

REAGAN SAYS U.S. WANTS TO FIND A SOLUTION TO PALESTINIAN PROBLEM BUT WILL NOT NEGOTIATE WITH THE PLO

By David Friedman

WASHINGTON, Jan. 8 (JTA) — President Reagan stressed last night that while the United States wants to find a solution to the Palestinian problem, neither the U.S. nor Israel will negotiate with the Palestine Liberation Organization, led by Yasser Arafat, as long as it refuses to recognize Israel's right to exist.

"You can't ask them (Israel) to negotiate with someone who's sitting on the opposite side of the table saying that they start from the negotiating position that Israel doesn't have any right to exist," Reagan said at his nationally televised press conference from the East Room of the White House.

"And this is the main thing," the President added. "It's the reason why we have not felt free to talk with Arafat either until he gives up that position." Reagan also reiterated the U.S. position that the PLO must accept United Nations Security Council Resolutions 242 and 338.

Reagan discussed the Palestinian situation in response to a question after he announced that he had signed an executive order imposing a total trade ban on Libya and urging the 1,000 to 1,500 Americans still in Libya to leave immediately or be subject to legal penalties.

"By providing material support to terrorist groups which attack U.S. citizens, Libya has engaged in armed aggression against the United States under established principles of international law, just as if he (Libyan leader Muammar Qaddafi) had used its own armed forces," Reagan said.

But the President refused to say whether he would use military force against Libya, indicating that he was concerned that the Americans still in Libya were potential hostages.

The Palestinian issue was raised when it was suggested that Palestinians might get rid of foreign occupation by emulating U.S.-backed freedom fighters in Afghanistan and the Contras in Nicaragua.

U.S. Trying To Promote "Peaceful Way"

"The peaceful way is the thing we've been trying to promote," Reagan replied, "the idea of peace between the Arab states and Israel. And we have emphasized from the very first that the problem of the Palestinians must be part of any solution."

But Reagan added that there are thousands of Palestinians in almost every Arab country and in some they are almost a majority. "And in many of these countries they are not made citizens," he said.

Reagan said these Palestinians "seem to be content with where they're living, but those that became refugees, the great refugee camps that we found in Lebanon ... are literally people without a country and we think there has to be a solution found for them."

In his opening statement on Libya, Reagan declared that the attacks on the El Al counters at the Rome and Vienna airports December 27 were carried out by the Abu Nidal terrorist organization.

Vowing to bring Abu Nidal and other terrorists to justice, Reagan added, "these murderers could not carry out their crimes without the sanctuary and support provided by regimes such as Colonel Qaddafi's in Libya." He said the airport attacks are only the latest in a series of brutal terrorist attacks committed with Qaddafi's backing.

Reagan said the U.S. will seek the cooperation of its European allies in the trade embargo on Libya. But he indicated that some may not agree to go along because of their economic situation.

The President acknowledged that there are limits on the retribution the U.S. can take against terrorists. But he noted that during the last year the U.S., working with other countries, aborted 126 terrorist missions. He would not give any details.

At one point Reagan said Qaddafi was not only a barbarian, "but he's flaky." But when he was asked if he thought Qaddafi was mentally unbalanced, Reagan replied, "No, I just think that the man is a zealot, he is pursuing a revolutionary cause that could affect a great many countries."

PERES: NO NEED TO DECLARE WAR ON LIBYA; ECONOMIC AND LEGAL SANCTIONS ARE SUFFICIENT

By Hugh Orgel

TEL AVIV, Jan. 8 (JTA) — Premier Shimon Peres said yesterday there was no need to declare war on Libya. It would be enough simply to impose economic and legal sanctions against the regime of Col. Muammar Qaddafi, accused of aiding the perpetrators of international terrorism.

Peres spoke to high school students hours before President Reagan announced at a Washington press conference last night that he has ordered full economic sanctions against Libya. The Premier noted that Israel agrees with the U.S. call for international cooperation against Qaddafi — made before the President announced sanctions. He observed, however, that some European countries are reluctant to cooperate in sanctions for purely economic reasons.

Peres described the Libyan leader as "a clown, a murderer and a liar, all at the same time." Reagan referred to him as a "barbarian" who is a "flake."

