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JEWISH, CATHOLIC LEADERS REPORT CORDIAL MEETING IN PREPARATION FOR UNPRECEDENTED TALKS WITH POPE By Edwin Eytan

ROME, Aug. 31 (1TA) — Jewish representatives and senior Catholic officials conferred for close to 10 hours Monday in what both sides described as "a warm, cordial and friendly atmosphere" laying the groundwork for Tuesday's meetings with Pope John Paul II and the Vatican's Secretary of State, Cardinal Agostino Casaroli.

Msgr. William Keeler, who chairs the Americans lishop's Commission for Relations with Juws, said Monday's meeting "was like a meeting between brothers." Rabbi Mordecai Waxman, who heads the Jewish delegation, said "It was a constructive and cordial meeting."

The nine-man Jewish delegation will confer Tuesday morning with Casaroli and then will be driven in official Vational limousines to the Pope's summer residence at Castel Gandolfo for their historic meeting with the Pontiff.

That meeting is expected to last 60 to 90 minutes, and will be attended by Casaroli and other high-ranking Vatican officials.

'Frank And Open' Meeting

The Vatican has informed the Jewish delegation that the meeting with the Pope will be "frank and open," and that the delegation can raise all issues it thinks suitable without any reservations. One Catholic official has told members of the delegation, "It will be a session of sive and take"

Both sides Monday imposed, at the Vatican's request, a total news blackout until after the meeting with the Pope, but conference officials said the Vatican delegation has indicated that it will seriously consider issuing a formal Vatican document which will energetically and unambiguously condemn revisionist tendencies toward the Holocaust and recall the martyrdom then of the Jewish people. Such a document would still need formal Vatican approval and probably take months to elaborate and draft. It would clarify the Vatican's stand on these crucial questions and guide hundreds of million of Catholies throughout the world.

Such a statement has been one of the Jewish delegation's requests. Many Jewish leaders believe it would help combat anti-Semilism and the 'de-Judaization' of the Holocaust and serve as a barrier against revisionist tendencies.

Psalm, Meals, Four Issues

The two delegations, nine lews and nine high-ranking Catholic prelates, began their Monday meeting at 9:30 a.m. with the reading of Psalm 67. Rabbi Gilbert Klaperman, president of the Synagogue Council of America, read the verses in Hebrew and Dr. Eugene Fisher of the U.S. National Conference of Catholic Bishops read it in English.

The two delegations sat at a horseshoeshaped table. A Vatican official explained, "We wanted to sit together like brothers and friends, and not facing each other like strangers." All four points on the agenda were raised. The first item

was the Pope's meeting with Austrian President Kurt Waldheim. After the initial presentation by Rabbi Marc Tanenbaum of the American Jewish Committee, the discussion became general and at times warm, but remained courteous in tone. All sides appeared keen to reach an understanding.

The Vatican delegates reiterated to some extent the known arguments for the audience and the meeting's background. Although the Catholic spokesmen did not express their regret in so many words, the general undertone reportedly went in that direction.

Several of the Jewish delegates paid tribute to Johannes Cardinal Willebrands, president of the Holy See's Commission for Religious Relations with the Jews, for his understanding and feeling for the Jewish outrage.

Possible Breakthrough On Israel

The political issue, dealing with the Vatican's non-recognition of Israel, was raised by Seymour Reich, president of Bnai Brith International, and Geoffrey Wigoder of the Israeli International, and Geoffrey Wigoder of the Israeli Interfaith Committee. Several of the Catholic representatives responded but -- and this is considered an important change -- used political and not theological arguments to explain the Vatican's refusal to recognize Israel and establish diplomatic relations with the Jewish State.

The Vatican position was explained by Msgr. Luigi Gatti, a member of the Secretariat of State. It is the first known instance in which a Vatican diplomat attended such a meeting and played an

active role.

The Catholic delegation hosted the Jewish delegation at a kosher lunch. Rabbi Leon Klenicki of the Anti-Defamation League of B'nai B'rith recited the blessings in Hebrew and English. All the delegates wore yarmulkes throughout the meal

Willebrands sat at a table with Waxman, chairman of the International Jewish Committee for Interreligious Consultations (IJCIC); Rabbi Alexander Schindler, president of the Union of American Hebrew Congregations; Klaperman; and Henry Siegman, executive director of the American Jewish Congress.

