

**SOVIET-ISRAELI TALKS IN HELSINKI
END AFTER 90 MINUTES; MEETING IS
DESCRIBED AS 'FRANK AND CORRECT'**
By Hugh Orgel and Gil Sedan

TEL AVIV, Aug. 18 (JTA) — The Israeli-Soviet talks wound up in one short 90-minute session in Helsinki, the Finnish capital, Monday. Neither side would say that the talks had broken down and political sources steered away from any negative description of the meeting.

Israeli delegation spokesman Ehud Gol indicated that the brief session was inevitable as the Soviet side had an extremely narrow mandate — to state the Soviet case, listen to the Israelis and then report back to Moscow.

Israeli spokesmen were at pains to emphasize that the talks had not broken down. The very fact of the direct meeting between official Soviet and Israeli diplomats was important, they stressed. The Israeli delegation said they had anticipated the talks would not last longer than "one or two days."

In telephone interviews from Helsinki with the prestigious "New Evening" news, an interview television program operated by educational television, and the radio station of the Israel Defense Force, and later with Israel Radio, Gol said that the meeting had been "frank and correct ... held in a pleasant atmosphere." The conversation was carried out in English.

"At the request of the Finns, we set aside two days for the talks. But there was no agenda, and we did not know how long the talks would last," he said.

Each Side Outlines Points

Gol said the Soviet delegation outlined its three points dealing with the proposed dispatch of a Soviet delegation to Jerusalem to discuss Russian property matters, and the Israelis had read out their verbal statement stressing the right of Russian Jews to emigrate to Israel to join their families and the freeing of Jewish Prisoners of Zion, and outlining the Israeli view on the Middle East in general.

"The Russians wrote down every word. We then handed them the written text of our verbal statement," Gol said.

Future Contacts Indicated

Future contacts will be maintained through the regular diplomatic channels, with the Dutch and Finnish Embassies representing the two sides. The Netherlands represents Israel in Moscow, and the Finnish Embassy in Tel Aviv has a Soviet interests section which handles USSR affairs in Israel.

The continued contacts are expected to focus on a request by the Soviets to send a delegation to Israel to deal with consular matters. Israel has insisted that an Israeli delegation be received in Moscow at the same time. The Helsinki delegates have not yet responded to that demand.

CABINET AGREES TO TRIM BUDGET

By Hugh Orgel

TEL AVIV, Aug. 18 (JTA) — The Cabinet agreed at its second lengthy session Sunday to cut

the \$19.1 billion state budget by about \$200 million, excluding the military budget. The defense budget is to be discussed further by Premier Shimon Peres, Defense Minister Yitzhak Rabin and Finance Minister Moshe Nissim.

The agreed cut was considerably less than Nissim had hoped to force through the Cabinet, but he later said the actual cut gave hope for continued economic stability. The Central Bureau of Statistics announced Friday that the Consumer Price Index had remained unchanged in July and that the annual inflation rate was 15 percent.

Nissim said the Treasury now could begin planning reform in the capital market and tax system. These actions were strongly recommended in a letter to Peres from U.S. Secretary of State George Shultz that was publicized Friday.

The Cabinet further decided that until each minister presents a detailed plan to implement the cuts, there will be a 75 percent freeze on ministry contracts.

Areas Not Affected By The Freeze

Nissim said the freeze would not affect commitments dealing with the opening of the school year, the defense system, the Housing Ministry and development budgets. Peres, Rabin and Nissim decided last week that the defense budget would be cut by about \$62 million instead of about \$96 million as proposed by the Treasury. But Sunday, even this compromise was rejected by Rabin, necessitating the separation of the defense cuts.

Education Minister Yitzhak Navon said Sunday night that his cuts would reduce aid to cultural and sports institutions, including the nation's museums and music organizations.

He said he couldn't cut teachers' salaries, as they already were held lower than promised the teachers in negotiations. He hoped teaching staffs could be reduced by attrition due to retirement, but some non-tenured teachers may have to be dismissed.

ISRAEL-CAMEROON TIES TO BE RESUMED

JERUSALEM, Aug. 18 (JTA) — Israel and Cameroon will soon resume diplomatic relations and Premier Shimon Peres will visit that country on the occasion, it was learned here Monday. According to reports, Peres is to visit Cameroon at the beginning of September. Cameroon, in west-central Africa, severed diplomatic relations with Israel after the 1973 Yom Kippur War. In recent years it has begun to move closer to Israel and has strengthened its economic ties with the Jewish State.