Peres also told the students that while the Syrians may not want war with Israel because they have not achieved strategic parity, war could erupt as a result of some incident which developed into something more serious than intended. He appealed for restraint in the use of words and the use of missiles.

WEST GERMAN INDUSTRIAL CONGLOMERATE PAYS \$2 MILLION IN COMPENSATION TO SURVIVING JEWISH SLAVE LABORERS

By David Kantor

BONN, Jan. 8 (JTA) — The Flick group of companies, a West German industrial conglomerate, said today it has paid five million Marks, the equivalent of \$2 million, to the Conference on Jewish Material Claims Against Germany to compensate surviving Jewish slave laborers used by one of its subsidiaries, Dynamit-Nobel, during World War II.

This was confirmed in New York today by Saul Kagan, executive director of the Claims Conference, who said it culminated nearly 20 years of efforts on behalf of the claimants. There are an estimated 1,000-1,300 surviving slave laborers who were used by Dynamit-Nobel.

The one-time payment was approved by Deutsche Bank, West Germany's largest bank, which acquired the Flick group last month for \$2 billion. It was described as a "humanitarian" gesture. The bank's board chairman, Wilhelm Christian, had said earlier that the bank was under no legal obligation to pay compensation to former slave laborers.

Pleased With The Response

Rabbi Israel Miller, president of the Claims Conference, said in a statement today, "We are pleased with the prompt response by Deutsche Bank and we formally acknowledge the decision of Dynamit-Nobel to finally provide a small payment to Jewish slave laborers who toiled for Dynamit-Nobel during the war."

The Flick group, founded by the late Friedrich Flick and sold to Deutsche Bank by his son, Friedrich Karl, denied it had utilized slave labor during the Nazi era, though it did profit from the acquisition of Jewish companies "aryanized" by the Third Reich. The group was dismantled after the war but made a rapid comeback during which it became parent company of Dynamit-Nobel.

The latter ran munitions and explosives factories near such concentration camps as Auschwitz, Buchenwald and Gross Rosen, utilizing camp inmates, mostly women, under dangerous and brutal conditions.

The Los Angeles-based Simon Wiesenthal Center, which yesterday accused Deutsche Bank of having benefitted from slave labor, expressed satisfaction today with the Flick group's agreement to pay what it called "a symbolic sum" to the slave labor survivors. It applauded the Claims Conference for its efforts "in pursuing this moral issue" but expressed "deep disappointment" that the Deutsche Bank refused to acknowledge its obligation as a moral one.

Outrage Continues Over Slur

Werner Nachmann, chairman of the Central Council of Jews in Germany, also expressed satisfaction with Flick's payment. But the German Jewish community remains outraged by the anti-Semitic slur of Hermann Fellner, a ranking member of the Christian Social Union (CSU), who said this week he saw no legal or moral obligation to pay compensation to Jewish slave labor survivors.

Fellner, whose party is the Bavarian wing of Chancellor Helmut Kohl's ruling Christian Democratic Union (CDU), suggested that the claim for compensation "creates the impression that Jews are quick to show up whenever money jingles in German cashboxes."

Fellner, a rightwinger who has often accused the government of being "over-sensitive" to Israel, has refused to retract his remarks despite admonitions from members of his own party. Israel's Ambassador to Bonn, Yitzhak Ben Ari, said "Fellner should be ashamed of himself for having stooped to use expressions familiar from the worst days of the Nazi era."

Heinz Galinsky, chairman of the West Berlin Jewish community, called on Chancellor Kohl today to take a clear stand on the issue. He said he was shocked to learn that Fellner is only 35 -- born five years after the end of the war and the collapse of the Third Reich.

POLICE RESCUE MKs FROM HOSTILE ARAB CROWD ON THE TEMPLE MOUNT By Gil Sedan

JERUSALEM, Jan. 8 (JTA) -- Swift action by the police rescued members of the Knesset's Interior Committee from a hostile Arab crowd on the Temple Mount in East Jerusalem today. But the police came under fire from committee members for evacuating them and from the Moslem Supreme Council, which charged police brutality against the Arabs.

The committee members visited the Temple Mount, site of Islamic shrines, this morning to investigate complaints that the Moslem religious authorities were allowing illegal construction there. Shortly after they entered Solomon's Stables, adjacent to the Al-Aksa Mosque, they were surrounded by Arabs who demanded they leave.

