

CONGRESSIONAL PANEL FINDS ISRAEL'S MAJOR ROLE IN U.S. ARMS SALES TO IRAN ALWAYS HAD U.S. APPROVAL By David Friedman

WASHINGTON, Nov. 18 (JTA) -- While Israel had a major role in opening and continuing the controversial sales of U.S. arms to Iran, the United States government bears the basic responsibility for the policy, according to the congressional committees that investigated the Iran/Contra affair.

The 690-page report by the Senate and House select committees, released Wednesday, also finds Israel was not involved in the diversion of the profits from the sale of arms to Iran to the Contra rebels fighting the Nicaraguan government.

The report clearly confirms that Israel sought and received explicit approval from the Reagan administration for every step in the selling of arms to Iran in the effort by the United States to achieve an opening with Iran and gain the release of American hostages in Lebanon.

The Israel Embassy had no comment, but Yosef Gal, the embassy spokesman, pointed to the comments by Israel Premier Yitzhak Shamir in The New York Times Wednesday.

Shamir said Israel had no regrets about its participation in the American effort. "It was done by a common decision of our Cabinet and we are convinced that our policy was a correct one," Shamir told the Times. "We did it together with the United States, and I do not see any reason to regret it."

Shamir also denied that Israel was selling arms to Iran, but said the government has no control over what some Israeli businessmen may be doing.

Reagan Called Responsible

The Senate-House committees concluded that the responsibility for the Iran/Contra affair lies with Reagan, because even if he did not know that funds for the arms sale were being diverted to the Contras, "he should have."

"The president created or at least tolerated an environment where those who did know of the diversion believed with certainty that they were carrying out the president's policies," the report said.

Six Republican House members and two Republican senators issued a minority view that Reagan and his staff could be faulted only with mistakes in judgment that were not unconstitutional or improper, as the committees had concluded.

On Israel's involvement, the report said Reagan and his advisers placed "great weight" on Israel's sponsorship of the Iran initiative and the use of Manucher Ghorbanifar, an Iranian businessman, as an intermediary because "Israel has taken a strong stand against international terrorism and Israeli intelligence services are among the most respected in the world."

(In a reaction Tuesday in anticipation of the report, Foreign Minister Shimon Peres said in Jerusalem that, "Perhaps the minority (of the congressional committee) may feel we were a

friend who was too energetic in our offers of help, but no one can say we had any intentions other than to help the United States to free the hostages. That is what was at the basis of this operation.")

The main report noted that Robert McFarlane, then Reagan's national security advisor, sent Michael Ledeen, a consultant to the National Security Council, to Israel to seek cooperation on intelligence about Iran "because of dissatisfaction with CIA capabilities."

Ledeen testified that the then Israeli premier, Shimon Peres, told him that Israel's intelligence on Iran was also inadequate.

Israel's Needs Said To Be Understood

The report also noted that the United States was under no illusions regarding Israel's motives. "The Israelis strongly advocated the initiative, viewing it as a joint U.S.-Israel operation, and were willing to give the United States deniability -- so long as it did not subject them to criticism by Congress and the Secretary of State (George Shultz) was fully informed," the report said.

It added that both McFarlane and his successor, Rear Adm. John Poindexter, told the Israelis that "since Israel -- and not the United States -- was selling to Iran, U.S. policy was not being violated."

Ledeen had testified to the committees that Peres had told him in May 1985 that Iran had requested arms, but he "would not do this unless he had explicit American approval for it." Defense Minister Yitzhak Rabin had also demanded that Shultz be informed.

The committees concluded in the report that "the president was under no illusion that the interests of the United States and Israel were synonymous. As early as June 1985, Secretary Shultz had pointed out to McFarlane that Israel had little to lose by promoting the initiative; it had no policy against arms sales to Iran, and, given the hostility of most of its neighbors, Israel was more willing to gamble on the prospects of changes in the Iranian government.

"No foreign state can dictate the conduct of U.S. foreign policy. Superpowers make their own decisions. And the United States did so in this instance. Nevertheless, Israel's endorsement of the Iran initiative cannot be ignored as a factor in its origin or in its continuation."

