

#### 4 AIRLINES PAID 'PROTECTION MONEY' TO PALESTINIAN TERRORISTS IN 1970s

By David Friedman

WASHINGTON, Feb. 9 (JTA) -- A U.S. airline and three West European carriers paid millions of dollars to Palestinian terrorists in the 1970s not to hijack or attack their planes, an expert on terrorism said Thursday.

Neil Livingstone, a professor of national security studies at Georgetown University and president of the private Institute on Terrorism and Subnational Conflicts, would not reveal the names of the airliners that paid the "protection money" to an arm of the Palestine Liberation Organization.

A former adviser to congressional committees and airlines, Livingstone would not confirm whether any of the airlines flew to Israel, but he said the extortion money was no longer being paid.

A spokesman for the Federal Aviation Administration denied any knowledge of protection money being paid, but Livingstone said his information was corroborated by a half-dozen intelligence agencies in the United States, Europe, Israel and Arab countries.

He said the countries in which the airlines were based knew of the extortion.

Livingstone was interviewed by phone at the institute's office, where he had just returned from Israel. He first revealed the existence of the extortion during a three-day international seminar in Tel Aviv on aviation security.

Livingstone said he would reveal the names of the airlines and other information in a book he has just completed on the covert operations of the PLO.

The book's central theme, Livingstone said, is that "irrespective of Israel," the PLO should be a "serious concern of the United States" since it has attacked and killed Americans, including diplomats.

In his talk in Israel, Livingstone said most of the protection money was made to the Popular Front for the Liberation of Palestine, headed by George Habash.

"Most of it happened in the 1970s and most of the money was paid to the PFLP," he said.

Livingstone said that while Habash resigned from the executive committee of the PLO in a dispute with Yasir Arafat in 1974, Arafat benefited from the extortion through a "secret fund" and "knew very well what was going on."

According to Livingstone, the U.S. airline made the protection payments for three years, and one European carrier paid for nearly a decade. The other two European carriers stopped payments after other Palestinian terrorist groups attacked their aircraft.

The PFLP operations chief from the late 1960s through the mid-1970s was Wadi Haddad, since deceased, who is believed to have masterminded many air piracy operations, including the Air France hijack to Entebbe, Uganda, in June 1976.

Res. Maj. Gen. Aharon Yariv, head of Tel Aviv University's Jaffee Center for Strategic Studies and a former chief of Israel's military intelligence, summed up the discussions.

He said an effective war against terrorism required good intelligence and concerted political action against countries supporting it.

He recalled that when he became chief of military intelligence in 1964, the year the PLO was founded, he was told it should not cause Israel concern.

"Had we acted effectively from the start and not been inhibited by the major expenses involved, we might have stopped the developments of the last 25 years," Yariv said.

(JTA correspondent Hugh Orgel in Tel Aviv contributed to this report.)

#### REICH TO ASK STATE DEPARTMENT TO 'REASSESS' TALKS WITH PLO

By Andrew Silow Carroll

NEW YORK, Feb. 9 (JTA) -- The Conference of Presidents of Major American Jewish Organizations will ask Secretary of State James Baker to "promptly and thoroughly" reassess the U.S. policy of holding substantive talks with the Palestine Liberation Organization, it was announced by Seymour Reich, chairman of the conference.

In a statement from Jerusalem, where the conference concluded three days of meetings Wednesday with Israeli leaders, Reich said the recent clash between a PLO member group and Israeli soldiers in southern Lebanon has made "worthless Yasir Arafat's assurances that he has renounced terrorism."

Reich said that unless the PLO chief "disavows, disowns and condemns this latest terrorist attempt," then the "American policy of holding substantive talks with the PLO should be promptly and thoroughly reassessed."

He said the conference intends to "raise this matter" with Baker when its members return from Israel.

The infiltration attempt in southern Lebanon has been linked to members of the Popular Front for the Liberation of Palestine. On Wednesday, the United States said it had formally notified the PLO of its "serious concern" over the clash.

Following Reich's announcement, four groups within the Conference of Presidents claimed that Reich had failed to consult with them before releasing a statement on behalf of the consensual organization of 46 American Jewish groups.