The Jewish delegation Monday night returned the invitation and hosted a dinner at its hotel for the Catholic representatives.

'Mending Of Fences' Seen

Vatican-watchers believe that the overall tendency within the Church hierarchy is towards a "mending of fences with the Jews" after the crisis provoked by the Pope's June 25 meeting with Waldheim -- regardless of the Pope's forth-coming U.S. trip and his September 11 scheduled meeting with Jewish representatives in Miami. One veteran Vatican-observer told the Jewish Telegraphic Agency, "this process englobes all major aspects of the Church's attitude towards the Jews."

The U.S. Ambassador to the Holy See, Frank Shakespeare, told the JTA, "Even where Israel is concerned, things are slowly moving ahead." The envoy explained that the Vatican's decisions are generally slow, "but a certain progress towards the Vatican's recognition of Israel is in process."



Both Shakespeare and the U.S. Ambassador to Italy, Maxwell Rabb, attended a reception given by the Jewish delegation. The president of the Italian Jewish community, Tulia Zevi, was also present in spite of a certain dissatisfaction among West European Jewish communities over what they feel is an attempt to keep them out of the current negotiations.

U.S. PLEDGES TO HELP ISRAEL FIND ALTERNATIVE TO DISCONTINUED LAVI By David Friedman

WASHINGTON, Aug. 31 (JTA) -- The Reagan Administration promised Monday to help Israel find an alternative to the development of the Lavi jet fighter -- which the Israel Cabinet voted to discontinue Sunday -- as well as lessen any economic difficulties caused by the decision.

"We recognize this was a very difficult decision for Israel," State Department spokesperson Phyllis Oakley said of the Cabinet's 12-11 vote. "But we believe it will best serve Israel's

The Cabinet vote culminated months of bitter debate and came under pressure from the United States, the Israel Finance and Defense ministries and many Israeli military officers. They all argued that the project was too costly and would take money from Israel's other defense needs.

Oakley noted that the U.S. "pledged" to Defense Minister Yitzhak Rabin during his visit here in July that "we would work closely with Israeli officials in a number of areas to maximize the benefits of every U.S. security assistance dollar and to help identify ways to ameliorate the dislocation caused by the decision to terminate the Lavi.

"Our joint efforts will continue in an established bilateral framework to assure the maintenance of Israel's qualitative edge over its potential adversaries during the coming years."

Inducements Confirmed

While Rabin indicated during his July visit that he no longer supported the Lavi, Oakley's remarks were the first public confirmation by the U.S. that inducements had been offered by the Reagan Administration.

One incentive was Israeli co-production of next generation of the U.S. F-16 jet, the Agile Falcon fighter. "The government of Israel has several options to explore for possible coproduction with current F-16 aircraft as an alternative to the Lavi," Oakley said. She added that the U.S. "will be consulting closely" with Israel on this.

Oakley would not comment on a letter delivered Saturday night by U.S. Ambassador Thomas Pickering to Premier Yitzhak Shamir, Foreign Minister Shimon Peres and Rabin.

The 10-point letter reportedly expressed U.S. approval of using some of the \$1.8 billion in annual U.S. military assistance to cover the cost of cancelling contracts for the Lavi and agreement to increase to \$400 million the amount of the military aid that could be converted to Israeli currency. This means Israel could use the money to develop its own weapons rather than buy American arms.

The Cabinet also agreed to a proposal from Peres to allocate \$100 million to Israel Aircraft Industries, which was to have built the Lavi, to develop "future technologies" based on the developments for the Lavi for use in an Israeli-made jet fighter in the 21st century, already called the Lavi 2000.

This is expected to save the jobs of some 5,000 to 6,000 engineers and technicians who had been working on the Lavi. However, thousands of workers are still expected to be laid off as a result of the Cabinet decision. (See story below.)