The minority view also stressed that while Israel was promoting the Iran initiative for its own national interests, "we believe the U.S. government responsibly made its own judgments, and its own mistakes."

Cleared On Diversion Of Funds

On the diversion of funds to the Contras, the committees heard testimony that after the Israeli shipment of TOW missiles to Iran in November 1985, the Israelis told Marine Lt. Col. Oliver North, then an aide on the National Security Council, to use profits from the sale for "whatever purpose he wanted." North then decided to use the funds for the Contras, according to testimony.

North told the committees that at a meeting in Washington in January 1986, Amiram Nir, the

Israeli premier's advisor on counterterrorism, suggested using the profits to replenish the Israeli TOWs sold to Iran and for joint Israel-United States anti-terrorist activities, including the release of hostages.

North also testified that the diversion of the funds to the Contras was suggested to him by Ghorbanifar at a meeting later that month as a means of convincing the United States to continue the initiative.

However, the committees reported that at a meeting with Israel Defense Ministry officials in December 1985, North said the United States wanted to generate profits from the sale of arms to Iran to help finance the Contras.

The report noted that testimony on this came from one of the Israelis who took notes, while two other Israelis, who did not take notes, could not recall North's remarks. North has denied making the statement.

The Republican minority view faulted the committees for accepting this testimony since the Israeli government did not allow key Israelis in the affair to give sworn depositions.

However, at a press conference releasing the report, Sens. Daniel Inouye (D-Hawaii), the committee's Senate chairman, and Warren Rudman (R-Vt.), the committee's ranking minority member, praised Israel as being most cooperative with the committees.

Israel had given the committees a written historical chronology of its involvement in the Iran initiative.

The report by the committees does not officially end the Iran/Contra affair. An independent counsel, Lawrence Walsh, is presenting evidence to a federal grand jury. North and Poindexter are identified as targets of possible prosecution.

The Israeli government is fighting an attempt by Walsh to subpoena David Kimche, former director general of the Israel Foreign Ministry, as well as Nir and two Israeli private arms dealers, Al Schwimmer and Yaakov Nimrodi.

SHAMIR REPORTEDLY WILL SEEK TALKS DIRECTLY WITH KING HUSSEIN OF JORDAN By Yitzhak Rabi

NEW YORK, Nov. 18 (JTA) -- Premier Yitzhak Shamir of Israel plans to make a dramatic appeal to King Hussein of Jordan to enter into direct peace negotiations with Israel.

It will come during a speech he will deliver at the General Assembly of the Council of Jewish Federations Thursday night in Miami, the Jewish Telegraphic Agency learned Wednesday.

Shamir will call on Hussein to open talks with Israel now, in light of the recent Arab summit meeting in Amman, Jordan. The summit showed that Egypt is no longer isolated in the Arab world because of its peace treaty with Israel, Shamir's media and communications advisor, Avi Pazner, said at a special briefing for Israeli correspondents here.

He said Shamir would note that seven Arab countries have resumed diplomatic relations with Egypt since the summit, returning it to the Arab fold, even though Cairo has full diplomatic relations with Israel.

Pazner said that when Shamir meets with President Reagan at the White House Friday, he will concentrate on the issue of Soviet Jewry in view of next month's summit meeting in Washington between Reagan and Soviet leader Mikhail

Gorbachev. He will convey to the president his view that Soviet Jews, as a nationality, should receive the right to repatriation, Pazner said.

According to Pazner, Shamir also will discuss the issue of American aid to Israel with Reagan, but will approach it by urging that the United States share with Israel the "strategic burden" in the Middle East.

But he emphasized that Shamir considers his speech to the CJF as the major statement of his six-day visit to the United States. Pazner said the speech will last 40 minutes and will be in two parts -- the political part, which will include his appeal to Hussein, and a part devoted to the concerns of the Jewish people and the State of Israel.

