

PERES URGES NON-MILITARY COLLECTIVE ACTION AGAINST COUNTRIES THAT HARBOR TERRORISTS

By David Friedman

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"I would strongly recommend that collective measures be taken against host countries," Peres said on ABC-TV's "This week with David Brinkley." "I am referring first and mainly to economic, political and other sanctions against this sort of country."

But Peres stressed that there can be no "immunity" for terrorists or their bases. He noted that when Israel bombed the Palestine Liberation Organization headquarters in Tunisia, it was not attacking Tunisia, which he called a "moderate" country, but was striking at an "extra-territorial base."

Peres' call for political and economic sanctions seemed to be in line with the Reagan Administration's efforts to get the West European countries to join in imposing economic sanctions on Libya in the wake of the terrorist attacks on the El Al counters at the Rome and Vienna airports December 27.

Four-Year Effort To Involve European Nations

Robert McFarlane, who recently left the post as President Reagan's National Security Advisor, appearing on the same ABC program, said the U.S. has been urging such action from the Europeans since 1981. He said collective action should be taken before more violent means are tried. He suggested that Europeans could start by bringing their people out of Libya and then beginning to cut trade with the Libyans.

Peres said that "Europe is learning the hard way that something must be done and undoubtedly that Libya is the most evil country in many respects and surely when it comes to terrorism."

Denies U.S. Pressure On Israel

Meanwhile, Peres denied that the U.S. has pressured Israel either to retaliate or not to retaliate against those responsible for the airport atrocities. He said the U.S. has taken a "responsible and strong position."

The Israeli Premier said this has resulted in Libyan leader Muammar Qaddafi backing down from his original position of strongly supporting the terrorist attacks. He said Qaddafi, who is "heroic in his speeches and irresponsible in his killings," is now frightened of what may happen. "But let him be scared instead of other people being frightened," Peres said.

This assessment seemed to be brought out by Qaddafi himself who backed off from a scheduled appearance today on NBC-TV's "Meet the Press." Instead, reporters from the U.S. television networks were taken to a Libyan farm where Qaddafi held a news conference from the seat of a tractor.

He said while it would not be legal for him to carry out attacks such as at the Rome and Vienna airports, "It may be so" for the Palestinians who, he said, were acting the same way as American colonialists did against the British.

Qaddafi said that while he has met this year with Abu Nidal, the Palestinian terrorist leader believed responsible for the Vienna and Rome atrocities, Abu Nidal does not live in Libya nor has bases there. He said he did not know where Abu Nidal was.

Peres Cautious In Implicating Syria

However, Peres, saying lying was easy for Qaddafi, declared that Abu Nidal is "right now in Libya" and has his bases in Libya. He rejected a report in the London Sunday Times which claimed that Israeli sources said Abu Nidal was dying of liver cancer and the terrorist attacks were actually carried out by Libyan and Syrian agents.

But Peres seemed more cautious in implicating Syria in the terrorist attacks. "Syria is more careful," he noted. But he warned that if "Syria will not cooperate more clearly to prevent terrorism in the world" then it too, should be considered as a host country for terrorism.

Peres was also cautiously optimistic about Syria's withdrawal of the SAM-6 and SAM-8 anti-aircraft missiles from the Lebanese border, although he noted that the SAM-2 missiles were still there. He said he believed there is a need to "de-escalate in our rhetoric" in order to "return to a status quo ante so as to keep a very complicated co-existence" in that area. (See related story.)

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The Indiana Senator appeared to place a great deal of responsibility for the lack of progress in the peace process on Syria, which he said was among those in the Mideast "who have not wanted that initiative to succeed." He added, "The current negotiations (by Syria) with King Hussein have not been helpful."

Force Against Terrorism Not Advisable

Lugar said the terrorist attacks at the Vienna and Rome airports December 27 may have been aimed at wrecking the peace process. He said that if the U.S. used force to retaliate, this would result in a "very serious setback" for the peace process, but noted it was already a "faltering process."

