

TRYING TO SALVAGE THE SUMMIT

By David Landau

JERUSALEM, Sept. 4 (JTA) -- The much-awaited summit meeting between Premier Shimon Peres and Egyptian President Hosni Mubarak, which was to have taken place next week in Alexandria, appeared this week to be in danger of being delayed by last-minute technical snags between the two countries in negotiations over the arbitration agreement for Taba, the 25-acre Sinai beach front claimed by both Israel and Egypt.

David Kimche, the Director-General of Israel's Foreign Ministry, held intensive meetings with top Egyptian officials and U.S. Assistant Secretary of State Richard Murphy Thursday, in a last-ditch attempt to salvage the foundering summit.

Meanwhile, high-ranking Reagan Administration officials in Washington said Wednesday that Secretary of State George Shultz, reportedly disappointed with the lack of progress between Israel and Egypt, would not travel to the Middle East after all in an attempt to further efforts that could lead to peace talks.

Meeting in Cairo, Kimche had hoped to wrap up the arbitration document by early next week. The Egyptians have consistently maintained that a completed document must precede the September 10-11 summit.

Two problems delayed the signing of the document: designation of the borders of Taba and a list of three foreign arbitrators to join one Israeli and one Egyptian legal expert.

Egyptians Accused of Foot Dragging

Israeli officials asserted Thursday that the Egyptians dragged their feet in the talks with Kimche. Kimche claimed in a radio interview that the Egyptians had reneged on previously articulated positions. "I thought I could no longer be surprised in this long and arduous negotiation," he said. "But the Egyptians have surprised me."

Egypt, meanwhile, sent top Presidential aide Osama El-Baz to Amman, Jordan, Wednesday for urgent talks with King Hussein prior to the king's departure for Europe. This was the latest in a series of high-level consultations by the two countries designed to evolve a common position on the Palestinian issue in advance of an Israeli-Egyptian summit.

Murphy was shuttling this week between Israel, Egypt and Jordan in what Peres said was an effort to explore prospects for a joint peace declaration.

Western diplomats in Tel Aviv have said that the United States hopes to persuade Hussein to endorse ideas that could form the basis of a joint statement at the Peres-Mubarak summit.

Peres told a journalists' meeting Wednesday in Tel Aviv that the greatest obstacle for Jordan in the peace talks was determining which Palestinians should participate in a joint Jordanian-Palestinian delegation. Both Israel and Jordan agreed that an international forum would accompany any direct negotiations, but that the forum would have no power to impose solutions on the Israel-Arab conflict.

The Premier described the summit meeting as trying to "formulate strategy for the next two or three years."

PERES UNDER PRESSURE TO FIRE TWO SHIN BET LEGAL ADVISERS

By David Landau

JERUSALEM, Sept. 4 (JTA)-- Prime Minister Shimon Peres is under pressure from within his own party to fire the two legal advisers of the Shin Bet security service who received Presidential pardons in the Shin Bet affair.

The two men's continued service has caused a breakdown in the formerly -- and necessarily-- close working relationship between the service and the state prosecutors.

Many of the latter argue that although technically the Presidential pardons wipe out the two men's crime, in practice the fact remains that the two played a key role in an elaborate and sustained perversion of justice, involving perjury, suborning witnesses, and forgery.

Labor Party Ministers and members of Knesset are urging the Premier to fire the two, but Peres so far has said he will leave the matter to the new head of Shin Bet (whose identity may not be disclosed).

Meanwhile, Health Minister Mordechai Gur (Labor Party) confirmed Wednesday on the Knesset podium that he would not serve in the Cabinet after Deputy Premier and Foreign Minister Yitzhak Shamir takes over the Premiership from Peres in a rotation agreed to by the national unity government because of what Gur insists is Shamir's involvement in the Shin Bet affair. Shamir was Premier at the time of the 1984 bus hijacking that ended in the storming of the vehicle by Israeli soldiers and the subsequent beating deaths of two of the four Palestinian hijackers by Shin Bet agents. The killings and subsequent coverup have come to be called the Shin Bet affair.

Gur said his decision was "a matter of normative standards."