The statement as read by Reich in Jerusalem Wednesday is the latest evolution of the conference's position on the U.S.-PLO dialogue since it was announced on Dec. 15.

At the time of the announcement the conference did not join Israel in condemning the dialogue, but rather urged the United States to be skeptical of Arafat's assurances that the PLO had renounced terrorism, a precondition for the talks.

A few weeks later, in early January, Reich agreed with a statement by his predecessor as conference chairman, Morris Abram, that the dialogue was "hasty and regrettable."

Israeli officials, including Deputy Foreign Minister Binyamin Netanyahu, have in the meantime been overtly urging American Jewish leaders to join in their efforts to reverse the U.S. decision.

Sources at the conference mission in Israel

said Wednesday's statement was not to be interpreted as a formal call for a cutoff of the talks. They said the conference has not yet met to adopt a formal position.

Nevertheless, four groups who did not participate in the mission argued Thursday that Reich had not consulted with the full conference membership before calling for a meeting with Baker.

The four groups are the Labor Zionist Alliance, the Federation of Reconstructionist Congregations & Havurot, Workmen's Circle and Women's American ORT.

(Mark Joffe in Jerusalem contributed to this report.)

## STATE DEPT. NAMES NEW HEAD OF NEAR EASTERN AFFAIRS By David Friedman

WASHINGTON, Feb. 9 (JTA) -- A career Foreign Service officer with only limited experience in the Middle East is expected to be named as the State Department's top official dealing with the Middle East.

However, neither the White House nor the State Department would confirm Thursday that President Bush plans to name John Kelly, now a member of the State Department's policy planning staff and a former ambassador to Lebanon, as assistant secretary of state for Near Eastern and South Asian affairs.

Unlike the man he replaces, Richard Murphy, Kelly is not considered an Arabist, despite his tour in Beirut in 1985-87.

Murphy, who left the State Department after 33 years in the Foreign Service, spoke Arabic and was considered the department's most experienced hand in the Middle East.

The 49-year-old Kelly's experience has been mainly in Europe and Asia. Since joining the Foreign Service in 1955, he has served in Turkey, Thailand, and France and at several State Department posts in Washington, including principal assistant secretary of state for European affairs.

Born in Fond du Lac, Wis., Kelly was reportedly selected as ambassador to Lebanon because the State Department wanted a bachelor for the dangerous Beirut assignment.

It was while in Beirut that Kelly received his only notoriety when then Secretary of State George Shultz learned that John Poindexter, then the national security adviser, had used Kelly as a channel in the Reagan administration's secret effort to gain the release of American hostages in Lebanon through dealings with Iran.

Shultz, in testifying to the congressional committees investigating the Iran-Contra affair, said he summoned Kelly back to Washington when he learned about the ambassador's involvement in the operation.

Kelly apparently satisfied Shultz that he had not known that the State Department was kept unaware of his participation.

## SETTLERS BURY BOMBING VICTIM AS INTIFADA ENTERS 15TH MONTH By Gil Sedan

JERUSALEM, Feb. 9 (JTA) -- Anger was at fever pitch among Jewish settlers in the West Bank Thursday as they buried Albert Jerassi, 38, who was burned to death in his pickup truck near Alfe-Menashe Wednesday evening.

And further tension gripped the territory as Palestinians marked the start of the 15th month

since the uprising began on Dec. 9, 1987.

Police said that while Jerassi, an Egyptian-born father of three, was probably the victim of Arab terrorists, the evidence did not confirm his vehicle was attacked with a firebomb, and that they could not rule out an accident.

But that statement from police just further infuriated the settlers from Alfe-Menashe, where Jerassi lived, and elsewhere in territory.

Thousands of people at the state funeral, with which all victims of terrorism are honored, rallied against the Israel Defense Force for its inadequate protection of Jews in the territories.

They demanded the resignation of Maj. Gen. Amram Mitzna, commander of the central section, who came to the settlement to mourn the victim and urge restraint.

Some angry settlers called for reprisals. "Don't deal with the army, take care of the Arabs," they shouted.

