

**REPORT OF MEETING BETWEEN SOVIET, ISRAELI ENVOYS CAUSES CONSTERNATION AND EMBARRASSMENT IN ISRAEL**

By David Landau and Hugh Orgel

JERUSALEM, July 21 (JTA) -- Israel was perturbed and embarrassed over the weekend by the leaked report to the local media of a meeting in Paris between the Israeli and Soviet Ambassadors to France.

The State-owned Israel Radio said Friday that the two envoys, Ovadia Sofer of Israel and Youli Vorontsov of the USSR, had discussed the possible restoration of diplomatic ties between Israel and the Soviet Union, broken by Moscow 18 years ago during the Six-Day War.

Premier Shimon Peres flatly refused to discuss the report at today's weekly Cabinet meeting. "That is not on the agenda," Peres said when the subject was raised by Minister-Without-Portfolio Yigael Hameir. It was understood nevertheless that the matter would be dealt with, if at all, at a secret meeting of the Inner Cabinet which consists of five senior ministers of the Labor Party and five of Likud.

**Peres, Shamir Aghast At The Leak**

Peres and Deputy Premier and Foreign Minister Yitzhak Shamir were said to be aghast at the leak. Officials expressed hope that the damage could be limited and would not impair the continued dialogue with the Soviets. The Foreign Ministry confirmed that the meeting did take place but put it in the context of other such contacts which it said had been taking place from time to time and obviously could not be publicized.

But considerable doubt was cast on what Israel Radio claimed was discussed between Sofer and Vorontsov. According to Friday's report, the Soviet envoy said his government was prepared to consider the restoration of diplomatic ties with Israel if Israel ceased what the Kremlin considers anti-Soviet propaganda and prevails on Jews in the West to do likewise.

In addition, Israel Radio said, the Soviets would be willing to allow more Jews to emigrate to Israel but would insist that Israel return the Golan Heights, captured in the Six-Day War, to Syria; or at least part of the Heights if Syria in the course of negotiations agreed to cede some of that territory to Israel.

The immediate reaction from Moscow was to categorically deny such conditions were offered. Israel Radio said the meeting took place at the Paris home of Israeli musician Daniel Barenboim. Gali Zohar, the Israel Defense Force radio, confirmed the meeting and said it had been at Soviet initiative.

But Shlomo Avineri, a former Director General of the Foreign Ministry, said in the course of an English-language news program here yesterday that the meeting "obviously was not initiated by the Soviets."

He said he thought Israel should learn a diplomatic lesson, to wit, to avoid "rushing to leak information immediately after secret contacts."

Aides to both Peres and Shamir seemed to have various ideas as to where responsibility for the leak lies and there was talk today of a full-scale inquiry by the security service.

Foreign Ministry sources appeared deeply angered. They said that while Ambassador Sofer was not himself suspected of leaking his cable to Jerusalem--about the meeting -- he was to be faulted for failing to properly classify the cable with the result that it was widely disseminated within the Ministry and among other government departments.

One Foreign Ministry source remarked, "Sofer was virtually inviting a leak." There was also considerable speculation within the Foreign Ministry and elsewhere about the accuracy of Sofer's report.

**Speculation And Analysis Abound**

The version broadcast by Israel Radio inevitably created a media sensation here and triggered lengthy public speculation and analysis by assorted Kremlinologists, Sovietologists and others considered experts on Soviet policy and diplomacy.

Much of the political community considered the Paris meeting significant though there were differences over how much so. Seasoned Kremlin watchers professed to have seen some advance clues. They have noted for some weeks a sharp, almost dramatic decrease in the anti-Israel, anti-Semitic propaganda published inside Russia and emanating from Russia.

This has been linked to the recent change in leadership. Baruch Hazan, a leading Kremlinologist here, predicted an increasingly pragmatic Soviet foreign policy under the regime of Mikhail Gorbachev. He said relations with Israel and Middle East policy would be one area where this change would be articulated.

But Hazan saw no imminent resumption of diplomatic ties. He predicted that as a first step, one or two Soviet bloc countries would resume relations with Israel. He thought Hungary and Bulgaria the likely candidates.

Avineri said he wouldn't be surprised if the new Soviet leadership re-thought previous policies. He said that if the reports so far leaked are true, Moscow may now be thinking in terms of a "package deal" in which it would gain something in return for diplomatic ties with Israel.