Shamir himself, and his aides, are refusing to disclose whether or when Shamir has been or will be questioned by the police chief superintendent, David Kraus, concerning the Shin Bet affair. According to some media reports, Kraus and Shamir have already had one meeting and have scheduled a second one.

Newspaper reports Thursday cited former Shin Bet chief Avraham Shalom, who has been pardoned by President Chaim Herzog for his role in the affair, as still insisting that he had operated under clear instructions and approval from Shamir. Shalom was said to be determined that Shamir "not get away scot free while my career has been ruined."

BEHIND THE HEADLINES
BECHTEL HAS A LITTLE LIST
AND ISRAEL IS INCLUDED

By Judith Kohn

NEW YORK, Sept. 4 (JTA) -- Ever since the passage of the 1977 anti-boycott law, it has been illegal for American companies to comply with the

Arab boycott of Israel. But if laws are there for the imaginative lawyer to circumvent, the anti-boycott law has undoubtedly provided work for many a creative mind.

An illustrative case concerns Bechtel, the huge engineering and construction firm which has extensive dealings in the Arab world. A 1983 memo obtained by Yale University student Jacob Weisberg and reported by him in a recent issue of the New Republic, lists Israel among ten nations that "will be excluded from any current business development activity." The stated reason: "political sensitivities and unstable conditions."

Asked why Israel was on the list, a Bechtel spokesperson, told Weisberg it had to do with instability, rather than "political sensitivities." In its status as a forbidden zone for Bechtel's commercial undertakings, Israel thus joined Iran and Iraq, which have been actively at war since 1980; Lebanon, which is embroiled in a decade-old civil war and virtually lacks a government; and Afghanistan, where Soviet troops have long been battling Afghan resistance fighters. Also on the list are the Soviet Union, Mongolia, North Korea, North Vietnam and Cuba.

Reasons For Listing Israel

Thomas Flynn, the Bechtel spokesperson, told Weisberg: "I've just been reading issues of Time and Newsweek from the period. Relations between the U.S. and Israel were icy at best."

His examples included the "violent street demonstrations" in Israel protesting the refusal of then Premier Menachem Begin to fire then Defense Minister Ariel Sharon for his failure to prevent the massacre of Palestinians at the Sabra and Shatila refugee camps in Lebanon. Also cited was what Flynn described as "U.S. marines going barrel to barrel with Israeli forces" in Lebanon.

But the spokesperson, according to the New Republic, called the exclusion "momentary," and asserted that it was no longer in effect. Nevertheless, officials appeared hard-pressed, Weisberg wrote, to name the date on which the memo was invalidated or to provide written proof that the Israel ban had been lifted.

The Bechtel case highlights what observers suggest are the necessary limits of the anti-boycott law. The law prohibits compliance with foreign boycotts of U.S. allies, but it states specifically that the absence of a commercial relationship does not in itself mean a boycott. And even William Maslow, the editor of Boycott Report, a monthly newsletter of the American Jewish Congress, says "There's some logic to that."

But it does mean that nobody should have been surprised when companies bent on staying off the Arab blacklist failed to turn around and open up offices in Tel Aviv after the law was passed nine years ago. "If a company decides not to do business with Israel, they could do it for a million reasons," Maslow observed.

Consequently, even if Bechtel still maintains the Israel exclusion policy as stated in the 1983 memo, it seems unlikely that it could ever be charged with violating the anti-boycott law.

'You Need A... Smoking Gun'

"You need a little bit of a smoking gun," said Jess Hordes, associate director of the Anti-Defamation League of B'nai B'rith's Washington office. "You need a situation where they've had a business opportunity and they've refused it-

that is, where they've explicitly complied with the boycott."

But the same observers maintain that despite its shortcomings, the anti-boycott law has been relatively effective. Commerce Department officials, they say, have cracked down on companies for substantive violations of the law. These often include the signing of documents affirming that a company refuses to deal with Israel, and discrimination against Jewish job applicants.

Also common are cases where companies fail to report requests from other firms for confirmation of compliance with the boycott requirements. Lateness in reporting receipt of these requests to the Commerce Department has also brought charges of violations and, ultimately, heavy fines.