TWO CONVICTED FOR VIOLATING RIGHTS IN MURDER OF ALAN BERG By Chris Leppek Intermountain Jewish News

DENVER, Nov. 18 (JTA) -- Alan Berg was killed because he was a Jew and a radio personality, a U.S. district court jury decided Tuesday in convicting two white supremacists of civil rights violations in the murder of Berg, a Denver radio talk-show host.

The jury, having deliberated for 10 hours over two days, convicted Bruce Pierce and David Lane. Acquitted of the charges were Richard Scutari and Jean Craig, as the jury apparently heard no evidence clearly linking them to the crime.

All four are former members of the white supremacists group known variously as the Silent Brotherhood or The Order.

Prosecutors had contended throughout the trial that Pierce was the triggerman in the June 1984 murder and that Lane drove the getaway car. Scutari's role was never clearly established during the trial. Craig had been accused of trailing Berg for the group in the weeks before the shooting.

The 12 jurors began deliberation Monday in the unexpectedly rapid trial. They examined a complex set of legal conditions to determine whether the defendants deprived Berg of his civil rights in the slaying which, under federal law, must include not only the act of murder but the intent to kill Berg because of his Jewish religion, and the fact that the murder prevented his exercise of free speech.

The Cases

The prosecution, which relied largely upon the testimony of other Brotherhood members, tried to prove that the four's actions were part of a conspiracy to overthrow the U.S. government through counterfeiting, robbery and assassination of prominent American Jewish figures.

Defense attorneys pointed to inconsistencies in testimony from a number of government witnesses and cast doubt on the witnesses' credibility since several gained lighter sentences from earlier racketeering convictions in exchange for their testimony in this trial.

They also argued that Berg could not be considered Jewish in the context of this trial since, even though born of Jewish parents, he was not a practicing Jew and had claimed on the air to have had doubts about the existence of a god.

Prosecutors countered that Silent Brotherhood members, however, used their perception of Berg as a Jew as a primary motive for their crime.

ISRAELIS FRET ABOUT DECREASED U.S. AID; PERES REPORTS A U.S. OFFER CONTINGENT ON JOINING MIDEAST PEACE CONFERENCE

JERUSALEM, Nov. 18 (JTA) — Israeli officials are increasingly concerned that drastic cuts in American aid to Israel may be in the offing because of Washington's need to cut the huge federal deficit, made more urgent by the rapid decline of the U.S. dollar and the Oct. 19 stock market crash.

Israel presently receives \$1.8 billion in military aid from the United States and \$1.2 billion in economic assistance each year, a total of \$3 billion, all in the form of grants. Haaretz reported Wednesday that the United States Information Service has distributed a position paper saying that aid to Israel may be cut by 8.5 percent in the next fiscal year.

The possibility of curtailed aid is considered one of the main reasons for Premier Yitzhak Shamir's visit to Washington this week, where he is expected to raise the issue with members of Congress and the Reagan administration. He is scheduled to meet with President Reagan at the White House Friday.

But Foreign Minister Shimon Peres said Tuesday that the administration is ready to commit itself to continue the present level of aid if Israel agrees to "direct negotiations with an international opening."

He was referring to the plan he favors for direct negotiations with Jordan and possibly other Arab states and the Palestinians within the framework of an internationally sponsored peace conference.

Peres Reports Offer Of Memo

Peres, speaking to a group of visiting American B'nai B'rith leaders, said the Reagan administration was prepared to sign a memorandum of understanding with Israel defining the nature and limitations of an international conference.

It would also, according to Peres, assure Israel that U.S. aid would be continued at least at its present level even beyond the term of the Reagan administration, which ends in January 1989.

There is precedent for an outgoing administration to bind its successor to certain foreign policy undertakings. A memorandum of understanding formulated in 1975 pledged that the United States would not talk to or have any contacts with the Palestine Liberation Organization unless it recognized Israel's right to exist and renounced terrorism.

The memorandum has applied through the Carter and Reagan administrations. But officials at the Israel Embassy in Washington were reported Wednesday to have misgivings over what appears to be a trade-off of continued American assistance in return for Israel adopting a certain policy.

Those officials point out that there has never been a linkage between Israeli policy and American aid.