However, Lugar supported the use of force if it's necessary but urged the need for international cooperation against terrorism. He said there is a "change of mind in this country and it is becoming apparent in Europe" to support government action against terrorism "that may involve the loss of life."

But he said there is not yet the realization that state-sponsored terrorism involves "nation-states, and nation-states must be held responsible."

Lugar said he took "seriously" the threat by Libyan leader Muammar Qaddafi against Americans if either Israel or the U.S. retaliates, but this should not prevent taking effective action. He said Libya reportedly had trained numerous terrorists and they will act whether there is action by the U.S. or not.

A resolution of the Palestinian issue may "relieve" the problem of terrorism but there are many Palestinian factions which will not accept the peace process and "might continue the attack," Lugar noted.

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They told the Ambassador that the reception accorded Kaddoumi conferred an "undeserved legitimacy" on an organization which is not only part of an international terrorist network but which allegedly is training members of the Sendero Luminoso (Shining Path), Peru's native terrorist revolutionary organization that has killed hundreds of people and caused major disruptions in Peruvian life.

Closing PLO Office In Lima Urged

"Instead of honoring an individual closely linked to hijacking and murder," the two Jewish representatives told Ambassador Montana, Peruvian officials would be much better advised "to sever all relationships with the PLO and to close its office in Lima."

They pointed out that Kaddoumi was intimately involved in the hijacking of the Achille Lauro, that he lied about the brutal murder of Leon Klinghoffer and even claimed that no killing had taken place.

Rosenthal and Hellman recalled that Kaddoumi, in a speech before diplomats at the United Nations, had "brazenly made the ridiculous charge that Mrs. Klinghoffer had killed her own husband and thrown him overboard to collect the insurance."

Subsequent to the meeting, Rosenthal said that their representation to the Ambassador was one of several protests about Kaddoumi's presence at the breakfast that had been received by the Peruvian government.

Protests In Peru

He noted that Peru's Jewish community had described the invitation to Kaddoumi as "strange and inconsistent with the realities of Peruvian life." He said that Jewish leaders there had made the point that "it is inconsistent for Peru to denounce indigenous terrorism while not denouncing it in the Middle East."

Peruvian newspapers also voiced strong objections. *Expresso*, a Lima daily, had charged that the Peruvian attitude "is not realistic" and described the reception given to Kaddoumi as "a shame" because of his connection to the Achille Lauro hijacking.

Rosenthal said that Peru's relationship to the PLO goes back to June, 1979, when the military government of Gen. Francisco Morales Bermudez permitted the Arab organization to open South America's first PLO office in Lima.

He said the office distributes anti-Semitic literature such as the "Protocols of the Elders of Zion" and has been linked with extremist groups on both the left and right in Peru.

ECONOMIC SCENE IN ISRAEL MODAI OFFERS UPBEAT PREVIEW OF 1986

By David Landau and Gil Sedan

JERUSALEM, Jan. 5 (JTA) -- Finance Minister Yitzhak Modai has offered an optimistic assessment of the government's economic program during the past

year and an upbeat preview of the economic climate in 1986. He presented his forecast in a year-end interview published in Yediot Achronot. But his Likud colleague, Minister of Science and Development Gideon Patt, strongly dissented. With the same newspaper as his forum, Patt was sharply critical of the austerity economic policies engineered in large measure by Modai and claimed their perceived success was only arithmetic and psychological. He warned that the inflationary spiral, presently under tight control, may reappear next March and April.

Modai confidently predicted an inflation rate of between 20-30 percent in 1986 -- compared to the triple digit rate less than a year ago, and saw a monthly rise of the consumer price index not exceeding 1-2 percent. The rate for December, 1985, will probably be just over one percent.

The country has reached an economic cool-down with an inflation rate similar to that of several European countries, Modai said. He said the Treasury intends gradually to eliminate price controls, though it will retain them in such sensitive areas as rents and the prices of fruits and vegetables.