AIRCRAFT WORKERS DEMONSTRATE AGAINST CABINET DECISION TO SCRAP THE LAVI By Gil Sedan

JERUSALEM, Aug. 31 (JTA) -- Thousands of disgruntled workers from Israel Aircraft Industries carried out their threats Monday and disrupted traffic in Tel Aviv and central Israel in protest against the Cabinet decision Sunday to scrap the Lavi warplane project.

The workers forced hundreds of cars to use alternate routes by blocking off the Jerusalem-Tel Aviv highway with burning tires. Tourists missed flights out of the country because of the traffic jams. Others marched through the streets of Tel Aviv to Labor party headquarters, blocking traffic on central roads. The IAI workers were incensed with Labor Party leader Shimon Peres who led the opposition to producing the Lavi. Police refrained from using force to disperse the demonstrators.

An atmosphere of gloom pervaded at IAI offices at Lod Airport Monday as Ovadia Harari. head of the Lavi project, announced that he was requested to lay off 3,000 workers Tuesday with a second round of 3,000 soon to come. State-owned IAI is Israel's largest employer with some 20,000 workers. Harari said the immediate dismissals would include 1,000 engineers.

"Many asked me what we should do? I told them: Don't do anything, just sit at home and wait to be fired," Harari said. "Some retorted: We won't wait, we shall leave the country on our own."

Efforts To Ease Tensions

The workers warned they would continue their protests Tuesday. A meeting between representatives of the demonstrating workers and Premier Yitzhak Shamir -- during which Shamir promised an effort to bring the issue to a second Cabinet vote -- eased tensions.

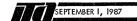
Minister-Without-Portfolio Moshe Arens, who threatened to resign over the Cabinet decision Sunday, announced he would delay his resignation until the prospects for a second vote were clarified. Yisrael Kessar, Histadrut Secretary General, also promised IAI workers Monday he would try to exert his influence to reverse the decision.

Peres cautioned against raising false hopes among the workers and rejected the option of a second vote saying it would bring no change.

Defense Minister Yitzhak Rabin said there was no need for immediate layoffs and promised to coordinate the dismissal process with the Minister of Labor and Welfare so that many workers will be absorbed in other industries.

Some 125 smaller plants throughout the country will also feel the effects of the discontinuation of the Lavi.

There will be no Daily News Bulletin dated September 7, Labor Day, which is a postal holidav.



BRANDEIS U. TO BRING TOGETHER ISRAELIS AND ARABS IN HEALTH AND SOCIAL WELFARE PROGRAM By Susan Birabaum

NEW YORK, Aug. 31 (JTA) — A unique program to bring together Israelis and Arabs working in health care, social services and job training in their respective countries is expected to begin next June at the Florence Heller Graduate School for Advanced Studies in Social Welfare at Brandeis University, it was announced here at Brandeis House. The cochairmen for the Middle East Fellowship Program, all Americans, include a Catholic, a Moslem and a Jew.

The program is subject to official review and approval at the October meeting of the Brandeis Board of Trustees. However, Dr. Evelyn Handler, president of Brandeis — which is located in Waltham, Mass. — said that "it was important that we move forward this month, and that's why we're making the announcement before the event."

The announcement last Thursday capitalized on the recently accepted chairmanship by a Catholic leader of very high profile: John Cardinal O'Connor, Archbishop of New York.

Serving under O'Connor, the other two consirmen are Dr. Kamal Batniji, an American Palestinian-Arab surgeon and founding president of the American-Arab Medical Organization, and Henry Taub, founding chairman of the board of ADP Corp. and formerly president of the American Jewish Joint Distribution Committee. Taub has already committed a quarter of a million dollars over the next 10 years.

Intention Of The Organizers

The fellowship program, which will provide advanced executive training for people of proven leadership qualities who work in the fields of health and social welfare, intends to steer clear of politics and focus instead on people. The intention of the program's organizers is to foster personal friendships between Arabs and Jews who will be living and studying together under one roof for 15 months. Graduates will receive a master's degree in human services management. A condition of acceptance for the program is that the graduates return to their own countries.

