

U.S. DEFENSE OFFICIAL URGES ISRAEL TO CONSIDER ALTERNATIVES TO THE LAVI

By David Landau

JERUSALEM, Jan. 7 (JTA) -- U.S. Deputy Secretary of Defense Dov Zackheim wound up his visit to Israel Wednesday with a strong pitch for alternatives to the Lavi, Israel's second generation jet fighter plane which the Pentagon believes is too costly to produce.

Zackheim, who arrived here Sunday with a number of proposed alternatives to the Lavi, held a press conference at the U.S. Embassy in Tel Aviv following a meeting earlier with Premier Yitzhak Shamir. He also met during his visit with Vice Premier and Foreign Minister Shimon Peres and Defense Minister Yitzhak Rabin.

The American official stressed that the alternatives -- to which Israel's defense establishment promised to give serious consideration -- were all aircraft "that have been flown" whereas the Lavi, except for the initial test flight of a prototype a week ago, remains an unknown quantity.

Details of the alternative aircraft offered by Zackheim were not released. Unofficial reports said the most realistic option would be based on the F-16, manufactured by General Dynamics. It would involve increased purchases of that plane by Israel and its modification by the introduction of avionics and electronics systems developed by Israel for the Lavi.

Lavi Cost Projections Challenged

Zackheim challenged Israel's cost projections for the Lavi, contending that the plane would probably cost even more than the \$55 million annually, currently anticipated according to Israeli calculations.

He gave assurances that the U.S. alternative proposals "would provide work for Israeli industry, including high technology work." U.S. aid to Israel originally earmarked for the Lavi would then be available for "other projects" he said but did not elaborate.

Zackheim stressed that Israel could not realistically expect an increase in American military aid above the present \$1.8 billion a year "in the current budget environment."

The Lavi prototype had its first test flight on December 31, which it reportedly passed with flying colors. Peres said after a meeting with Zackheim Tuesday that he still supports the Lavi project.

POSTPONE WHO IS A JEW AMENDMENT VOTE

JERUSALEM, Jan. 7 (JTA) -- The religious parties agreed Wednesday to postpone a Knesset vote on the controversial Who is a Jew amendment to the Law of Return after a headcount indicated they lacked the vote to pass it.

Premier Yitzhak Shamir, who said he supports the measure in principle, suggested that its sponsors wait a few weeks. The Labor Party served notice it would vote en bloc against the amendment which would invalidate conversions by non-Orthodox rabbis.

When a bill is defeated in the Knesset, six months must pass before it can be re-introduced. The Who is a Jew amendment has been consistently defeated over the years.

After O'Connor's Visit To Israel: VATICAN SAYS ITS PREREQUISITES FOR DIPLOMATIC TIES WITH ISRAEL REMAIN
By Lisa Palmieri-Billig

ROME, Jan. 7 (JTA) -- The Vatican is taking pains to allay any notion that the visit to Israel by John Cardinal O'Connor, the Archbishop of New York, indicates a modification of the "prerequisites" it has set for establishing diplomatic relations with the Jewish State.

O'Connor, who arrived here Tuesday from Israel, said he encountered not the "slightest evidence of displeasure" by the Holy See over his trip and the fact that he met with two Israeli leaders, President Chaim Herzog and Vice Premier and Foreign Minister Shimon Peres, at their homes in Jerusalem.

Vatican spokesman Joaquin Navarro Valls issued a statement to the press Wednesday noting that Pope Paul VI met with Golda Meir in 1964 and Pope John Paul II met with Peres in 1985.

"The State of Israel or its sovereignty is not at issue," he added.

"As is known, the issue regards the status of the city of Jerusalem, the problem of the occupied territories and the Palestinian issue. I think the acts of courtesy of Cardinal O'Connor do not involve these problems which must be solved in appropriate circumstances."

1984 Apostolic Letter Recalled

Journalists were reminded that the contents of Pope John Paul II's Apostolic Letter on Jerusalem of April 20, 1984, are still valid.