Circumvent The Anti-Boycott Law

Another important aspect of the boycott law is the prohibition of discriminatory conditions on letters of credit issued by banks. But American banks represent only one industry which has managed to avoid dealing with Israel without getting itself into trouble with U.S. law.

No American bank has a branch in Israel, Hordes observed. The closest thing to such an American-Israeli banking relationship is the role played by Chase Manhattan as fiscal agent for government of Israel Bonds.

Then there is, of course, the petroleum industry. And even in these oil-glutted times, when Arab states have lost so much clout, the large American petroleum companies have hardly been rushing to set up drilling operations in the Jewish State.

Some Arab countries have made it easier for American firms to comply with the anti-boycott law without violating the boycott. Saudi Arabia, for example, no longer requests American companies with which it does business to provide "negative certification of origin," which states that their products did not originate in Israel. Instead, they are now more commonly asked to declare where their products originated -- a request that is not prohibited by the anti-boycott law.

Another aid that the Saudis have reportedly provided is a telephone service that allows a company to find out whether a firm with which it seeks to do business is on the Arab League blacklist. The information, according to a 1984 issue of Boycott Report, could be obtained through a call to the Commercial Section of the Saudi Embassy in Washington, with no questions asked, other than the name of the caller and of his or her company.

"In terms of U.S. law, there's nothing that prevents the Saudis from saying what they want or from disseminating information," Hordes said.

The Arab boycott of Israel includes a ban on dealing not only with countries that do business with the Jewish State, but with those that do business with those that do business with the Jewish State. Hence, the need to know who is on the blacklist maintained by the Central Boycott Office in Damascus:

Firm Sued By The Justice Department

The Bechtel memo obtained by Weisberg was drafted 10 years after the company was sued by the Justice Department for violating the Sherman Anti-Trust Act by complying with the requirements of the anti-Israel boycott. The suit, which preceded passage of the anti-boycott law, concluded with the company agreeing not to

blacklist firms in order to abide by the Arab ban. But the reputation of Bechtel as a company set on protecting its interests in the Middle East brought apprehension to the Jewish community when Secretary of State George Shultz and Defense Secretary Caspar Weinberger were first nominated to their posts. Shultz had been the company's president and Weinberger the head of its legal department.

Although Shultz has since established close ties with Israel and its political leadership, Bechtel and other large companies that have long shunned the Jewish State appear unlikely to follow suit in the commercial sphere. And the methods employed by these companies to avoid getting placed on the Arab League blacklist are unlikely to come under the scrutiny of the Commerce Department.

"They prioritize cases in terms of what they're likely to do well with," Hordes said. Nevertheless, he said the disclosure of the 1983 memo was constructive. "I'm glad (Weisberg) did the piece because it raised an issue that needed to be raised, even if in this case the law is unenforceable," Hordes said.

NAZI IN ARGENTINA: JUSTICE DENIED

By Morton Rosenthal

NEW YORK, Sept. 4 (JTA)-- Walter Kutschmann, the Nazi war criminal fighting extradition to West Germany, was buried in Argentina on September 1. For society at large, his death, apparently caused by a heart attack, serves to validate the maxim, "justice delayed is justice denied."

Kutschmann's demise also helped the Argentine government out of the embarrassing position in which it was placed by a federal judge who recently decided to take at least two more years to determine whether the man who claimed to be Pedro Ricardo Olmo, a Spaniard, was really Kutschmann.

The Kutschmann case has been an exercise in delay. It first came before the Argentine courts in August, 1975. The government of West Germany asked for his arrest and extradition that year after Simon Wiesenthal identified Olmo as Kutschmann, the war criminal who had murdered several thousand Jews in Poland. That same month, the Argentine prosecutor asked the government of Spain for the finger prints of Pedro Olmo. He never followed up his request and the case became dormant.

In June, 1980, Judge Jorge Segretto was informed that the case file had been laying in a courthouse safe for five years. The Argentine court then renewed its efforts to get necessary documents.

Six years later, on July 28, 1986, the prosecutor presented the same Judge Segretto with a bulging file of properly certified documents which, in the opinion of well-informed individuals in Argentina and Germany, proved beyond doubt that Olmo was in fact Kutschmann. The evidence included the death certificate and finger prints of Pedro Ricardo Olmo.