Avner Shaki, a National Religious Party minister in the Cabinet, said at the funeral there was no shadow of doubt that Jerassi was the victim of a "savage murder."

Two other residents of Alfe-Menashe, Ofra Moses and her son, Tal, died when their car was firebombed in 1987.

But police said Thursday that the typical signs of a firebomb attack were missing from Jerassi's burnt-out truck.

They referred to the absence of glass fragments from the bottle containing inflammable fluid, the so-called Molotov cocktail.

Police acknowledged that a plastic container may have been used, which would have melted.

They said Jerassi's truck was soaked with gasoline, suggesting a possible new mode of attack.

Inside Israel, inmates of the Megiddo military prison near Afula rioted for the second day and many went on hunger strikes.

They are protesting the killing of one prisoner and wounding of 14 others Wednesday when prison guards opened fire to quell a riot that broke out on visitors' day.

Jerusalem police took the unusual step of sealing off a house in the Moslem quarter of the Old City.

It belongs to an Arab accused of throwing an explosive charge at the building in the Moslem quarter, where Minister of Industry and Trade Ariel Sharon bought an apartment in 1987.

The Israeli authorities do not as a rule seal off homes anywhere in Jerusalem, which is an integral part of Israel. That punishment is reserved for Arabs in the administered territories.

But this time, the authorities said, they wanted to send a "clear message" to the local population that attacks on Jewish targets in the Old City will not be tolerated.

## ISRAELIS OPPOSE NEW SETTLEMENTS By Hugh Orgel

TEL AVIV, Feb. 9 (JTA) -- A substantial majority of Israelis oppose the establishment of new settlements in the West Bank and Gaza Strip, according to a new poll conducted by the Pori organization.

Among the 1,200 questioned, 49.9 percent opposed new settlements and 32.7 percent approved of them.

While 9.9 percent had no opinion, 7.5 percent of the respondents said their opinions were influenced by the current situation.

## B'NAI B'RITH TO ISSUE RETRACTION OVER SLUR AGAINST ARABS ON CAMPUS

By Howard Rosenberg

WASHINGTON, Feb. 9 (JTA) -- A B'nai B'rith International spokesman said Thursday that his group will issue a retraction to 14,000 recipients of a fund-raising letter which asserts that "the Arab presence on the college campus is poisoning the minds of our young people."

The spokesman, who declined to be named, said the group will issue a retraction striking the words "Arab presence" from the January letter and maybe replace it with "anti-Israel propaganda."

But at a news conference later in the day, Abdeen Jabara, president of the American-Arab Anti-Discrimination Committee, said he wanted other changes to be made in the letter, including a phrase warning that "Arab money is pouring into college campuses all over the United States."

"Just turn it around -- Jewish money pouring into college campuses," Jabara said. "That would smack of the worst McCarthyite tactics we could conjure up."

The B'nai B'rith spokesman said that the retraction letter may contain other changes.

The Arab group had written to B'nai B'rith criticizing the letter. In a Feb. 1 response, Thomas Neumann, B'nai B'rith's executive vice president, said "we had reviewed the letter even before hearing from your organization."

Neumann termed the phrasing "a lapse," and said "we are doing everything within our power to make sure that (it) cannot and will not recur."

Other steps Jabara said he has taken are asking the Internal Revenue Service Feb. 7 if the letter violates B'nai B'rith's tax-exempt status and asking the chief U.S. postal inspector if the letter violated special postal rates accorded non-profit groups.

The ADC is also seeking a list of who received the fund-raising letter as well as the name of the contractor who composed it.

In addition, Jabara said B'nai B'rith has refused to meet with him to discuss the issue and is seeking a formal apology from Seymour Reich, B'nai B'rith's president, who signed the letter.

Jabara also charged that "perhaps Mr. Reich is out of touch with many of the attitudes in the American Jewish community."

But the spokesman noted that Jabara, in citing Jewish groups that criticized the letter, "mentioned fringe groups like New Jewish Agenda, so that does not necessarily mean that Reich is out of the mainstream."

Jabara also criticized the letter for allegedly "talking about political discussion on the Arab-Israeli conflict as being anti-Semitic."