A shoving match began, and according to Likud MK Dov Shilansky, the committee chairman, he was beaten by Arabs. Shilansky said the Imam (Moslem religious leader) announced on the public address system that Jews were taking over Moslem holy places. The announcement drew scores of angry Arabs who threatened the lives of the Knesset members. Police rushed to the scene and safely evacuated them.

MKs Denounce The Police

In the Knesset later, Shilansky and Yuval Neeman of the rightwing Tehiya Party, denounced the police for evacuating the threatened Israeli legislators instead of taking measures to let them continue their tour of the site undisturbed. They expressed shock that such an incident could take place under Jewish sovereignty.

Shilansky insisted that the visit had been coordinated in advance with the police authorities. But Knesset Speaker Shlomo Hillel said he was not aware of it nor were the Moslem religious authorities who are usually informed.

The Temple Mount, where the Al-Aksa and Dome of the Rock (Mosque of Omar) are located, is the third holiest shrine in the Moslem faith. It is also the site of the Second Temple. Jews are permitted to worship at its Western Wall but not on the Temple Mount itself -- a situation that infuriates Orthodox and ultra-nationalist Jews.

The Moslem Supreme Council sent a telegram to Premier Shimon Peres today claiming the Knesset members brought extremist elements with them to the Temple Mount and carried cameras in what amounted to a provocation. They also charged that police and soldiers beat up several Arab guards.

Haim Albalades, Commander of the Jerusalem police, rejected the allegations by both Jews and Arabs. He said police re-enforcements arrived swiftly and protected the lives of the MKs.

Mayor Teddy Kollek expressed hope the incident would not sour relations between Jews and Arabs in Jerusalem.

MEMORIAL SERVICE FOR MURDERED LEBANESE JEWS

By Yitzhak Rabi

NEW YORK, Jan. 8 (JTA) — Jewish and Christian leaders called today on the leaders of the free world and the United States government to intensify their efforts on behalf of kidnapped Lebanese Jews who are held by Islamic fundamentalist extremists in Lebanon.

The call was made during a special memorial service, held at Congregation Kehilath Jeshurun, for two Lebanese Jews who were killed by their kidnappers last month. The victims were Haim Cohen Halala, 38, and Prof. Isaac Tarrah, 53, both members of the tiny Jewish community of Beirut.

Rep. William Green (R. NY) charged that the two were murdered "for one reason: they were Jews." He called for a public protest against the killings and increased efforts to save the lives of other Jewish hostages in Lebanon.

The Rev. Joseph O'Hare, president of Fordham University, said that he came to the memorial service to express sympathy with the victims' families and to express outrage at the brutal killings of innocent people because of their religion.

The memorial service, which was attended by more than 120 people, was co-sponsored by the New York Board of Rabbis, the American Jewish Committee and the Jewish Community Relations Council of New York.

Rabbi Haskell Lookstein, president of the New York Board of Rabbis, said that the "silence" and indifference to the fate of Lebanon's Jews must be broken.

Peggy Tishman, president of the JCRC of New York, declared: "We will not stand idly by while in Lebanon Jews are abducted and murdered for no reason other than their Jewish heritage." She added:

"The fate of five Lebanese Jews — Isaac Sasson, Dr. Elie Hallak, Salim Jammous, Elie Sour and Yehuda Benesti, along with our American brothers and other foreign captives, hangs in the balance. Our plea to all people of compassion and influence is to intercede on behalf of these innocents and save their lives."

Howard Friedman, president of the AJC, stated: "It is now time for civilized people and nations to treat terrorists and the nations which provide them with succor as outlaws and beyond civilized norms." He continued: "We would be remiss in our memorial to them (the victims) if we did not express our profound conviction that the time has come to require more than rhetorical flourishes when terrorism is addressed."

U.S. ENVOY TO EGYPT RESIGNS

By Judith Kohn

WASHINGTON, Jan. 8 (JTA) — Reagan Administration officials today confirmed the resignation of U.S. Ambassador to Egypt Nicholas Veliotis, and denied reports that he was forced out in an effort to smooth relations with Egypt following the Achille Lauro hijacking last October.