Instances Of Unconscionable Haste

The Kutschmann case has also been marked with instances of unconscionable haste. Judge Enrique Carlos Schlegel, the presiding judge, allowed less than five minutes for court hearings on Kutschmann's identity. When "Olmo" came before him on November 18, 1983, Judge Schlegel

accepted as true his assertions that he was Olmo, born in Spain, and that he knew nothing of Kutschmann. The judge did not permit the questioning to go beyond those answers.

Segretto, acting with unusual speed, took less than 24 hours to announce the most recent and most shocking delay. Upon receiving the completed file on July 28, 1986 he had three options -- to issue a summary decision in a day or two, to deliberate for a week or two, or to proceed with an "ordinary" trial to determine Kutschmann's identity. The latter would require a period of 2 to 5 years.

To the dismay of many and the embarrassment of the executive branch of the Argentine government, Segretto -- who has known the case for six years -- chose the "ordinary" trial procedure.

The Argentine judiciary now has an even more badly tarnished image. Although Kutschmann is dead, his flouting of justice has caused many to wonder why he and other Nazis are still protected in Argentina.

Even in death, Kutschmann mocked the justice system. The Spaniard, "Olmo", was buried in the German cemetery of Polvorines, in Buenos Aires province.

FEDERAL JUDGE RULES IN FAVOR OF ISRAEL IN SO-CALLED ESPIONAGE PLOT

By Edwin Black

(Editor's note: Edwin Black is chief writer for Feature Group.)

CHICAGO, Sept. 4 (JTA)-- Federal Judge Thomas P. Griesa ruled for Israel Wednesday in a courtroom hearing called by Recon Optical Inc. of suburban Chicago. Recon was hoping to frustrate efforts by Israel to liquidate the company's \$20 million letter of credit.

The case gained sudden media attention when Recon president Larry Larson accused Israel of orchestrating an espionage plot to steal its technology. Israel steadfastly refused comment on the case, except to proclaim its innocence and label Recon's charges "a desperate attempt to influence a commercial contract dispute with wild media allegations."

The conflict arose from a top secret aerial reconnaissance project Israel had contracted with Recon in 1984 to produce. Code-named Rom Pigot (Highest Mountain), the project would have yielded the most sophisticated aerial reconnaissance system to date.

Capable of photographing distinctly a man smoking a cigarette 100 miles away, the system would have been an invaluable asset to Israel's defense.

The original contract carried a "fixed price" of \$40 million. But when earlier this year Recon proposed cost-overruns that would more than double the cost of the project, Israel refused.

Recon then halted production, and under a default provision of the contract, Israel declared it would recover some \$20 million already paid to Recon by drawing down its letter of credit.

Recon then filed an arbitration demand to settle the default question, and sought a federal court order restraining Israel's recovery of the money. Larson later told government investigators that Israel was stealing classified documents. When the investigations did not develop, Recon took its case to the media.

BEHIND THE HEADLINES GORBACHEV, HELSINKI AND SOVIET JEWRY

By William Korey

NEW YORK, Sept. 4 (JTA) -- Helsinki Accord signatories are already preparing for the next review conference scheduled for Vienna in November. Soviet Jews and their co-religionists in the West are also focusing on the conference, for it will constitute a barometer on how the Kremlin plans to treat the critical issue of Jewish emigration.

What can be expected from Kremlin boss Mikhail Gorbachev? The recent meeting of the Helsinki signatories in Bern (April 15-May 27), where I served as a "public member" of the U.S. delegation, suggested that Gorbachev was determined to violate his own verbal commitments to "humanitarianism."

At the Geneva summit last year, Gorbachev joined President Reagan in providing assurances on the vital need of resolving humanitarian cases in the spirit of cooperation. More significant was the commitment extended by the Kremlin leader in his major policy speech at the 27th Communist Party Congress this past February 25th.

Among the few "fundamental principles" which Gorbachev listed as a guide for Soviet action was the obligation to handle a "positive spirit of humanitarianism questions related to the reunification of families...."

