yet to be put together.

The formation of such a delegation was agreed to in principle by King Hussein of Jordan and Palestine Liberation Organization chief Yasser Arafat last February 11 in Amman. EEC officials said the ministers are still waiting to find out who will compose the delegation. Its purpose in seeking a meeting with EEC leaders is to get backing for an international peace conference on the Middle East with the participation of the five permanent members of the United Nations Security Council and the PLO.

Israel and the U.S. are firmly opposed to such a framework for peace talks and insist that the Jordanians and non-PLO Palestinians negotiate directly with Israel. But France, a permanent member of the Security Council, has agreed to receive a joint delegation.

Israeli Premier Shimon Peres, while opposed to an international conference, has called on permanent members of the Security Council to support direct Arab-Israeli peace talks. Peres has taken cognizance of Hussein's need for some international framework for talks with Israel which he refuses to undertake alone.

PRESIDENTS CONFERENCE BLAMES GREECE FOR ACTS LEADING TO HIJACKING

NEW YORK, June 17 (JTA) -- The Conference of Presidents of Major American Jewish Organizations today sharply assailed the Greek government for having played host to "terrorist leaders" and welcoming them as "heads of state."

"We condemn all those governments including Greece that have welcomed terrorist leaders and treated them as heads of state thus validating and encouraging terrorism everywhere," Presidents Conference chairman Kenneth Bialkin declared in a statement.

Bialkin also criticized Greece for having failed to maintain adequate security precautions at its airports in order to prevent hijackings. The heavily armed Shiite Moslem hijackers of TWA flight 847 boarded the plane in Greece, apparently slipping through security checkpoints.

Furthermore, Bialkin said the Presidents Conference deplored the decision by Greek authorities to exchange a small group of Greek nationals for one of the Shiite hijackers who did not board the plane in Athens with the other hijackers.

Racism Said Behind Terrorism

"We deplore the Greek authorities for cravenly surrendering the terrorist they had captured in exchange for a handful of Greek nationals aboard the plane disregarding utterly the fate of the other passengers who are not Greek," said Bialkin.

Continuing, the statement said: "We express our horror and revulsion at the racist philosophy that lies at the essence of Arab terrorism. These hijackers and killers -- whether Shiite Moslems or PLO members -- are not freedom fighters but gangsters motivated by hate. Arab Moslem terrorism is the scourge of the modern age. It must be destroyed lest it destroy the West.

"But Arab terrorism will never be eliminated as long as there are governments and politicians that receive and welcome their leaders. Our country has acted carefully and correctly in this latest crisis but surely the murder, the beating and the kidnapping of the hijack victims -- selected as in the days of Hitler because they are Jews -- cannot go unanswered. All-Americans await the appropriate response."

Rabbis Deplore Separation Of Jews

Meanwhile, the Rabbinical Council of America, representing 1,000 Orthodox Rabbis, described as an "affront to human dignity of the worst order" the hijackers' selection process whereby Jews were separated from persons of other races and religions during the hijacking of the TWA airliner.

Rabbi Milton Polin, first vice president of the RCA, compared the taking of the Jews off the plane while in Beirut and the separation of them from the others with the selection process in the Nazi concentration camps by the infamous Auschwitz death camp doctor, Josef Mengele. Polin urged all rabbis and clergy to hold prayer meetings for the safety of the hostages.

WIESENTHAL SAYS HE NEEDS DEFINITE PROOF FROM U.S., GERMAN EXPERTS BEFORE HE ACCEPTS MENGELE IS DEAD

SAN FRANCISCO, June 17 (JTA) -- Vienna-based Nazi hunter Simon Wiesenthal said here that he will not accept the death of war criminal Josef Mengele until definite proof is provided, not by Brazilian forensic experts, but by independent experts from the United States and West Germany.

In an interview last week with the Northern California Jewish Bulletin of San Francisco, Wiesenthal suggested that it is likely that "we'll never know the full truth" about the fate of the Nazi doctor. However, Wiesenthal emphasized that "the file will not be closed" unless there is corroboration regarding the body.

A body exhumed from a cemetery near Sao Paulo two weeks ago is purported to be that of the infamous war criminal, who performed inhumane medical experiments on inmates at the Auschwitz death camp during the Holocaust. Forensic experts are continuing their investigation of the bones exhumed from the cemetery to determine whether it is that of Mengele.