The lofty goals include the expectation that these students, once they become friends, will return to their countries to take positions of authority, and will base their future work on personal understanding that defies political differ-

The program's aspiration was summed up by the chairman of the international advisory board of the Heller School's Center for Social Policy in the Middle East, Joseph Califano, former U.S. Secretary of Health, Education and Welfare. He said, "We hope they (the students) will remain friends and colleagues for life... Political leaders make treaties, but people make peace."

Background Of The Program

Califano explained the background to the program's conception from personal recollection. In November 1978, after the signing of the Camp David Accords, he met with the Israeli and Egyptian Ministers of health, education and social services to try "to use the United States as a catalyst to get Egyptians and Israelis to work together in this country and in each others' nations on common problems." Appropriate Ministers in each country were often enthusiastic,

Califano said, and "sometimes we even signed agreements." But little happened and interest dwindled after Califano and the Ministers involved left their posts.

Then, in 1982, Brandeis Prof. Leonard Hausman urged Califano to chair a Center for Social Policy in the Middle East. Hausman became the center's director. This would transfer to the private sector the same idea Califano had tried in government. The center was launched in 1983.

In February, as part of the center's operations, Israeli and Egyptian doctors and health officials spent two weeks at Brandeis, in Washington and Los Angeles. A repeat of this is planned for Tel Aviv and Cairo in the fall and early next year. A similar program had been planned two years ago, but was stopped by the hijacking of the Achille Lauro. Califano said.

This past June, Hausman and Califano went on an intensive two-week trip to the Middle East to discuss the idea for the special program with Egyptian, Israeli, Jordanian and Palestinian leaders in government and private sectors.

O'Connor Willing To Open Doors

Before the trip, Califano, at Taub's urging, met with O'Connor, who "expressed a willingness to open some doors for us on the West Bank, at Bethlehem University and in Jordan."

O'Connor asked for a report on the trip when they returned, and when he received it he expressed immediate willingness to chair the program, said Califano, including the effort to raise a \$10 million endowment. He also agreed to be a vice chairman of the Center's international Board of Advisors, joining Leo Fields of Dallas and former Secretary of State Alexander Haig.

Such a program has precedence at Brandeis. For 28 years, Brandeis has hosted hundreds of international students from over 100 countries who, said Handler, "have enriched the lives of the American students on our campus and who themselves, after undergraduate training and graduate training, have gone back to their respective countries and have made enormous contributions to the welfare of those countries. They continue to be a marvelous link to the United States of America."

A New And Different Effort

The proposed program is an embarkation on "a very new and very different effort," said Handler, where Israelis and Moslem and Christian Arabs from Egypt, Jordan and Palestinians from the Israeli-administered territories will be enrolled in a 10-year-old program in the area of human services and, "in the atmosphere of peace, will learn to understand each other, will exchange their concerns about the individuals who live in their respective countries, will make contributions on their return to their native lands and will continue to form the human network necessary for peace in the Middle East."

Handler said the program, to operate under the Center's auspices, has the "extraordinary help of the many members of the community that the Archbishop leads, as well as many members of the American Arab community. We hope that by bringing these many students together in our program, we will begin a path that has not yet been tried in other places in the United States."

The initial class will include up to 10 students, with hopes to expand to 30 in about three years. Criteria for choosing candidates for the program include 'the highest professional recom-

mendations, including a work profile indicating steady progress toward upper levels of responsibility in either the public or private sectors; management experience as a department head or higher; an outstanding academic record, including completion of a B.A. or its equivalent, and a good knowledge of written and spoken English."

Candidates will be chosen by a panel of experts at Brandeis and in the participating countries. Applications will be due by January 15 of the year in which study begins. There will be financial awards available, announced in the

spring.

B'NAI B'RITH CANADA URGES ACTION ON ALLEGED NAZIS

HAMILTON, Ont., Aug. 31 (JTA) -- The national officers of B'nai B'rith Canada (BBC), meeting here, have passed three resolutions calling on the Canadian government to take immediate action in response to the revelations of Nazi war criminals living in Canada as contained in the Rodal report released August 6.

The 600-page report documented among other things that in 1983 two alleged Nazi war criminals, one with a background in the Waffen SS, were admitted to Canada with the complicity of a senior member of the Royal Canadian Mounted Police (RCMP), who destroyed vital immigration

documents.