A Stable Shekel In The Offing

Modai held out the promise of "a Shekel as stable as the Dollar," implying indirectly that rumors that another devaluation is imminent are groundless. The rate of the Shekel will reflect the country's economic abilities, Modai said. He predicted that its exchange rate will rise much less than the price index and that as long as wages do not rise, there will be no need to raise the Shekel.

Wage negotiations with Histadrut have not yet begun and Modai had little to say about wages except that he thought they would be similar to the 1985 levels. He also said little about unemployment which he saw as a regional problem with higher levels of joblessness in the development areas pushing up the national average. He said the problem of unemployment is being dealt with by a special government committee.

The Finance Minister contended that the government's economic policy did not cause the recent rash of financial difficulties in various companies, though he admitted that the economic program did not help the companies. He predicted that the slump in the building industry will not get any worse. But he saw little hope for textiles, except as an export industry because the economic program allows for no growth in the domestic market.

Outlines A Series Of Plans

Modai stated flatly that if prices rise as a result of the withdrawal of government subsidies, he would encourage competing imports to keep them down. He said the tax burden has shifted from wage-earners to the self-employed. He plans income tax reforms which will lower taxes and intends to change the structure of the national insurance plan so it will reflect the recipients' income.

If taxes go down, they will be balanced by the new trend of having the public pay for previously free government services, Modai said. The new \$60 a year education tax is an example.

According to Patt, however, the proposed budget for the next fiscal year is as bad as the current one which he said increased unemployment, plunged the economy into a deep recession, endangered high-tech industry and investments and decreased exports.

Patt charged that instead of using recent economic aid from the U.S. to introduce tax reform, the government raised taxes, imposing an additional burden of \$150 on every family. He said this decreased the motivation to pay taxes and improve productivity and encouraged citizens to divert their financial resources into illegal channels.

According to Patt, while the government boasts it will cut \$580 million from this year's budget, the real cut does not exceed \$170 million and the difference means more taxes. He said the claimed cuts were nothing more than an "arithmetic exercise."

CLOUDY FUTURE FOR THE LAVIE

By Hugh Orgel

TEL AVIV, Jan. 5 (JTA) -- The Lavie, Israel's second generation fighterplane, will make its first test flight in nine months, but its future is clouded. The problems are budgetary rather than technical, Maj. Gen. (Res.) David Ivry, head of Israel Aircraft Industries (IAI), manufacturer of the supersonic jet told Israel Radio.

He said the first prototype Lavie will be flown next September and the second in December. But a decision has yet to be made as to its economic feasibility. According to some sources, the Lavie, which is to replace Israel's first generation home-built fighter, the Kfir, will be worth producing only if the Air Force guarantees to purchase at least 300 of the aircraft.

Anything less than that number would make the cost per-plane prohibitive and Israel would save money buying its next generation fighter from the U.S., these sources say. But the defense establishment, which originally contemplated ordering 300 Lavies, now fears that budget cuts will make so large an order impossible.

BURG TO RESIGN HIS POST IN JUNE

JERUSALEM, Jan. 5 (JTA) -- Yosef Burg, leader of the National Religious Party who has held office in almost every Israeli government since the State was founded, has notified the NRP that he will resign his Cabinet post next June 30. Burg, 75, is presently Minister of Religious Affairs in the Labor-Likud unity coalition government.

His announcement was contained in a letter to the NRP's internal elections committee. Burg's resignation has been expected and he was, in fact, reported ready to quit in November. The NRP, which has served in both Labor and Likud-led coalitions, suffered severe setbacks in recent elections.

It holds only two seats in the present Knesset and Burg was forced to relinquish the senior Cabinet post of Interior Minister to Rabbi Yitzhak Peretz of Shas, a new religious party. Burg says the central issue to which he will devote himself is rebuilding the Miz-rachi movement in Israel.

JERUSALEM (JTA) -- Premier Shimon Peres announced at Sunday's Cabinet meeting that he will call a meeting of ministers concerned with security and related matters to discuss aid for towns and settlements on the northern border which are menaced by terrorist attacks. He said the local authorities of the affected towns will be invited to participate.