No Positive Signs From The Soviets

But neither in the Bern forum nor in the behind-the-scenes bilateral discussions with several Western delegations, would the Soviet representatives say anything positive about allowing exit visas to the several hundred thousand Soviet Jews who seek to be reunited with families in Israel.

The contrary was the case, as indicated by the Soviet response on May 1 to a strong American presentation. Ambassador Michael Novak, head of the U.S. delegation, after delivering an eloquent address about the plight of Soviet Jews and particularly about the poignant fate of the "refuseniks," distributed to the 35 delegations a list of several dozen of the most pressing humanitarian emigration cases, featuring widely-known refusenik names. The Soviet delegate exploded in anger. Distribution of the list was called "libelous" and "McCarthyism."

In private bilateral meetings, Soviet officials were even sharper in their negative response. They refused to discuss any of the refusenik names. As far as the USSR was concerned, emigration was a closed book. They would not send Jews to an alleged "war danger zone" of Israel nor to areas of "occupied Palestine." And they made a point of disparaging the "drop-outs" in Vienna who were defined contemptuously as mere "illegals."

If, in previous Helsinki meetings, notably in Madrid, Soviet delegates linked Jewish emigration to detente, and suggested that the flow would resume once Soviet-American relations and considerably improved, now references to the linkage were negligible. Instead, Soviet officials, in one important private discussion, emphasized that further consideration of Basket 3 -- which covers "reunion of families" -- was no longer warranted.

Especially disturbing was a Kremlin drive during the last few days of the Bern meeting to restrict all emigration and travel issues exclus-

ively to the 35 "participating" states of Europe and North America. When pressed on "why," Soviet delegates made clear that they wished to exclude emigration of Jews to Israel. If the Soviets were rebuffed at Bern, it can be expected that they will try again in Vienna.

From the Gorbachev viewpoint, Jewish emigration is dead. And he has underscored his perspective by reducing the emigration rate to the lowest level in almost a quarter of a century. During the first six months of this year, only 386 Jews were allowed exit visas, which is one quarter less than even the tiny level of last year. The lowest monthly figure came on the eve of the Bern meeting, thereby demonstrating Gorbachev's contempt for his own "humanitarian" commitments.

Besides, the Kremlin has stepped up its campaign against Jewish self-study groups which aspire to perpetuate the Hebrew cultural and Judaic traditions. The assault upon Jewish consciousness has the obvious aim of dissipating emigration notions.

How to respond to the serious thrust of the Kremlin at the credibility of the Helsinki Accord is of urgent and vital importance to the Jewish community and to the democratic world. At stake is the future of Soviet Jewry and its fundamental and legitimate right to be reunited with kin in Israel.

Linkage must be at the center of Western strategy at Vienna just as it stands at the heart of the Helsinki accord. At Bern, Soviet delegates privately spoke of the need to move from Basket 3 to Basket 2 covering trade. It is up to the West to make it clear that progress in the trade and other Helsinki areas depends upon progress covering Soviet Jewish emigration.

A PURR-FECT ENDING

By Hugh Orgel

TEL AVIV, Sept. 4 (JTA)-- A cat stuck at the top of a 30-foot tree in the Defense Ministry compound in Tel Aviv for 10 days was rescued by rappelling amateurs Wednesday, after the professionals -- including the army, the police, the fire brigade, the local zoo, and nature and animal lovers societies -- had failed to get the angry, frightened and hungry feline down to safety.

The soldiers in nearby bases and offices could not get to the top of the tree. And neither could policemen. The fire brigade failed to move the cat by spraying water. The SPCA called on experts from the Ramat Gan Safari Zoo. They fired tranquilizer darts at the feline but missed the target.

The Nature Protection Society finally suggested appealing to young rappelling enthusiasts, whose pastime is handling steep drops down cliffs by the use of ropes -- this time thrown over the treetop.

The SPCA reported Thursday the cat, which had nothing to eat or drink for 10 days, was recovering from its ordeal.

TEL AVIV (JTA) -- Three French UNIFIL soldiers were killed Thursday and a fourth wounded by a roadside explosion near Tyre, Lebanon. The explosion was triggered by a remote control wire. Two of the soldiers were killed on the spot, while the third died in the UNIFIL hospital at Nakoura.