**SOUTH AFRICANS CAN CONTINUE
INVESTING IN ISRAEL UP TO
\$10 MILLION IN THE COMING YEAR**
By Hugh Orgel

TEL AVIV, Aug. 18 (JTA) — South Africans will be allowed to continue investing in Israel up to a maximum of 40 million Rands (about \$15 million) during the coming year, government sources said Sunday.

Agreement on the continuation of South African investment was reached during two days of economic talks held by Israeli officials in Pretoria last week. They returned home Sunday.

The Israel Finance Ministry said Sunday that the negotiations, which took place under a virtual news blackout by the Israeli government, had dealt with

credit lines for South African exports to Israel, fishing rights for Israeli vessels in South African waters, and investments in Israel by South African citizens.

Prof. Shlomo Avineri, a former Director-General of the Foreign Ministry, said on Israel Television Sunday night that Israel should not have sent its delegation to South Africa at a time when the entire Western world was considering curtailing its relations with that country.

"There is concern that the South African government is trying to use its commercial agreement with Israel to bypass a possible ban by some Western countries," he said.

A Dramatic Turnabout: JUSTICE OFFICIALS TO REVIEW CASE OF TEACHER ALLEGEDLY PROMOTING BIAS By Ron Csilag

MONCTON, New Brunswick, Aug. 18 (JTA)—In a dramatic turnaround last week, New Brunswick Attorney-General David Clark announced he would review his decision not to prosecute school teacher Malcolm Ross for allegedly promoting hatred against Jews because a book by Ross that was said to be unavailable was found on local library shelves.

The previous week, Clark announced New Brunswick would not institute charges against Ross, based on the results of a 13-month police investigation.

Clark ruled that Ross could not be charged with wilfully promoting hatred against Jews under section 281.2 (2) of the Criminal Code because two of his books did not fall under the definition of hate literature, while the third, "Web of Deceit," probably did, but was "unavailable to the public," having been out of print for five years.

Only a few days after the announcement, several journalists in New Brunswick were able to get copies of Web of Deceit from local libraries, forcing red-faced justice officials to reconsider their decision.

The 106-page book, it seems, was easily available from libraries in Moncton, Fredericton, Saint John and the University of New Brunswick.

One journalist employed by the Canadian Broadcasting Corp. (CBC) said it was "easy" to get the book, which was located in regular library stacks and not within reference material, making it available for general check-out.

Book's Popularity Has Increased

Dr. Mary Travis, regional librarian at Saint John Regional Library, said Web of Deceit's popularity has increased in the past few months. In one library, she noted, the book had been checked out just five times in eight years and not at all since 1982. Now, however, "you can rest assured" the book has become popular. Travis added there are no plans to pull the book from the shelves.

Clark was unavailable for comment on the several days his office was contacted. A department official had no comment on the matter.

Dr. Julius Israeli, who filed the original complaint against Ross last summer, was exuberant at the decision to reconsider. "It's a gift from heaven," he said. "I feel great." Israeli had not heard officially from the justice department, but he said he's aware the sudden turn around doesn't necessarily mean Ross will be charged. "It could take several more weeks" of investigation, Israeli said, and the same decision could be arrived at again.

Clark told a New Brunswick newspaper immediately after his ruling that his first decision, not to prosecute, was "the most difficult" he has had to make as Justice Minister and Attorney-General. He said the long-term solution to problems of this nature lies in public awareness and education and not in the criminal justice system.

Rationale For Stocking The Book

Although Web of Deceit, written in 1978, is widely available in New Brunswick, it is not stored in the Metro Toronto Library, Canada's largest municipal library. But the book is available to almost anyone via an inter-library loan from the National Library of Canada, according to spokesperson Ruth Lawless.

She said in an interview that Canadian law requires every publisher in the country, regardless of repute, to forward one or two copies of every book published to the national library in Ottawa, Canada's flagship collection of books.

Lawless said Web of Deceit is classified under three headings: civilization, modern 20th century and Canada/civilization. She said Ross' book is stocked because the library doesn't make "value judgements" on books' contents.

In addition to authoring the books, Ross runs the Stronghold Publishing Co., which prints and distributes them. He teaches all subjects in grades 7, 8 and 9 at a school outside Moncton, but an investigation by The Canadian Jewish News last year found no evidence he taught his views in the classroom.