SOUTH AFRICA'S REFORM JEWS LEADING JEWISH STRUGGLE AGAINST APARTHEID

By Ron Csilag

TORONTO, Jan. 5 (JTA) -- Reform Jews in South Africa are in the forefront in the battle against apartheid, but they themselves are considered second class Jews, says a leading Reform rabbi from South Africa.

Rabbi Norman Mendel, spiritual leader of the Temple Emanuel in Johannesburg, told an audience here recently that Reform Jews, known as Progressive Jews in South Africa, are leading the Jewish fight against apartheid, which they consider "indefensible, immoral and evil."

But Reform Jews in South Africa, who number about 5,000 families of a total Jewish population of between 110,000 and 112,000, are a "beleaguered, anxious" community who are taking more and more risks in speaking out against South Africa's policy of racial segregation, Mendel said. He said Reform Jews are fighting apartheid "against a backdrop of Jewish discrimination" emanating from the Orthodox community.

"There is day to day diminishment in the Reform movement in South Africa. Reform are considered a second class Jewish community," said Mendel, a native of Oakland, Calif. who moved to South Africa in 1978 after having served communities in Fremont, Calif., Kansas City, Missouri, and Boca Raton, Fla.

Orthodox Jews Joining The Fight

Orthodox Jews are only now beginning to do something about apartheid, Mendel maintained. "They're beginning to realize it's more sophisticated than they thought," he said.

Reform Jews, he said, have been fighting apartheid for years by holding educational programs with Blacks and "coloreds," or those of mixed race, and in going "on record as abhorring apartheid." Mendel called on Reform congregations in the United States and Canada to join in the battle by "adopting" sister Reform congregations in South Africa.

Part of the problem in apartheid is in the attitude of Afrikaners -- white, native-born South Africans who are "an obdurate, stubborn" people, far more "intractable" than other whites," Mendel said.

"The Afrikaner sees himself as the Israeli of South Africa. It is his people, his folk (being threatened). His sense of peoplehood must dominate. He believes his people will be pushed into the sea." By the year 2000, Blacks in South Africa will number 50 million from the current 25 million, Mendel said.

In general, the rabbi maintained, South African Jews have not been "as forthcoming" about apartheid as they should be.

'Excruciating Moral Dilemma'

Mendel hinted that more economic sanctions against South Africa may not be in the best interests of Blacks and coloreds, since current sanctions are costing about 1,000 jobs a week, mainly among non-whites.

Jews face "an excruciating moral dilemma" in serving in the South African army, which must patrol Black townships, with violent results almost daily, he continued.

As for the sensitive issue of economic and military ties between Israel and South Africa, Mendel said that on paper, trade between the two nations is still "much less" than between South Africa and other countries. Israel, whose people have suffered from racism more than any other, has continually come under fire for trading with South Africa.

According to some recent newspaper reports in Toronto, Israel last year imported \$120 million worth of goods from South Africa and exported \$80 million worth. But, the reports added, a great deal of barter takes place between the two, in which South Africa exchanges minerals for military equipment and knowhow.

Mendel conceded that Israel "must re-examine" its military ties with South Africa but at the same time, Israel must be in South Africa "in a highly visible way, in working with people."

YOSEF KLARMAN DEAD AT 76

TEL AVIV, Jan. 5 (JTA) -- Yosef Klarman, honorary chairman of the Herut World Executive and former head of Youth Aliya, died here last week at the age of 76. Klarman was a disciple, friend and for many years assistant to Revisionist Zionist leader Zeev Jabotinsky, and was a founder of Betar and the Revisionist Movement. As one of Europe's leading Yiddish journalists, he became the editor of the Revisionist paper, "Unser Welt" and also worked as a correspondent for Hebrew newspapers in Palestine.

Born in Poland, Klarman came to Palestine in 1940. Shortly afterwards he was appointed a member of a mission to Turkey to rescue European Jews. As a member of the European Jewry Rescue Committee he negotiated with the Bulgarian government on Jewish immigration to Palestine. He served in the Irgun and in the Haganah.