Handwriting experts and other experts are now in Brazil conducting a series of investigations into the life of the man said to have been Mengele and who reportedly drowned in a swimming mishap in 1979. The body purported to be that of Mengele was buried under a gravestone bearing the name of Wolfgang Gerhard.

Germans Urged To Publish Complete Mengele File

In New York, meanwhile, Israeli-based Nazi hunter Tuvia Friedman called on the West German government last week to publish the entire file of crimes committed by Mengele. "Whether or not Josef Mengele is dead," Friedman told a news conference sponsored by the American Jewish Committee, "there is a vast amount of documentation in the hands of the German government that provide the basis for a profound moral instruction for the German people and the world community about the murderous acts committed by this 'angel of death'."

"That record of bestiality and systematic violation of human rights must not be discarded nor suppressed for the benefit of future generations of Germans and mankind," said Friedman, who tracked down Nazi war criminal Adolf Eichmann for 15 years until his capture by Israeli agents in 1961.

Friedman also urged the West German authorities to not allow the remains of Mengele, should he be verified as having died in Brazil, to be returned to West Germany because Mengele's burial site may become a "place of veneration and pilgrimage" by former Nazi SS members.

"For Mengele to be made into a hero would be a horrendous final insult to the memory of the millions of Jews and others whose lives he so ruthlessly destroyed," Friedman declared at the news conference.

Discovery Compared To 'Play Script'

Wiesenthal, in his interview with the Jewish Bulletin, contended that the discovery of the body said to be that of the infamous war criminal was too contrived to be believable. "It looks too much like a play script," he said.

"My first reaction was 99 percent no, because we had a number of previous pronouncements about his death. The majority of those pronouncements consisted of false information from Brazil," he said.

Wiesenthal, head of the Nazi Documentation Center in Vienna, was in the Bay Area to address a dinner sponsored by Mayor Dianne Feinstein and her husband, Richard Blum, on behalf of the Simon Wiesenthal Center of Los Angeles.

He said in the interview that if the Brazilian investigation does prove Mengele is dead, he will be sorry. "His life is not important, but his testimony would be because certain people who deny the Holocaust, especially here in California, need to hear the truth."

According to Wiesenthal, too many people in today's world deny that the Holocaust happened. They "support hatred, they support information that the Holocaust was a hoax, that there were no gas chambers," Wiesenthal said, contending that this misinformation must be countered.

SUMMER INTERN AT JTA

NEW YORK, June 17 (JTA) -- Marlene Goldman, who recently completed her freshman year at New York University, has started a summer internship with the Jewish Telegraphic Agency. Goldman, 18, is a former intern with the Jewish Student Press Service, part of a B'nai B'rith Hillel/Jewish Association for College Youth fellowship program she had been awarded last fall.

During her 20 weeks at the JSPS, Goldman gained experience editing, proofreading, and also writing, as she completed four feature articles for the service. Her journalistic background is an offshoot of her role as Arts Editor for the Commack Long Island High School North's monthly newspaper, Varohi.

Currently, Goldman is a University Scholar at NYU and plans to major in journalism through the liberal education program. She hopes that her opportunity to work at the JTA will help sharpen her writing skills as well as make her an active force in the Jewish community. Goldman also believes that her plunge into the JTA will do more than "get my feet wet" but will provide the experience to launch a career in journalism.

QUADDAFI THREATENS ZAIRE

LONDON, June 17 (JTA) -- During the visit to Israel last month of President Mobutu Sese Seko of Zaire, Libyan leader Muammar Qaddafi arrived uninvited in Zaire's neighboring countries of Burundi and Rwanda where he made threats against Zaire and its leaders, the World Jewish Congress reported yesterday.

According to Kinshasa radio, monitored here by WJC sources, this development had been disclosed by Mobutu at a meeting he chaired of the National Party leadership. "Taking advantage of his stay in Burundi and Rwanda, the Libyan head of state had the temerity to utter threats against Zaire and its leaders," the radio broadcast said.

The broadcast accused Qaddafi of "attempting to intimidate heads of state in their own territories." It warned that Zaire would "never allow the sovereignty and independence of other states to be violated nor will it permit a head of state to utter threats against a friendly country from his own country or the temerity to make offensive statements against another head of state."

Zaire called on free and independent African nations to condemn the terrorism used by the Libyan leader. The broadcast concluded with the denunciation of the Libyan leader by the Commander in Chief of the Zairean armed forces, Major Gen. Eluki Mongo Aundu.