The letter stated: "I am convinced the failure to find an adequate solution to the question of Jerusalem and the postponement of the problem, only compromise the longed-for peaceful and just settlement of the crisis of the whole Middle East."

The letter called for the application of "special status" to "not only the monuments of the sacred places, but the whole historical Jerusalem and the existence of religious communities, their situation and future" which "cannot but affect everyone and interest everyone."

A month before that letter was issued, the Jewish Telegraphic Agency was given a background briefing by a ranking official of the Roman Curia. The official said that one of the primary concerns of the Holy See was that each religious community receive guarantees for complete freedom to develop and grow physically and economically, including rights of ownership, investments and the possibility of urban expansion.

The official said the Vatican sought a "three-fold agreement between Jewish, Christian and Islamic authorities" in Jerusalem because Israel's guarantees alone were not sufficient. They had to be of an international character, he said.

The Vatican's second demand, creation of "a homeland for the Palestinian people," is contained in all of its documents relating to the Middle East. The Vatican perceives this to be inextricably tied to "the necessity of simultaneously guaranteeing the security of all peoples in the region."

The Pope told the international diplomatic corps accredited to the Vatican on January 14, 1984 that these principles imply a comprehensive peace treaty for the area. They are the only conditions under which the Vatican would establish diplomatic relations with Israel, formalizing what already exists on an "unofficial" level.

The Vatican maintains an Apostolic Delegate in Jerusalem to represent its interests and there is an almost daily flow of contacts on the cultural, religious and even political levels which the Vatican authorities freely admit and encourage.

CONTROVERSY OVER PENSION, SEVERANCE DEAL WITH FORMER BANK LEUMI OFFICIAL

By David Landau and Hugh Orgel

JERUSALEM, Jan. 7 (JTA) -- Bank Leumi Governor Leon Dulzin declared Wednesday that the controversial pension and severance deal with the bank's former chairman and chief executive officer, Ernst Japhet, would "have to be put right" because "it is beyond the bounds of reason."

Dulzin, who cut short a visit to the U.S. to attend a special meeting of the Bank Leumi Board of Directors in Tel Aviv Wednesday night, spoke after angry Knesset members denounced the deal with Japhet as "the biggest bank robbery in Israel's history."

The former Bank Leumi chief, who was forced to resign last year in the wake of the 1983 bank shares scandal, was reportedly awarded between \$4 million and \$5 million in severance pay by the bank's directorate, plus a monthly pension of \$30,000.

'Excessive Sums' Cited

Much of the Knesset's criticism was directed at Dulzin who in his non-business capacity is chairman of the World Zionist Organization and Jewish Agency Executives, and at Eli Hurwitz, Japhet's successor, who ratified the payment of "excessive sums" to the man he replaced.

Knesset members cited the old adage, "the fish begins to stink from the head," in charging that members of the Bank Leumi board received preferential treatment which included the bank's purchase of shares in their own companies at inflated prices.

Dulzin reminded reporters that his role as Governor of the bank was ex-officio. "I am not a member of the Board of Directors as such," he said. "I do not sit in the bank. I do not receive a salary from the bank. I just attend (Board meetings) some times."

The Jewish Agency, which Dulzin heads, is the majority shareholder in Bank Leumi, Israel's largest bank. It is one of the country's five biggest banks accused by an investigatory panel last year of precipitating the 1983 financial panic that wiped out the savings of thousands of Israelis. The banks were found to have artificially inflated the value of their shares to mislead the public. The chief executives of all of them were forced to resign.

Japhet, who stepped down last year, reportedly earned a salary of about \$1 million a year.

Dulzin said Wednesday that he had not been familiar with the details of Japhet's compensation or pension.

Israel Radio reported Wednesday that the Bank Leumi Board meeting will be a stormy one and several members are expected to resign or be fired.