Klarman was a Herut representative on the Jewish Agency Executive, the presidium of Keren Hayesod and the Zionist Actions Committee. He was also vice president of the International Federation of Children's Committees. Before becoming a Revisionist leader he was a member of Hashomer Hatzair.

NUCLEAR POWER STATION

TEL AVIV, Jan. 5 (JTA) -- The site of Israel's first nuclear power station has been selected, after 11 years of studies and tests that cost \$20 million. It will be located in the Negev, just off the Beersheba-Nitzana road, according to the chief engineer of the Israel Electric Corp., a state-owned enterprise.

Negotiations for the purchase of a nuclear power reactor are underway with possible suppliers in West Germany, France, Canada and the U.S. But before the project can be started, a political decision has to be made whether or not to build the power station.

Once approved, it will take a decade to complete and will cost \$2 billion. It would not be operational before the year 2000 but would provide between 2,500 and 4,000 jobs during construction. Once operational, an estimated 350 employees would be required to run the plant.

Meanwhile, Israel will build two more conventional coal-fired power-generating plants near Ashkelon, scheduled for completion in 1990. One of the two existing plants in Haifa and Hadera will be expanded.



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Rosenthal said that Peru's relationship to the PLO goes back to June, 1979, when the military government of Gen. Francisco Morales Bermudez permitted the Arab organization to open South America's first PLO office in Lima.

He said the office distributes anti-Semitic literature such as the "Protocols of the Elders of Zion" and has been linked with extremist groups on both the left and right in Peru.

ECONOMIC SCENE IN ISRAEL MODAI OFFERS UPBEAT PREVIEW OF 1986

By David Landau and Gil Sedan

JERUSALEM, Jan. 5 (JTA) -- Finance Minister Yitzhak Modai has offered an optimistic assessment of the government's economic program during the past

year and an upbeat preview of the economic climate in 1986. He presented his forecast in a year-end interview published in Yediot Achronot. But his Likud colleague, Minister of Science and Development Gideon Patt, strongly dissented. With the same newspaper as his forum, Patt was sharply critical of the austerity economic policies engineered in large measure by Modai and claimed their perceived success was only arithmetic and psychological. He warned that the inflationary spiral, presently under tight control, may reappear next March and April.

Modai confidently predicted an inflation rate of between 20-30 percent in 1986 — compared to the triple digit rate less than a year ago, and saw a monthly rise of the consumer price index not exceeding 1-2 percent. The rate for December, 1985, will probably be just over one percent.

The country has reached an economic cool-down with an inflation rate similar to that of several European countries, Modai said. He said the Treasury intends gradually to eliminate price controls, though it will retain them in such sensitive areas as rents and the prices of fruits and vegetables.

A Stable Shekel In The Offing

Modai held out the promise of "a Shekel as stable as the Dollar," implying indirectly that rumors that another devaluation is imminent are groundless. The rate of the Shekel will reflect the country's economic abilities, Modai said. He predicted that its exchange rate will rise much less than the price index and that as long as wages do not rise, there will be no need to raise the Shekel.

Wage negotiations with Histadrut have not yet begun and Modai had little to say about wages except that he thought they would be similar to the 1985 levels. He also said little about unemployment which he saw as a regional problem with higher levels of joblessness in the development areas pushing up the national average. He said the problem of unemployment is being dealt with by a special government committee.

The Finance Minister contended that the government's economic policy did not cause the recent rash of financial difficulties in various companies, though he admitted that the economic program did not help the companies. He predicted that the slump in the building industry will not get any worse. But he saw little hope for textiles, except as an export industry because the economic program allows for no growth in the domestic market.

Outlines A Series Of Plans

Modai stated flatly that if prices rise as a result of the withdrawal of government subsidies, he would encourage competing imports to keep them down. He said the tax burden has shifted from wage-earners to the self-employed. He plans income tax reforms which will lower taxes and intends to change the structure of the national insurance plan so it will reflect the recipients' income.