The 1975 pledge, however, was part of a package whose main point was Israel's withdrawal from key areas of Sinai, which it continued to hold after the 1973 Yom Kippur War. Israel eventually returned all of Sinai to Egypt under terms of the Israeli-Egyptian peace treaty, signed in Washington in March 1979.

The State Department had no comment Wednesday on Peres' report of the Reagan administration's offer. The issue of an international

conference has sharply split Israel's coalition government.

A spokesman for Shamir said Tuesday that the prime minister had no knowledge of any offer from Washington of a memorandum of understanding. But, the spokesman added, such a document would be irrelevant because an international conference will never take place.

Shamir, for his part, is expected to discuss in Washington how the United States and the Soviet Union, at their summit meeting in Washington next month, can contribute toward advancing negotiations between Israel and the Arab states.

LIKUD SAYS PEACE CONFERENCE IDEA HOLDS UP SHAMIR-HUSSEIN NEGOTIATIONS

By Gili Sedan

JERUSALEM, Nov. 18 (JTA) — The ongoing dispute between the Labor Party and Likud over an international conference to serve as a framework for direct peace negotiations between Israel and Jordan surfaced in the Knesset again Wednesday.

The controversial formula was also the subject of remarks at a different forum by Mustafa Khalil, former prime minister of Egypt, who is visiting Israel to mark the 10th anniversary of the late Egyptian President Anwar Sadat's historic trip to Jerusalem.

Khalil made clear his belief that direct negotiations cannot take place without an international conference, the position taken by Foreign Minister Shimon Peres, the Labor Party leader.

Prospect Of Conference Blamed

But Ronni Milo, speaking for Likud, sharply attacked that concept during the Knesset debate Wednesday. He contended that Premier Yitzhak Shamir and King Hussein of Jordan could have been by now engaged in direct peace negotiations were it not for certain Israeli politicians who cling to the idea of an international conference.

According to Milo, Hussein has shied away from direct negotiations because the Laborites are promoting an international conference. "Hussein is well aware of the situation. Therefore he will not engage in direct negotiation when he is being offered an international conference," Milo said.

But Labor M.K. Aharon Harel quoted the opinion of Egyptian officials that an international conference was the only road to direct negotiations. He warned that unless the peace treaty Israel signed with Egypt in 1979 is expanded to include other Arab countries, the 10 years of peace with Egypt could, "God forbid," turn into a "passing episode."

Khalil, who was prime minister when Sadat came to Israel and later when the Camp David accords were being negotiated, spoke before the Center for Peace in Tel Aviv. He told his audience it was a "waste of time" to try to convince Jordan and the Palestinians to retreat from the resolution adopted at the recent Arab summit meeting in Amman which endorsed an international conference.

"How can Hussein and the Palestinians, after accepting the resolution in the last Arab summit of negotiating under an international conference, come back and say that we are going to change our position and try to pick up from where we stopped?" Khalil asked.

He said neither Israel nor any other party would suffer from an international peace conference, which could convene "very soon."

APPEALS COURT RULES CHABAD CAN KEEP REBBE'S LIBRARY

By Susan Birnbaum

NEW YORK, Nov. 18 (JTA) — The Appeals Court for the Second Circuit in Manhattan Tuesday unanimously upheld a federal district court decision that awarded the library that belonged to the sixth Lubavitcher rebbe, Rabbi Joseph Schneersohn, to the Lubavitch movement.

The imbroiglio pitted Barry Gourary, grandson of the sixth rebbe, against the organized Lubavitch, or Chabad, community.

Gourary, a Montclair, N.J., businessman who is not a member of Chabad, had claimed part of the library had been left him by virtue of a will his grandmother, Nechama Dina Schneersohn—the sixth rebbe's widow — left at the time of her death in 1970.

In it, she wrote that the 50,000-book library was the property of herself, her two daughters, and her grandson. Chabad, however, claimed it was entitled to the library because it was communal property.

In April 1985, Gourary was seen on a video surveillance system taking books surreptitiously from the library, located at Chabad worldwide headquarters in the Crown Heights section of Brooklyn, N.Y.