According to Prof. Amnon Sela, another Russia expert, the Paris encounter was timed just as the Palestinians, and possibly Syria, "seem to be winking towards Washington." This apparently worried and concerned the Soviets, Sela suggested.

**Possible Signal To Washington**

Such linkage was also cited here as an explanation for the leak. Some observers thought that someone in the government establishment tried in that way to signal Washington against opening a dialogue with the Palestine Liberation Organization through PLO-backed members of a joint Jordanian-Palestinian delegation.

Washington's reaction to reports of the Paris meeting was bland and indirect. "Our position has always been that we would welcome any improvement in relations between Israel and other countries," Robert Smalley, a State Department spokesman, said Friday.

He noted at the same time that Jewish emigration from the Soviet Union has dropped to "the lowest level in years." The U.S. position has always been that

"the USSR, in fulfillment of its existing obligations, should allow all those who wish to emigrate to do so," Smalley said. Speculations were contingent on the accuracy of the Israel Radio report and of its apparent source, the cable Ambassador Sofer transmitted to Jerusalem.

One retired veteran diplomat, Gideon Rafael, told reporters today that the cable was "full of improbabilities." He stressed that in reporting discussions on the ambassadorial level between two countries — where no stenographer is present — "it is important to recount precisely who said what." He challenged the report on many counts.

Rafael, a former Director General of the Foreign Ministry and an Israeli Ambassador to the United Nations and to the United Kingdom, said the report that the Soviet envoy spoke of a package deal was incongruous. The Soviets, Rafael said, never speak of package deals, they speak of reciprocity.

Another improbability, he said, was the report that the Russian envoy had agreed, when challenged by Sofer, that he had omitted reference to the Palestinian issue deliberately in his exposition of Soviet-Israeli relations.

#### Interview With Soviet Journalist

Israel Radio followed up its Friday report with a telephone interview yesterday with Viktor Lewis, a Soviet journalist, Jewish by birth, who is said to have close contacts among top Kremlin sources. Lewis has visited Israel frequently and has been used by the media here as a source of information about Soviet policies.

He is also considered by some to be a floater of trial balloons. New immigrants from Russia claim he is a Soviet intelligence agent whose assignment is to propagate disinformation.

The interview with Lewis was broadcast before Moscow's official denial of the details of the reported Paris contact was released. In what sounded like a prepared statement, Lewis said that in Moscow "officially, no one has yet made any comments on a Soviet-Israeli meeting and obviously there are no grounds to expect this to herald an immediate restoration of diplomatic relations."

He said, however, that the meeting will "most likely lead to occasional consultations on some Middle Eastern problems in general which will be one of the items on the agenda of this autumn's top level meeting" between Gorbachev and President Reagan and Gorbachev's talks with President Francois Mitterrand of France.

Lewis added: "In the course of the long years without diplomatic relations, there have been a number of meetings between former Foreign Minister Andrei Gromyko and different Israeli politicians in New York. So obviously, the new Foreign Minister, Mr. Eduard Shervadnadze, would like to give an impression that no stone has been left unturned in preparing himself and Mr. Gorbachev for their meetings where the Middle East is almost certain to be among the subjects for discussion."

Nonetheless, some Israelis see the Paris contact as more significant than previous contacts. On July 15, Peres told World Jewish Congress president Edgar Bronfman that "Israel was seriously interested in reopening diplomatic relations with the Soviet Union" and indicated that the new Soviet leadership, under Gorbachev, could open the way for "a dialogue on all subjects with the Russians."

#### PERES OPPOSED TO MORE DEFENSE CUTS

TEL AVIV, July 21 (JTA) — Premier Shimon Peres said yesterday he was against any further cuts in the defense budget. "We have to maintain a security posture at a responsible level, and although I don't think we have gone beyond the red line, we've reached the limits of the cuts," he told reporters during the annual Air Force Day display at an Israel Defense Force base.

Last week, Air Force Commander Gen. Amos Lapidot warned that "painful" cuts in the defense budget could "in the long run lead to a weakened Air Force with lower standards." He said that cuts in the defense budget have already resulted in the grounding of some aircraft and pilots and reduced air time for training. Lapidot also pointed out that at the same time, Arab air forces are growing in size and improving in quality, especially the Syrian Air Force.