If taxes go down, they will be balanced by the new trend of having the public pay for previously free government services, Modai said. The new \$60 a year education tax is an example.

According to Patt, however, the proposed budget for the next fiscal year is as bad as the current one which he said increased unemployment, plunged the economy into a deep recession, endangered high-tech industry and investments and decreased exports.

Patt charged that instead of using recent economic aid from the U.S. to introduce tax reform, the government raised taxes, imposing an additional burden of \$150 on every family. He said this decreased the motivation to pay taxes and improve productivity and encouraged citizens to divert their financial resources into illegal channels.

According to Patt, while the government boasts it will cut \$580 million from this year's budget, the real cut does not exceed \$170 million and the difference means more taxes. He said the claimed cuts were nothing more than an "arithmetic exercise."

CLOUDY FUTURE FOR THE LAVIE

By Hugh Orgel

TEL AVIV, Jan. 5 (JTA) — The Lavie, Israel's second generation fighterplane, will make its first test flight in nine months, but its future is clouded. The problems are budgetary rather than technical, Maj. Gen. (Res.) David Ivry, head of Israel Aircraft Industries (IAI), manufacturer of the supersonic jet told Israel Radio.

He said the first prototype Lavie will be flown next September and the second in December. But a decision has yet to be made as to its economic feasibility. According to some sources, the Lavie, which is to replace Israel's first generation home-built fighter, the Kfir, will be worth producing only if the Air Force guarantees to purchase at least 300 of the aircraft.

Anything less than that number would make the cost per-plane prohibitive and Israel would save money buying its next generation fighter from the U.S., these sources say. But the defense establishment, which originally contemplated ordering 300 Lavies, now fears that budget cuts will make so large an order impossible.

BURG TO RESIGN HIS POST IN JUNE

JERUSALEM, Jan. 5 (JTA) — Yosef Burg, leader of the National Religious Party who has held office in almost every Israeli government since the State was founded, has notified the NRP that he will resign his Cabinet post next June 30. Burg, 75, is presently Minister of Religious Affairs in the Labor-Likud unity coalition government.

His announcement was contained in a letter to the NRP's internal elections committee. Burg's resignation has been expected and he was, in fact, reported ready to quit in November. The NRP, which has served in both Labor and Likud-led coalitions, suffered severe setbacks in recent elections.

It holds only two seats in the present Knesset and Burg was forced to relinquish the senior Cabinet post of Interior Minister to Rabbi Yitzhak Peretz of Shas, a new religious party. Burg says the central issue to which he will devote himself is rebuilding the Miz-rachi movement in Israel.

JERUSALEM (JTA) — Premier Shimon Peres announced at Sunday's Cabinet meeting that he will call a meeting of ministers concerned with security and related matters to discuss aid for towns and settlements on the northern border which are menaced by terrorist attacks. He said the local authorities of the affected towns will be invited to participate.

SOUTH AFRICA'S REFORM JEWS LEADING JEWISH STRUGGLE AGAINST APARTHEID

By Ron Csilag

TORONTO, Jan. 5 (JTA) -- Reform Jews in South Africa are in the forefront in the battle against apartheid, but they themselves are considered second class Jews, says a leading Reform rabbi from South Africa.

Rabbi Norman Mendel, spiritual leader of the Temple Emanuel in Johannesburg, told an audience here recently that Reform Jews, known as Progressive Jews in South Africa, are leading the Jewish fight against apartheid, which they consider "indefensible, immoral and evil."

But Reform Jews in South Africa, who number about 5,000 families of a total Jewish population of between 110,000 and 112,000, are a "beleaguered, anxious" community who are taking more and more risks in speaking out against South Africa's policy of racial segregation, Mendel said. He said Reform Jews are fighting apartheid "against a backdrop of Jewish discrimination" emanating from the Orthodox community.

"There is day to day diminishment in the Reform movement in South Africa. Reform are considered a second class Jewish community," said Mendel, a native of Oakland, Calif. who moved to South Africa in 1978 after having served communities in Fremont, Calif., Kansas City, Missouri, and Boca Raton, Fla.