MOSCOW REFUSENIK STAGES HUNGER STRIKE ON BEHALF OF REFUSENIK SON

By Susan Birnbaum

NEW YORK, Jan. 7 (JTA) -- A 10-year Moscow refusenik is beginning a hunger strike of indefinite duration to try to persuade the appropriate authorities to grant an exit visa to his son. Alexander Ioffe, 48, who is a mathematician, announced he would begin his strike Thursday, according to Lynn Singer, executive director of the Long Island Committee for Soviet Jewry.

Ioffe's son Dmitry, 23, who is married and the parent of a baby girl, has been refused permission to emigrate to Israel because of "absence of reasons for family reunification." His family is still in the Soviet Union. They are also refuseniks.

Ioffe himself wants to emigrate to Israel but he is staging his hunger strike not on his own behalf but that of his son's because the Soviet authorities are using his presence in the country as a reason for denying Dmitry a visa.

"Yes, it is my dream to go to Israel, but, even more, it is the most important thing that my son be able to live his life as a Jew in his homeland with his family," Singer said Ioffe wrote in a letter on the eve of his hunger strike.

Dmitry and his wife, Tanya, and their one-year-old baby, Ilana, applied for an exit visa in 1985. In 1976, Dmitry, his father, his mother, Rosa, his sister, Anna, applied as a group to emigrate to Israel. They were turned down on the grounds that Alexander Ioffe had access to "state secrets" at his job at the Moscow Institute of Automobile and Road Building. That has been the basis for refusing exit visas since then.

Alexander, who had been an associate professor of applied mathematics from 1972 through 1976, was demoted to the position of a researcher as soon as he applied for a visa. In his letter, Alexander said he was being harassed on his job by the institute's administration and a formal procedure has been started "that may eventually result in my dismissal."

DISTINGUISHED ARTISTS AND

DIPLOMATS HONOR WIESEL

By Yitzhak Rabi

NEW YORK, Jan. 7 (JTA) -- A glittering assembly of famous and distinguished artists and diplomats gathered Tuesday night to pay tribute to Elie Wiesel, winner of the 1986 Nobel Peace Prize. During the two-and-a-half-hour program of readings, singing and short speeches by some of the celebrities, Wiesel's own message of never forgetting the Holocaust was repeatedly echoed.

Former Secretary of State Henry Kissinger, actresses Shelley Winters and Ellen Burstyn, actor Jason Robards, opera singers James McCracken and Roberta Peters, composer and conductor Leonard Bernstein, and Israel's Consul General in New York, Ambassador Moshe Yegar, were among the 150 celebrity guests who came to the Tavern on the Green restaurant in Central Park to pay tribute to the Holocaust survivor, author, teacher

and philosopher, who became the unofficial spokesperson for the six million Jews who died in the Holocaust.

The reception and tribute was organized and sponsored by Writers and Artists for Peace in the Middle East. Actress Kitty Carlisle Hart was the chairperson of the event and actor Warner Le Roy was the host.

Wiesel, visibly touched by the occasion, told this reporter "I am really moved. It is always good to see artists and writers get together. It is even better to see them get together for the sake of peace."

George Will, the noted columnist and commentator, said, "Elie Wiesel is a man who speaks for all of us." Sister Carol Rittner, an executive of the Religious Sisters of Mercy in Washington, D.C., said, "For me, Elie Wiesel is a teacher. He taught me that a religion is a window through which we can see the plight of others."

Kissinger, who said he first met Wiesel while he was Secretary of State, recalled that he himself lost 13 members of his family during the Holocaust. Winters movingly told about an uncle of hers who lost all the members of his family in the Holocaust and how she witnessed his tormented soul many years thereafter until he died recently in Israel.

Bernstein presented Wiesel with the Distinguished Award of the Writers and Artists for Peace in the Middle East. The award was a painting by Milton Glazer.