Peres told reporters, however, that "The responsibility for Israel's security and the IDF's preparedness will remain a decisive factor in our economic deployment. We shall not hurt the country's security in order to balance the budget. The new economic program is intended to give us more economic freedom — not less security for our people."

The air display this year was in lower key than previously, mirroring the defense budget cuts which reduced the number of planes exhibited both in flight and on the ground.

#### THIS PLAY IS NOT THE THING

By Ben Kayfetz

TORONTO, July 21 (JTA) — The Board of Education has suspended teaching "The Merchant of Venice" in the high schools of Waterloo County, western Ontario, until it formulates new guidelines in conjunction with its recently established committee on race relations and a parents group which says the play has inspired racism.

The group of parents, Jewish and non-Jewish, is headed by Mona Zentner, a professor at the University of Waterloo. They asked the Board to move the Shakespeare classic from the ninth to the twelfth grade curriculum. According to Zentner, Jewish ninth graders complained of being called "little Shylock" and "Jew moneylender" by classmates.

Board members discussed the controversy at a recent meeting where several suggested that the parents were over-reacting. One noted that the play has been taught successfully in ninth grade for decades and there was no reason to change.

A consultant on English literature for the Board said he believes the play is appropriate for ninth graders and offers a valuable basis for classroom discussion of racism. But Zentner said "The idea that the kids need to learn about prejudice in schools is very generous. But they already get it for free outside."

The decision to suspend probably means the play won't be taught when school opens in September, but a spokesman for the Board's English program said he hopes the guidelines will be ready in time.

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JERUSALEM (JTA) — Five children were injured Friday morning in the center of Jerusalem when a young man, later reported to be from Hebron, attacked a crowd of summer campers with a knife. The man was chased and apprehended — with policemen having to protect him from a violent and vengeful crowd.

## BACKGROUND REPORT THE CASE OF THE TROUBLESOME LIST By David Friedman

WASHINGTON, July 21 (JTA)—The State Department announcement last week that it was studying a list of Palestinians submitted by Jordan to see if any were acceptable to the United States for participation in a joint Jordanian-Palestinian delegation for talks with the U.S. brought to mind the well-known song, "Santa Claus is coming to town."

You could almost hear those words, "He's making a list and going over it twice to see who has been naughty or nice." The problem with the Jordanian list or any other such list of Palestinians is that there is little agreement by the parties involved over who is "nice."

Israel is already on record as saying the entire list, selected by Palestine Liberation Organization chief Yasir Arafat and given by him to King Hussein of Jordan, is unacceptable.

The Reagan Administration was obviously piqued that Israel had publicly announced its rejection so soon. Robert Smalley, a State Department spokesman, said that while Israel will be consulted, neither it nor any other country will have a veto over the U.S. decision.

"Our decision will be taken in light of consultations with our friends in the area, but it will be our decision," he asserted. He also stressed that progress toward a Mideast peace requires "mutual trust and full confidence."

The U.S. was also unhappy with Israeli Premier Shimon Peres' rejection, as unnecessary, a meeting between the U.S. and a joint Jordanian-Palestinian delegation as a prelude to direct negotiations with Israel.

### U.S. Cites Need For 'Incremental Steps'

The State Department has repeatedly said that the U.S. will enter talks with a Jordanian-Palestinian delegation only if it leads to direct negotiations between Israel and the joint Arab delegation. Smalley said the peace process will require "many incremental steps along the way," an apparent answer to Peres' criticism.

The U.S. has also reaffirmed that the Palestinians on the joint delegation cannot be members of the PLO. "Our policy with meeting with the PLO is unchanged," Smalley said on Friday. "The United States will not recognize or negotiate with the PLO as long as the PLO refuses to recognize Israel's right to exist and to accept UN Security Council Resolutions 242 and 338."

Hussein, during his visit to Washington last May, maintained that the PLO has assured him that it meets these conditions. But Administration officials stressed at the time that the U.S. wants an explicit public statement by the PLO.

While the U.S. refused to identify those on the Jordanian list, Arab sources have named seven persons, most of them either outright members of the PLO or the Palestine National Council (PNC). One of them is Khaled Al-Hassan, a founder of Al Fatah and the PNC's chief spokesman on foreign affairs.