Orthodox Jews Joining The Fight

Orthodox Jews are only now beginning to do something about apartheid, Mendel maintained. "They're beginning to realize it's more sophisticated than they thought," he said.

Reform Jews, he said, have been fighting apartheid for years by holding educational programs with Blacks and "coloreds," or those of mixed race, and in going "on record as abhorring apartheid." Mendel called on Reform congregations in the United States and Canada to join in the battle by "adopting" sister Reform congregations in South Africa.

Part of the problem in apartheid is in the attitude of Afrikaners -- white, native-born South Africans who are "an obdurate, stubborn" people, far more "intractable" than other whites," Mendel said.

"The Afrikaner sees himself as the Israeli of South Africa. It is his people, his folk (being threatened). His sense of peoplehood must dominate. He believes his people will be pushed into the sea." By the year 2000, Blacks in South Africa will number 50 million from the current 25 million, Mendel said.

In general, the rabbi maintained, South African Jews have not been "as forthcoming" about apartheid as they should be.

'Excruciating Moral Dilemma'

Mendel hinted that more economic sanctions against South Africa may not be in the best interests of Blacks and coloreds, since current sanctions are costing about 1,000 jobs a week, mainly among non-whites.

Jews face "an excruciating moral dilemma" in serving in the South African army, which must patrol Black townships, with violent results almost daily, he continued.

As for the sensitive issue of economic and military ties between Israel and South Africa, Mendel said that on paper, trade between the two nations is still "much less" than between South Africa and other countries. Israel, whose people have suffered from racism more than any other, has continually come under fire for trading with South Africa.

According to some recent newspaper reports in Toronto, Israel last year imported \$120 million worth of goods from South Africa and exported \$80 million worth. But, the reports added, a great deal of barter takes place between the two, in which South Africa exchanges minerals for military equipment and knowhow.

Mendel conceded that Israel "must re-examine" its military ties with South Africa but at the same time, Israel must be in South Africa "in a highly visible way, in working with people."

YOSEF KLARMAN DEAD AT 76

TEL AVIV, Jan. 5 (JTA) -- Yosef Klarman, honorary chairman of the Herut World Executive and former head of Youth Aliya, died here last week at the age of 76. Klarman was a disciple, friend and for many years assistant to Revisionist Zionist leader Zeev Jabotinsky, and was a founder of Betar and the Revisionist Movement. As one of Europe's leading Yiddish journalists, he became the editor of the Revisionist paper, "Unser Welt" and also worked as a correspondent for Hebrew newspapers in Palestine.

Born in Poland, Klarman came to Palestine in 1940. Shortly afterwards he was appointed a member of a mission to Turkey to rescue European Jews. As a member of the European Jewry Rescue Committee he negotiated with the Bulgarian government on Jewish immigration to Palestine. He served in the Irgun and in the Haganah.

Klarman was a Herut representative on the Jewish Agency Executive, the presidium of Keren Hayesod and the Zionist Actions Committee. He was also vice president of the International Federation of Children's Committees. Before becoming a Revisionist leader he was a member of Hashomer Hatzair.

NUCLEAR POWER STATION

TEL AVIV, Jan. 5 (JTA) -- The site of Israel's first nuclear power station has been selected, after 11 years of studies and tests that cost \$20 million. It will be located in the Negev, just off the Beersheba-Nitzana road, according to the chief engineer of the Israel Electric Corp., a state-owned enterprise.

Negotiations for the purchase of a nuclear power reactor are underway with possible suppliers in West Germany, France, Canada and the U.S. But before the project can be started, a political decision has to be made whether or not to build the power station.

Once approved, it will take a decade to complete and will cost \$2 billion. It would not be operational before the year 2000 but would provide between 2,500 and 4,000 jobs during construction. Once operational, an estimated 350 employees would be required to run the plant.

Meanwhile, Israel will build two more conventional coal-fired power-generating plants near Ashkelon, scheduled for completion in 1990. One of the two existing plants in Haifa and Hadera will be expanded.