Reaction By Jewish Officials

Jewish community officials were surprised at Clark's decision to reconsider. Shimon Fogel, executive director of the Atlantic Jewish Council, said the move shows Clark is "taking this seriously and is consistent with his conscientiousness. But I'd be somewhat surprised if he decided to lay charges just on the merit of it (Web of Deceit) having been found in the library."

Prof. Bernie Vigod, regional chairman of B'nai B'rith Canada's League for Human Rights, said there is a "tremendous risk" of Ross being acquitted if a charge is instituted. "That would set back the course of things quite a bit."

GRAVES OF ZIONIST LEADERS DESECRATED

JERUSALEM, Aug. 18 (JTA) — The graves of several Zionist founders of the State of Israel at Mount Herzl National Ceremony were desecrated overnight. Slogans denouncing archaeological excavations in the Negev, at a site where there are alleged to be ancient Jewish graves, were daubed on the tombstones of Theodor Herzl, Zalman Shazar, Levi Eshkol, Golda Meir and Zeev Jabotinsky.

The slogans were signed "Keshet," a group suspected by the police to consist of ultra-Orthodox zealots. The identity of the members are not known. Keshet also claimed responsibility for three previous incidents of desecration.

TEL AVIV (JTA) — A TWA plane with over 300 passengers aboard, en route from Tel Aviv to New York, returned safely to Ben Gurion Airport shortly after take-off Sunday, when an engine developed trouble. The aircraft circled over the Mediterranean for about an hour while the pilot dumped the full load of fuel in preparation for an emergency landing. The engine, which had begun to overheat, was replaced and the plane departed for New York Sunday night.

BEHIND THE HEADLINES A BENEFICIAL TRIP

By David Friedman

WASHINGTON, Aug. 18 (JTA) -- There has been some controversy over whether Vice President George Bush's recent 10-day visit to the Middle East accomplished anything for the Reagan Administration's goals in the region. But there is no question that the trip was beneficial to Bush's campaign for the Presidency.

This was especially true of his visit to Israel, where a political action committee television crew filmed Bush, not only at meetings with Israeli leaders, but at Yad Vashem, the Western Wall, David Ben Gurion's grave and talking to Soviet and Ethiopian Jewish immigrants.

Bush does not have the popularity in the Jewish community achieved over the years by two of his potential rivals for the Republican nomination for the Presidency, Senate Majority Leader Robert Dole of Kansas and Rep. Jack Kemp of New York. So it will not be surprising to see the films of Bush in Israel turn up in primary campaigns and, if he wins the GOP nomination, in the general campaign in 1988.

There is nothing wrong in this. After all, Bush was preceded to Israel by two other Presidential hopefuls, Kemp and Sen. Gary Hart (D. Colo.).

Carrying A Burden

But Bush, as well as any other Republican candidate for the Presidency, is burdened in his effort to win a large share of the Jewish vote, traditionally Democratic, by the support the Republicans give to Christian fundamentalists, especially on the church-state issue.

In 1984, the Republicans believed they could win at least 50 percent of the Jewish vote for President Reagan, not only because of his strong support for Israel, but because of Jewish anger over what they considered anti-Semitic and anti-Israel remarks by the Rev. Jesse Jackson in the Democratic primary campaign. While the Democratic candidate, Walter Mondale, had long enjoyed support in the Jewish community, many were concerned that he had not distanced himself enough from Jackson.

However, after Reagan, in a speech at a prayer breakfast during the Republican National Convention in Dallas, accused opponents of prayers in public schools of being intolerant of religion, the church-state issue became the major concern among Jews. Many were fearful of what they saw as an attempt by the Christian Right to "Christianize America."

Jackson will again be a factor in the 1988 campaign, but evangelists are making themselves heard even more in the Republican Party, especially with television evangelist Pat Robertson looking every day more and more like a Presidential candidate. No one expects Robertson to get the Republican nomination. But he should get enough votes, especially in the south, to ensure that the other Republican hopefuls will have to adopt many of his views, especially on the church-state issues.

At a meeting with several Jewish and Israeli journalists after his Mideast trip, Bush conceded that the ties he has had with the Rev. Jerry Falwell in recent years could hurt him in the Jewish community, as it did Reagan. But, he quickly added, that he would hope to be perceived, as Reagan is, as the best friend Israel has ever had in the White House.