He had taken more than 400 books and manuscripts and sold more than 100 to rare book dealers in the United States, England, Switzerland and Israel, at a personal profit he claimed was \$186,000.

Chabad went to court to restrain Gourary from selling more books, and he countered with a suit claiming ownership of the library. In January, federal Judge Charles Sifton awarded the library to Chabad.

Chabad repurchased many of the works at prices in excess of that amount. The remaining books and manuscripts were placed in escrow. These will now be returned to the library.

Found To Be Communal

In the original 41-page decision, handed down Jan. 6, 1987, Sifton found it "inescapable" that the library was the property of the Lubavitch community, "held in trust for the benefit of the religious community of Chabad Chasidism."

Gourary and his mother, Hanna Gourary, the sixth rebbe's daughter, had appealed the decision on two grounds: that Schneersohn had left the library to them, despite a 1946 letter in which he said the books were communal property; and that they had been improperly denied the right to a jury in the original trial.

In the appeal, Gourary and his mother referred to the 1946 letter, an important piece of evidence in the original trial.

The letter was from Schneersohn to an American scholar and bibliographer, Dr. Alexander Marks, former chief librarian at the Jewish Theological Seminary in New York. In it, the rebbe had asked Marks' help in getting the library out of Poland.

Sifton had called this piece of evidence "one extraordinary letter," and much of his decision rested on this piece of correspondence.

In it, Schneersohn had requested "that as a renowned authority on the subject, you should please write a letter to the State Department to testify on the great value of these manuscripts and books for the Jewish people in general and particularly for the Jewish community of the

United States to whom this great possession belongs."

The Gourarys claimed that the rebbe had written the letter only to enlist the government's help in bringing out his books, not to state that they belong to the community.

During the first trial, YIVO scholar Lucjan Dobroszycki had testified that post-war Polish-American relations were good and that Poland would have facilitated the return of the library to this country sooner had it been the rebbe's personal possession. Thus, no subterfuge would have been needed.

The appeals court also concluded that a trial on an "equitable issue," with no demand for damages, does not call for a jury. In addition, it was concluded that Gourary's request for a jury had not been filed on time.

The collection, which Chabad spokesman Rabbi Yehuda Krinsky described as being of "incalculable value," contains books and manuscripts on Hasidism and Kabbalah by the various Lubavitcher rebbes. Included in the collection, but not taken by Gourary, is a siddur said to have been the possession of the Ba'al Shem Tov, 18th-century founder of Hasidism.

Secular, Not Religious, Court

The case was remarkable in that it was taken to a secular court of law rather than a rabbinic court, and because it revolved around a dispute between members of the same Lubavitch family that has led the Chabad movement for more than 200 years.

Krinsky told the Jewish Telegraphic Agency Tuesday that "hundreds of thousands of people all over the world eagerly awaited this decision, and we're enormously delighted with the verdict."

No appeal is planned.

Much of the library was sent to America from Poland in 1946, with other books and manuscripts following in 1971 and 1973. (A sizable portion of the Lubavitch library remains in Russia, where the movement originated, stored away in museums and libraries, unavailable to the Jewish community.)

Chabad originally went to secular court in August 1985 to obtain a restraining order to prevent Gourary from selling any more books from the library. There is no provision in Jewish law for immediate enforcement of a restraining order.

Krinsky, who was plaintiff in the original case, said the matter was taken to secular court because "according to Jewish law, when matters cannot be reconciled in a beis din, the 'Shulchan Aruch' — the Code of Jewish Law — not only permits the use of a secular court, but encourages it, for the sake of justice."

He stressed that it was without question that Schneersohn lived his life according to Orthodox Jewish law and would not have left the library to his wife. His sole intent was to bequeath the library to the Lubavitch community, he said.

WEST GERMAN COURT BANS NAZI SONG

By David Kantor

BONN, Nov. 18 (JTA) — A court in Oldenburg has banned the "Horst-Wessel Lied," a marching song of the Nazi SA associated with violence against Jews.

The court overruled a lower court decision in Lingen that allowed the tune to be performed with the original lyrics.