Calling the envoy's performance in Egypt "top-notch," White House spokesman Larry Speakes said that Veliotis decided to end his long career in the Foreign Service because he was offered an attractive position in the private sector. He will reportedly become president of the New York-based Association of American Publishers.

Veliotis most recently came to public attention last fall, when his angry demands that Egypt prosecute the hijackers of the Italian cruise ship Achille Lauro was recorded without his knowledge and aired on radio and television. The following day it was discovered that the terrorists, who had killed an elderly American Jewish passenger, Leon Klinghoffer, had been flown out of the country, and new tensions were created when U.S. jet fighters forced the Egyptian plane that was carrying them to land in Sicily.

According to one report, Veliotis was forced out after a "shouting match" with Secretary of State George Shultz, who had requested that he return to Washington for consultations following the incident. But State Department spokesman Bernard Kalb vigorously denied today that the resignation was anything other than a personal decision.

Veliotis, 57, has served in numerous Middle Eastern posts, including that of Assistant Secretary of State for Near Eastern and South Asian Affairs from 1981 to 1983, when he left for Cairo. During his 30-year career with the Foreign Service, he was also Ambassador to Jordan, 1978-81, and earlier, 1973-75, Deputy Chief of Mission in Tel Aviv.

Veliotis will reportedly be replaced by Deputy Assistant Secretary of State for African Affairs Frank Wisner. The State Department would not comment today on who would be nominated or when an announcement would be made. Wisner's other Middle East posts have been in Algiers and Tunis.

CRITICAL SHOWDOWN OVER TABA ISSUE

By David Landau

JERUSALEM, Jan. 8 (JTA) — The 10-man Inner Cabinet is scheduled to meet tomorrow for what both Labor and Likud sources said would be a "critical" showdown over a proposed formula to resolve Israel's border dispute with Egypt over Taba.

Labor sources quoted Premier Shimon Peres as declaring that the outcome of the meeting would be crucial to future relations with Egypt or the fate of the Labor-Likud unity coalition government. They said the Premier was determined to get agreement on the formula which would combine elements of arbitration, as demanded by Egypt and conciliation, insisted upon by Likud.

The Inner Cabinet—five Labor and five Likud ministers — ended their last meeting on the issue in deadlock two months ago. Since then, Israeli and Egyptian negotiating teams came up with a formula Peres says would satisfy Cairo and the concerns expressed by Foreign Minister Yitzhak Shamir, the Likud leader.

Peres is convinced that resolution of the Taba issue will result in improved relations with Egypt and the resolution of all other bilateral issues between the two countries.

Peres and Shamir met privately Monday night. The Likud Knesset caucus indicated yesterday that if Shamir approved the latest moves, he would have the support of his colleagues in the Knesset. But Likud hardliners continued to oppose any concessions to Egypt.

Likud ministers caucused this evening. Party sources said the outcome was inconclusive. At least some Likud leaders continue to feel that the accords reached with Egypt so far in the border dispute were inadequate. Labor ministers met with Peres at his home here late tonight.

CATHOLIC UNIVERSITY STUDENT ENDS 25-DAY HUNGER STRIKE ON BEHALF OF A SOVIET REFUSENIK DENIED A VISA TO VISIT THE WEST FOR CANCER TREATMENT

By Judith Kohn

WASHINGTON, Jan. 8 (JTA) — Lisa Paul, a University of Minnesota senior who grew up a Catholic in Appleton, Wisconsin, ended a 25-day hunger strike yesterday that she began on behalf of Soviet Jewish refusenik Inna Meiman who has been denied a visa to go to the West for treatment of cancer.

Paul, 24, fought back tears as she told of her friendship with Meiman and other refuseniks and dissidents at a Capitol press conference sponsored by the Union of Councils for Soviet Jews and hosted by Sen. Paul Simon (D. Ill.). The young woman, whose major is Russian studies, spent two years in the Soviet Union as a domestic taking care of children. She said she met Meiman, 54, a former professor of English, when she sought a tutor in the Russian language.

Paul said she undertook her hunger strike, with the reluctant approval of Meiman, in the hope it would arouse awareness of Meiman's case. If nothing else, she said, it may have offered her a spark of hope.