"Trying to tar and feather people who engage in legitimate political debate with the brush of anti-Semitism is really an attempt to stir up ethnic hatred," he asserted.

## FOREIGN MINISTRY NOW ASKING FOR REMOVAL OF NORWEGIAN COLONEL

By Hugh Orgel

TEL AVIV, Feb. 9 (JTA) -- The Foreign Ministry has called on the United Nations peace-keeping authorities in southern Lebanon to dismiss a Norwegian officer it accuses of makings slurs against Israel.

According to ministry officials, Col. Jan Erik Carlsson, commander of the Norwegian battalion

of the United Nations Interim Force in Lebanon, has, despite protests, continued to liken the behavior of the Israel Defense Force in Lebanon to the Nazi occupiers of Norway in World War II.

After the initial furor when his remarks came to light last weekend, the IDF acted on the advice of the Foreign Ministry and played down the incident.

The ministry apparently changed its view.

A spokesman, Alon Liel, said Wednesday night that "in light of the fact that the battalion commander is repeatedly uttering his despicable opinions, Israel expects the UNIFIL command to draw the proper conclusions regarding the officer, as warranted by our mutual desire for cooperation."

Liel noted that the Norwegian government has expressed reservations over Carlsson's remarks and Marrack Goulding, the U.N. undersecretary general, has apologized to Israel's representative at the United Nations in New York, Yohanan Bein.

Carlsson's offensive comparison was occasioned by the forced evacuation of villagers from Shaba at the eastern end of the southern Lebanon security zone.

The expulsions were carried out by the Israel-backed South Lebanon Army on orders of the IDF.

Carlsson told a group of Israelis and other officers last weekend that they were inhumane and reminiscent of what the Nazis did to Jews in his country during the war.

In a later interview with an Oslo newspaper, the colonel said he had "helped turn the spotlight on the expulsion of innocent inhabitants of south Lebanese villages."

## VATICAN SAYS ANTI-ZIONISM IS SOMETIMES ANTI-SEMITISM

By Ruth E. Gruber

ROME, Feb. 9 (JTA) -- The Vatican will release a strong statement on racism Friday which acknowledges that opposition to Israel "sometimes serves as a cover for anti-Semitism."

The 44-page document is titled "The Church Confronting Racism -- For a More Fraternal Society."

While it condemns racism in general as "blasphemy," the statement specifically calls attention to recent manifestations of anti-Semitism linked to protests against the political policy of Israel.

One excerpt -- made available in advance of publication -- states that "in recent years, there have been numerous terrorist actions directed against people or symbols of Judaism."

"Anti-Zionism, which consists of opposition to the policies of the State of Israel, sometimes serves as a cover for the anti-Semitism which nurtures and provokes it."

According to Orazio Petrosillo, a journalist who closely monitors the Vatican, the statement "constitutes a significant Vatican signal toward the Jewish state."

It also is "a testimonial of solidarity for the Jewish victims of terrorist attacks, such as the attack on the Rome synagogue in 1982," Petrosillo wrote in *Il Messaggero*.

The Vatican statement also recalled that "never in history was there a form of racism more serious than Nazism, whose homicidal madness above all, and to an unheard of degree, struck the Jews, but also other peoples."

## COMPROMISE IS IN REACH AS STRIKE THREAT DIMS

By Hugh Orgel

TEL AVIV, Feb. 9 (JTA) -- The threat of a paralyzing general strike receded Thursday after labor, management and the government agreed in principle on a compromise.

The all-night negotiating session between Histadrut, the Employers Association and representatives of the Treasury ended on a cautiously optimistic note at 6 a.m.

But Histadrut said the strike, set for Sunday, will not be officially canceled until all details are completed on cost-of-living payments to compensate workers for recent price hikes resulting from devaluation of the shekel.

That was the main bone of contention, although there are other issues which the labor federation says must be settled before the strike threat is entirely removed.

Among them is a demand for a 10 percent tax rebate for workers who buy shares in their companies and rebates for workers and managers of companies who increase their profits by increasing productivity.

The parties will meet for another session Thursday night.