BBC has urged the government to commence proceedings to remove the two former Nazis, and to take disciplinary action against those responsible for their admission and the disappearance of the files.

A resolution by the BBC League for Human Rights appealed the deletions of the heavily censored Rodal report to the Canadian Information Commissioner, questioning if in fact all the deletions were justified. The government initially claimed that the Rodal appendix to the Deschenes Commission report on Nazi criminals was too sensitive to release because it could lead to the identification of suspected war criminals.

Ottawa historian Alti Rodal acknowledged that due to the time limits imposed on her research and the sheer quantity of the classified records, her report has significant gaps, according to BBC. The report contains little or no treatment of the post-1960's history of admitting and pro-

tecting Nazi war criminals.

The third resolution called on the government to present a report completing the work that the Deschenes Commission was unable to do because of time constraints.

Commenting on the resolutions, David Matas. senior legal counsel and vice president of BBC, stated, "It was imperative that all the data pertaining to the entry and destruction of files be made known to the Canadian populace."

Frank Dimant, BBC executive vice president. stated, "We are concerned that cover-ups in previous governments are an unhealthy episode in the history of this country. The Canadian community is entitled to know what the positions were of previous Premiers and the directives given from these men to the Cabinet Ministers."

FOUNDER OF THE ZIM LINE DEAD AT 78

TEL AVIV, Aug. 31 (JTA) -- Naftali Wydra, founder of the Zim Israel National Shipping Line and later founder and manager of the Israel Shipping and Aviation Research Institute, died Wednesday at age 78. Wydra was born in Leipzig, Germany, and educated at German universities before immigrating to Palestine in 1933, when he opened a shipping and customs clearing agency.

In 1936, he took over the Jewish Agency's Maritime Division and in 1947 organized and managed the Zim Shipping Company, serving as its general manager until 1966. He developed it from a one-ship company to an international concern operating 150 vessels, 70 of them its own.

In the early 1960's, Wydra founded and organized the Black Star Shipping Line for Ghana

and the Five Star Line for Burma.

Wydra served from 1969-81 as chairman of the Israel Ports Authority, and then founded the research institute that he managed until his death.

GROWING NUMBER OF YOUNG ARABS IN THE ADMINISTERED AREAS ARE ADOPTING KHOMEINI'S DOCTRINE By Hugh Orgel

TEL AVIV, Aug. 31 (JTA) -- Sheffy Gabai, the eminent Arab affairs correspondent of Maariv, reported Thursday that the number of young Arabs in the administered territories who are adopting Khomeini's doctrine is growing year to

They are organized in cells throughout the territories and occasionally try to intimidate other Moslem believers, Gabai says, quoting a Moslem cleric in East Jerusalem following the recent capture of a terrorist squad that planned to plant a car-bomb in Jerusalem.

According to the cleric, the young Khomeini followers in the territories are heavily financed by the Iranian leadership, which wants to set up a Khomeinist core in both Jordan and the terri-

It is known that Hizbullah leaders in Lebanon have received permission from Iran to cooperate with Fatah in perpetrating terrorist attacks in Israel and in kidnapping foreigners under the rubric of "Al-Jihad Al-Islami for the Liberation of Palestine."

It was under this name that two recently apprehended terrorist squads operated in Israel: the car-bomb squad and the squad that carried out the Dung Gate attack late last year, the Maariv reporter said.

The newly-recruited Khomeinists are often past members of Islamic movements which operate freely in the territories and do not rule out the use of firearms in the belief that only in this way can the Islamic revolution in the region be fomented.

The majority of the Moslems in Israel and the territories belong to moderate trends and reject the attempts of the Khomeinists to impose their will.

SCIENTISTS MEET IN ISRAEL

TEL AVIV, Aug. 31 (JTA) -- Some 700 scientists from around the world are presently in Israel attending the 22nd triennial conference of the International Scientific Radio Union. The foreign participants include the Deputy Minister of Communications of the People's Republic of China and top radio scientists from the Soviet Union, India, Czechoslovakia, Poland and Hungary. Egypt sent a delegate but Iraq, which is also a member of the Union, did not.