No one expects either Bush or Kemp or Dole to risk the support they have in the evangelical community to gain Jewish votes, at least now. But at the same time there appears to be a backlash among mainstream Republicans over the attempts by the Christian Right to inject a religious agenda into national politics.

Bush, after all, handily won the Michigan preference ballot contest for delegates to the 1988 Republican national convention. This early test may be meaningless, but Robertson did far less well than expected despite the increased voter registration among followers of his popular television program.

Perhaps even more important is the case of Rep. Mark Siljander (R. Mich.), a member of the House Foreign Affairs Committee, and an outspoken supporter of Israel. But the three-term Congressman is also the most vocal spokesman for Christian evangelicals in Congress and during the Republican primary campaign, he said his victory was needed to "break the back of Satan."

Siljander lost the election to Fred Upton and thus became the only incumbent Congressman so far to be defeated in a primary election.

HERZOG GETS RECOMMENDATIONS REGARDING SEVEN MORE SHIN BET AMNESTY REQUESTS

JERUSALEM, Aug. 18 (JTA) -- Justice Minister Avraham Sharir has given his recommendations regarding amnesty requests by seven Shin Bet intelligence officials to President Chaim Herzog for his consideration. Herzog already has pardoned four Shin Bet officials, including agency head Avraham Shalom, in connection with the April 1984 beating deaths of two Palestinian bus-hijackers while in Israeli custody. Herzog said he'll decide on the pardons within "the next few days."

One of the pardoned officials was promoted to a senior Shin Bet position, Premier Shimon Peres confirmed Sunday. Peres told Cabinet ministers that he made the promotion prior to publication of the beatings and allegations of a cover-up. Several ministers noted that it was improper to promote an official who in his request for a pardon admitted committing crimes.

HIGH COURT ASKED TO EXTEND DEMJANJUK'S DETENTION FOR ANOTHER SIX WEEKS

TEL AVIV, Aug. 18 (JTA) -- Attorney General Yosef Harish asked the Supreme Court Monday to extend for six weeks the detention in custody of John Demjanjuk. The Ukrainian-born autoworker is awaiting trial for war crime charges accusing him of being "Ivan the Terrible," a guard at the Treblinka Nazi death camp who ran the gas chambers in which 900,000 Jews died in 1942 and 1943.

Harish said he needed time to include new evidence in the formal charges which are due to be presented to the Jerusalem District Court by October 1. Key evidence, including an identification card allegedly issued to Demjanjuk in Treblinka, is in Soviet hands.

NEW YORK (JTA) -- Nadezhda Fradokova, the only woman Prisoner of Conscience, was released from prison last week and is now in Leningrad, according to Lynn Singer, Advisory Board chairperson of the Union of Councils for Soviet Jews. Fradokova had served two years in a Soviet labor camp for parasitism. She was refused a visa on the pretext of her father's "access to state secrets." Fradokova, a mathematical linguist, staged a number of hunger strikes beginning in March 1983.

SPECIAL TO THE JTA A GLORIOUS PAST, A QUESTIONABLE FUTURE By Sheldon Kirshner (Last Part In A Series)

VIENNA, Aug. 18 (JTA) -- At the Austrian Foreign Ministry, in an ornate building with high ceilings once used by Hapsburg Empire functionaries, a senior official in overall charge of Middle Eastern affairs expressed optimism.

Israel, he surmised, was not interested in damaging its relations with Austria, a country that has served as a transit point for East European and Russian Jews on their way to the Jewish State and the West.

"We would welcome an Israeli attitude based on our total interests and not on one single issue," he said. The official, formerly stationed in Ottawa, termed as "correct" Austria's ties with Israel. Austria and Israel, he said, have "intensive" cultural and tourist exchanges, with Austrian Airlines and El Al flying to Tel Aviv and Vienna. But as Michael Elizur, Israel's Ambassador to Austria until he was recalled following revelations about President Kurt Waldheim's past, said, there has been a decline in traffic since the Waldheim revelations burst forth.

According to Elizur, Middle eastern policy under the direction of Fred Sinowatz, who stepped down as Chancellor after Waldheim's June 8 Presidential electoral victory, was a case of "less of the same." As he put it: "The principles didn't change, but the heat was diminished."