### Proposed Delegation Members

(The Jerusalem Post, citing reliable sources, identified the seven persons as: Hanna Seniora, editor of the East Jerusalem daily Al-Fajr; Dr. Hatem Hussein, born in Jerusalem, the PLO's unofficial representative in Washington; Sala Ta'amre, former commander of the

Fatah youth corps in south Lebanon where he was captured by Israel in 1982, later became the recognized leader of the Ansar camp detainees and negotiated with Israeli officials over mass releases from the camp; Mohammed Seibigh, secretary general of the PNC; Nabil Sha'ath, a close aide of Arafat; Fayez Abu Rahme, a leading Gaza lawyer; and Hassan.)

(In Jerusalem today, Peres told the Cabinet that he was awaiting clarifications from the U.S. regarding the list. He said that once he gets the clarifications, he might convene the Inner Cabinet to discuss them.)

In an interview with the Kuwait news agency last week, Hassan said a U.S. meeting with the joint delegation would be the first step toward U.S. recognition of the PLO. He said the Palestinian delegates on the joint group will represent the PLO.

The U.S. has maintained that there are members of the PNC who are not members of the PLO and with whom it can talk. However, Israel considers everyone on the PNC part of the PLO since the Council is the PLO's legislative body.

Only two persons on the list live in the West Bank or Gaza — Rahme and Seniora. This is in keeping with Arafat's policy of preventing inhabitants of the territories from being seen as independent spokesmen for the Palestinians.

Peres said he was not surprised by those on the list but by who was not on it. By meeting last week with Bethlehem Mayor Elias Freij and Hikmat Al-Masri of Nablus, Peres was apparently signalling to Washington and Amman of the type of Palestinian leader Israel was willing to enter into negotiations with, moderates who live in the areas to be negotiated.

### View Of West Bank, Gaza Palestinians

Palestinian leaders in the West Bank and Gaza, while mouthing support for the PLO, have publicly stated their acceptance of Israel and willingness to reach a solution through negotiations. Many have, at least privately, said that the headline position of the PLO will not bring a longtime solution to their problems.

With Secretary of State George Shultz back from his visit to the Far East, and Richard Murphy, Assistant Secretary for Near Eastern and South Asian Affairs, returned from vacation, a decision on the list could come from the State Department soon.

But even if they approve the required four names from the list or get some additional names, it is difficult to see at the present how a U.S. meeting with a joint delegation will lead to direct negotiations this year as the U.S. is urging.

The PLO and Jordan have made it clear that they want an international meeting with all the Mideast parties involved and the five permanent members of the Security Council, which includes the Soviet Union. Hussein said in Washington that he needs an "international umbrella" to meet with Israel.

Both the U.S. and Israel reject an international conference and particularly reject Soviet involvement because of its lack of diplomatic relations with Israel and persecution of Soviet Jews, among other reasons.

But the USSR wants badly to be dealt in and on Friday a new play was revealed. Israel Radio reported that the Soviets have offered to restore diplomatic relations with Israel and allow unrestricted Jewish emigration if Israel returned the Golan Heights to Syria.

If this is a really serious proposal, not only does it pose a new dilemma for Israel, but it could mean that the next major step in the Mideast peace process could come next month when Shultz meets Soviet Foreign Minister Eduard Shevardnadze in Helsinki or at the summit in November between Soviet leader Mikhail Gorbachev and President Reagan. The Mideast was not even one of the announced topics for the summit.

## TWO POLITICAL FACTIONS IN KIRYAT ARBA ADOPT APARTHEID POLICY AGAINST TOWN'S ARABS

By Gil Sedan

JERUSALEM, July 21 (JTA) — For the first time in the history of the Jewish State, two political factions have adopted a formal policy of apartheid against Arabs.

The two factions, recently elected to the local council of Kiryat Arba, reached a coalition agreement which provides for the mass dismissal of Arab workers employed by the municipality, and discourages the development of local plants whose owners would not commit themselves against the hiring of Arabs.

Legal experts immediately questioned whether the coalition agreement was legally sound, inasmuch as it supported open discrimination on a racial basis. Previously, the high court has ruled that no public authority could practice racial or religious discrimination. Premier Shimon Peres today ordered Attorney General Yitzhak Zamir to investigate the legality of the coalition agreement.