According to the compromise, employers will pay workers a 6 percent cost-of-living bonus over a three-month period.

Histadrut had demanded 8 percent while the employers, backed by the Treasury, offered 5 percent.

Finance Minister Shimon Peres said Thursday if the cost-of-living agreement becomes final, workers would be assured of maintaining their present standard of living and even improving it. He said the agreement also would prevent runaway inflation.

Peres went a long way toward meeting another Histadrut demand when he agreed to raise the income tax rate from 48 to 51 percent in the top bracket, for a one-year period.

It will affect about 35,000 people, who earn more than \$4,400 a month.

Peres has also said he is willing to establish an emergency relief fund of about \$200 million to bail out financially ailing companies.

The largest of these is the Histadrut-owned Koor Industries.

## SIDES CONTINUE TABA TALKS WITH HAGGLING ON HOTEL PRICE

By Hugh Orgel

TEL AVIV, Feb. 9 (JTA) -- Hard bargaining continued in Cairo Thursday over the purchase price of two Israeli-owned resorts in Taba.

The Egyptian minister of tourism, Fuad Sultan, expressed shock at the \$70 million asking price by Eli Papushado, who is the majority shareholder of the Avia Sonesta Hotel, a 322-room luxury hotel on the beach overlooking the Gulf of Aqaba.

Sultan, who heads the Egyptian negotiating team, told reporters that this was more than three times the \$18 million demanded for the recent sale of the 500-room Cairo Hilton Hotel, which finally changed hands for \$14 million.

The haggling began Wednesday in the posh Heliopolis suburb of Cairo. The talks will probably continue Friday and are strictly business.

The more sensitive negotiations between Israeli and Egyptian political and military teams

have been progressing slowly for more than two weeks in Taba.

The discussions there are focused on access for Israeli tourists after Taba reverts to Egyptian sovereignty, as well as customs, currency regulations and other details.

The discussions have not been without rancor, and have almost foundered more than once, only to be rescued by a U.S. observer team that has been functioning as an unofficial mediator.

An angry "misunderstanding" early this week was resolved when both sides accepted an American-proposed Feb. 26 deadline for an agreement, to be followed promptly by Israel's withdrawal from Taba.

The deadline also applies to the hotel purchase negotiations in Cairo.

## STUDY SAYS SOLDIERS LESS AFFECTED THAN OTHERS IN SIMILAR SITUATIONS

By Hugh Orgel

TEL AVIV, Feb. 9 (JTA) -- The Israel Defense Force, though it has maintained a presence in the administered territories for more than 20 years, has not been affected by the same negative phenomena found among other armies in similar situations.

That was the conclusion of Dr. Yoram Perry of Tel Aviv University's Jaffee Center for Strategic Studies, based on the results of a five-year study of the effects of the occupation on the IDF.

Perry, addressing a recent conference of the Sociological Association at Haifa University, agreed that certain changes have occurred since the Palestinian uprising broke out in the territories in December 1987.

Some of the negative effects the study found that did not affect Israeli soldiers on duty in the territories included development of disagreement between the army and the political echelon, a self-image crisis and a rift between the military and the civilian population.

Meanwhile, Dr. Reuven Gal, former chief psychologist of the IDF, reported fewer aberrations committed by soldiers in the territories than would be expected, considering the psychological stresses to which they are subject.

Gal, who is director of the Israel Institute for Military Studies, said his findings could be explained in two ways.

Either not all aberrational behavior is reported, or the IDF has been very successful in controlling the soldiers and their commanding officers serving in the territories, Gal told a conference of psychologists this week.

## APPEAL LODGED FOR CHILD PROTECTION

By Hugh Orgel

TEL AVIV, Feb. 9 (JTA) -- Two prominent Israelis appealed to the defense establishment Wednesday to refrain from killing or injuring children in the course of repressing the Palestinian uprising in the administered territories.

They also urged parents and influential figures in the territories to prevent children from participating in disturbances.

The calls were made by Dr. Moshe Etzioni, a retired supreme court justice who heads the Israeli branch of the International Child Protection Organization, and Dr. Menahem Horowitz, director-general of the branch.