Shrill Polemics Of The Kreisky Era

Sinowatz, who was personally well disposed toward Israel's pioneering achievements, eliminated the shrill polemics of the Kreisky era. Kreisky, the scion of a highly assimilated Jewish family, was particularly scornful of Menachem Begin, whom he called "a short-sighted, primitive imperialist" with the mentality of a grocer.

In 1981, Kreisky compared Israelis to Germans under Hitler years. And in 1982, in the wake of its invasion of Lebanon, he attacked Israel mercilessly.

Kreisky, who once prompted Yitzhak Shamir to say that Israel could not hold a rational dialogue with the Austrian Chancellor, won power in 1970 and warmed up Austria's relations with the Arab world.

On the eve of the 1973 Yom Kippur War, in reaction to the abduction of Soviet Jews by Palestinian raiders on the Schoenau Castle transit camp, Kreisky closed it despite a desperate, last-minute trip to Vienna by then Premier Golda Meir.

Kreisky was not enamored of the tactics employed by the Palestinians, but he increased his contacts with Palestinian leaders like PLO chief Yasir Arafat. In the mid-1970's, Kreisky recognized the PLO as the sole, legitimate representative of the Palestinians, and permitted the PLO to open an office in Vienna.

Kreisky believed that Israel should withdraw entirely from the occupied areas and acquiesce to the establishment of an independent Palestinian state in the West Bank and in the Gaza Strip. He also believed that Israeli settlements in those areas should be dismantled.

At the United Nations, Austria voted in favor of pro-Palestinian resolutions, and condemned Israel for its 1981 aerial destruction of Iraq's nuclear reactor. Austria cast its ballot against the 1975 resolution equating Zionism with racism.

Austria, under Kreisky, pursued a high-profile policy in the belief that if the Arab-Israeli dispute was not solved, the conflict could spill over into Europe, with all its adverse political and economic results.

In keeping with this philosophy, the Austrian government contributed troops to several United Nations peace-keeping forces staffing ceasefire lines on the Golan Heights and in the Sinai Peninsula. In the past 26 years, some 18,000 Austrian soldiers have served in the Middle East.

Out of purely humanitarian motives, Austria, since November of 1983, has mediated three prisoner of war exchanges involving nearly 6,000 Israelis and Arabs.

Kreisky's Basic Policy Lived On

After Kreisky stepped down, Sinowatz placed far less emphasis on Middle East developments, but he kept faith with the basic contours of Kreisky's policy. The Austrians still regard the PLO as the Palestinians' only representative organization, support the creation of a fully independent Palestinian state, and think that an Israeli withdrawal from the occupied territories is necessary.

It has been nine years since an Austrian Cabinet Minister has visited Israel, and three years have elapsed since an Israeli Minister stopped in Vienna on an official visit. Last autumn, however, Prime Minister Shimon Peres met Sinowatz at the Socialist International conference in Vienna.

Terrorist Attacks In Austria

Austria, despite its pro-Palestinian policy, has been the object of several Palestinian terrorist assaults. Not counting the 1973 Schoenau Castle incident, terrorists have chosen Austria as a venue for their attacks in four instances:

* In 1975, they overran the Vienna-based headquarters of the Organization of Petroleum Exporting Countries, taking a few prisoners.

* In 1981, they killed three Jews in an attack on a Vienna synagogue, and assassinated the president of the Austrian-Israel Friendship Society.

* In 1984, they left a small bomb that exploded at El Al's office, hurting no one.

* On Dec. 27, 1985, they murdered three passengers and wounded 47 at Vienna's Schwechat Airport.

Virtually all the attacks have been carried out by the anti-Arafat Abu Nidal faction, observers concur.

Counter-Actions By Austria

By way of response, Austria -- which relies on five Arab countries for some of its overseas oil supplies -- has set up an anti-terrorist squad, the Cobras, and tightened border controls. The Austrians have also reduced the size of Libya's Embassy in Vienna, and warned the Libyans they will not tolerate activities inconsistent with a diplomatic role. Recently, Austria dispatched its Minister of Interior to Syria, Saudi Arabia and Algeria in an effort to enlist the cooperation of those countries in the fight against international terrorism.

It is uncertain whether Austria has elicited Israel's assistance in this matter.

Austria hopes that terrorists will not use its territory again in the future. But no one here can be sure of anything. Even a country as sympathetic to Arab and Palestinian claims as Austria cannot be immune to the scourge of unbridled terrorism.