The agreement was signed over the weekend between the United Kiryat Arba list and the Kach list, comprising supporters of Rabbi Meir Kahane. Kach won 22 percent of the votes in the elections and thus became a key to any coalition. Personal differences between the local Likud faction and the United Kiryat Arba list prevented the two factions from reaching an agreement.

### Elements In The Policy

Under the new coalition agreement, the council would aspire toward total Sabbath observance, although some 40 percent of the local residents are secular. Furthermore, the council would fire the 12 gardeners it employs and would instead hire a Jewish contractor who would commit himself to employing only Jews.

Another article in the agreement asserts that any new factory in the town would receive the necessary recommendations from the local council providing that it commits itself to employing only Jews. The existing plants in Kiryat Arba employ dozens of Arab workers.

Shalom Wach, the outgoing mayor and head of the United Kiryat Arba list, said the decision to fire the Arab employees was taken because the Interior Ministry had ordered the council to cut its staff and "we agree that Jews must be given preference" when it comes to employment. There are 17 unemployed Jews living in Kiryat Arba. It was unclear how many Arab workers would be affected.

Elyakim Haetzni, one of the leaders of the United Kiryat Arba list, said the agreement with Kach was dictated by 22 percent of the voters who supported the party.

However, he said, those voters did not share Kahane's views but that they voted for Kach as a measure of protest against the government's policy

which, he said, enabled the release of 600 terrorists from Israeli jails, allowed the universities to incite terrorism, permitted the appearance of pro-PLO newspapers in Jerusalem and the control of the PLO over the refugee camps. "We do not boycott Kahane," said Haetzni. "He is our political rival — but our enemy is the PLO."

### Dismissed Workers Could Appeal

It was assumed that an Arab worker who would be laid off by the municipality because of racial considerations could fight the dismissal by appealing to the Supreme Court. One other venue which was expected to be explored was legal action by the government against the council, perhaps by means of stopping all financial aid to the local council, or perhaps even disbanding the council.

Previously, the high court has said no public authority could practice racial or religious discrimination. In the past, the court abolished actions taken by local municipalities on the grounds that they were of a discriminatory nature. The court also ruled that this principle also applied in the administered territories. The Civil Rights Movement Knesset faction said it would provide legal assistance to any Arab who would be affected by the coalition agreement.

### PERES MEETS WITH LEADERS OF THE ETHIOPIAN JEWISH COMMUNITY

JERUSALEM, July 21 (JTA) — Premier Shimon Peres met for 75 minutes this afternoon with leaders of the Ethiopian Jewish community which has refused demands by the Chief Rabbinate that they undergo ritual immersion, a religious conversion rite.

The meeting followed the weekly Cabinet session where the dispute over the status of Ethiopian Jews was discussed. The Cabinet agreed to devote a longer session to it next Sunday.

Hundreds of Ethiopian emigres left their absorption centers last week in a protest march against the Rabbinate's demands which they find demeaning and an affront to their authenticity as Jews. Peres and Absorption Minister Yaacov Tsur are scheduled to meet Tuesday with the Sephardic and Ashkenazic Chief Rabbis, Mordechai Eliahu and Avraham Shapiro, respectively.

Peres, accompanied by Tsur, asked the 18 leaders of the Ethiopian community to ensure that no extreme steps will be taken while he seeks an honorable solution to the dispute. At today's Cabinet meeting, Tsur was accused by Minister-Without-Portfolio Yosef Shapira of the Marasha religious faction of concealing an official document about Ethiopian intentions to try to undermine the Chief Rabbis and possibly do them physical harm. Tsur denied the allegation.

Yesterday, the Citizens Rights Movement (CRM) urged Peres to cancel his meeting with the Chief Rabbis. According to the CRM, if he pleads with them on behalf of the Ethiopian Jews he will be relinquishing the government's legal authority and in effect making the Chief Rabbis the sole judges of who is a Jew.

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NEW YORK (JTA) — The Caribbean nation of Antigua - Barbuda has become the first country to issue a stamp and souvenir sheet to mark the 850th anniversary of the birth of Maimonides. The \$2 stamp has a portrait of the famous Jewish philosopher, scholar and medical doctor. The \$5 souvenir sheet has the same portrait, with a floral design decorating the border area. The designer and printer of the stamp is the House of Questa in London.