Background Of Meiman's Plight

Meiman first applied for a visa to go to Israel in 1979. It was denied initially on grounds that she had no close relatives there. More recently she was informed she could not leave the USSR because her mathematician husband, Naum Meiman, 74, was privy to classified information which made her a security risk.

Meiman's classified work ended in 1955 when he left the Institute of Physical Problems at the Soviet Academy of Science. He maintains it involved pure mathematics which has long ceased to have any significance in security matters.

He has obtained the signature of the director of the Institute of Theoretical and Experimental Physics, where he worked until 1975 — when he was fired after applying for an exit visa to Israel — on a certificate confirming that he was involved only in abstract mathematics and that the results of his work have been published in Soviet scientific journals.

The certificate was also signed by the secretary of the local Communist Party branch and the head of the local trade union, but to no avail.

Two years ago, Inna Meiman discovered a cancerous growth in the muscle tissue of her neck. She has undergone four major operations. Soviet doctors told her further surgery was unfeasible. Her condition deteriorated.

In a CBS-TV videotape interview arranged by Paul when she was in Moscow last summer, Meiman said the tumor, diagnosed as sarcoma of the soft tissues, was dangerously close to her brain and spine. She said treatment by non-surgical means, such as radiation, was obtainable only in the West.

Her husband, meanwhile, wrote an open letter to Soviet leader Mikhail Gorbachev last October about his wife's condition. As a consequence, she was invited to receive treatment by cancer clinics in Sweden, France, the United States and Israel.

Paul described a Catch-22 situation. She said Meiman was told by Soviet visa authorities that she would need a note from the Health Ministry confirming that she required treatment abroad. But Health

Ministry officials said they were forbidden to issue such statements. Since Paul returned to the U.S. six months ago she has written letters to Congressmen and Reagan Administration officials, including Vice President George Bush, on behalf of Meiman. Concluding that she had exhausted all other options, she decided to undertake a 25-day hunger strike to focus not only on Inna Meiman's struggle but the issue it represents. She won her friend's reluctant approval in a telephone conversation and subsequently in a letter urging that she fast not just for her personally but for the cause of all refuseniks.

Preparing For The Fast

Paul said she prepared for her fast by gradually reducing her food intake. During the 25 days she went without food but did consume fruit juices and vitamins.

Her fast, she said, was far less dramatic than the one undertaken by the most famous Soviet dissident, Nobel Laureate Andrei Sakharov, who drank only water during several prolonged hunger strikes on behalf of his wife, Yelena Bonner, who was in urgent need of treatment for eye and heart ailments.

Sakharov was successful; Bonner was issued a 90-day exit visa. She will undergo heart surgery at Massachusetts General Hospital next week.

In addition to Simon and Sen. Gary Hart (D. Colo.), both of whom visited Meiman in Moscow, Paul's press conference was attended by other members of Congress and by the daughter of Meiman's husband, Olga Plum, a resident of Colorado. The press conference was addressed by William Taylor, director of the Center for National Policy Review at Catholic University Law School in Washington, D.C.

Taylor who met with Meiman and her husband, speculated that the Soviets might be content to let her die. He said the couple had contemplated a hunger strike of their own but decided it would be ineffective.

ARGENTINA JEWISH LEADER RECEIVES PRESIDENTIAL APPOINTMENT

BUENOS AIRES, Jan. 8 (JTA) — President Raul Alfonsín has appointed Jacobo Fiterman, a member of the presidium of the Latin American branch of the World Jewish Congress, to the post of Secretary of Public Works for the Buenos Aires municipality.

Fiterman, an engineer who has long been active in Jewish affairs here, served until recently as president of the Argentine Zionist Organization. In November, he led a major public campaign in the country to mobilize support for efforts to persuade the United Nations General Assembly to repudiate its 1975 resolution equating Zionism and racism.

President Alfonsín's appointment of Fiterman was widely praised in the Argentine press, which stressed Fiterman's professional and intellectual qualifications for the post and detailed some of the public projects he has been instrumental in building.

Alfonsín's selection of an individual who is not only Jewish but is also publicly known as a prominent Zionist is being particularly well-received within Argentina's Jewish community, which has recently been alarmed by an upsurge in anti-Semitic incidents and anti-Israel agitation.