Other guests at the tribute included sculptors Louise Nevelson and Chaim Gross, pianist Misha Dichter, Manhattan District Attorney Robert Morgenthau, and Telford Taylor, who was the special U.S. prosecutor at the Nuremberg trials.

ARAB GOVERNMENTS CONCERNED OVER EFFECTS OF U.S. TAX REFORMS

NEW YORK, Jan. 7 (JTA) -- Arab governments are concerned over the effects of the Tax Reform Act of 1986 on investments by foreign governments in U.S. enterprises, according to Boycott Report, a bulletin on developments and trends affecting the Arab boycott of Israel and Arab influence in the U.S., published here by the American Jewish Congress.

The oil-rich Persian Gulf state of Kuwait is a case in point. It may lose its tax-exempt status on so-called passive investments in the United States. Kuwait, a heavy investor, was exempt under Section 892 of the old Internal Revenue Code from federal taxes on stocks, bonds or other domestic securities it owned and interest from deposits in American banks.

The old code declared as taxable, income derived from commercial activities including that earned by a "controlled entity" of a foreign government. Commercial activities were defined as those "ordinarily conducted with a view toward the current or further production of income," the Boycott Report said.

Section 892, as amended in the new tax law, makes taxable income derived from the conduct of any commercial activity "whether within or outside the United States." If the foreign government owns at least 50 percent of the stock of the enterprise engaged in such commercial activity, the exemption on its "passive

investments" in the U.S. could be jeopardized. The Kuwaitis could thereby lose their exempt status on the passive investments of the Kuwait Petroleum Co. in Santa Fe International, an American oil exploration company it purchased several years ago for \$2.5 billion, the Boycott Report said.

SOUTH KOREAN FIRMS BOYCOTT ISRAEL

NEW YORK, Jan. 7 (JTA) -- A number of major South Korean companies refuse to sell their products to Israel, apparently because of pressure from the Arab states, according to Boycott Report, published by the American Jewish Congress.

The report named the following Korean companies: Kumho and Hancock, which manufacture tires; Kia Handa, Suzuki-Korea, Hyongsung and Yamaha, which manufacture motorcycles; and Hyundai and Daewoo, manufacturers of automobiles. Hyundai currently sells 150,000 cars a year in the U.S. and Canada, the report said.

In connection with those companies' refusal to do business with Israel, the Report cited a recent article by the Korean Ambassador to the U.S., Kyung-Won-Kim, in The Washington Post in which he said his country believes in and supports free trade.

WEINBERGER, LEWIS, ROSENNE TO ADDRESS UJA'S WASHINGTON CONNECTION II

NEW YORK, Jan. 7 (JTA) -- Secretary of Defense Caspar Weinberger, former United States Ambassador to Israel Samuel Lewis and Israel's Ambassador to the United States Meir Rosenne will be among the featured speakers at the United Jewish Appeal's Washington Connection II in Washington, D.C., under the leadership of UJA national vice chairman Jerome Dick.

Beginning Tuesday evening, January 27, and continuing to nightfall on Wednesday, January 28, participants will exchange views with Washington's key policy makers on leading domestic and international issues, meet Jewish members of Congress, greet the leaders of Washington's Jewish community and discuss issues affecting the strategic relationship between the United States and Israel, Dick said. In addition, there will be a gala dinner party at the Israel Embassy.

At other seminars, participants will receive a behind-the-scenes in-depth analysis of Middle East issues and a look at the post-election Washington political scene. At a Capitol Hill luncheon, Senate leaders will address the group on issues affecting the American Jewish community.

U.S. SCIENTIST IS WOLF PRIZE WINNER

TEL AVIV, Jan. 7 (JTA) -- An American plant pathologist, Dr. Theodor Diener, will be this year's recipient of the Wolf Foundation's \$100,000 prize for agriculture, the Education Ministry announced Tuesday. Diener will be cited "for his discovery and pioneering fundamental research on viroids, the smallest subviral pathogens, and his applied work on viroid detection in crops." Diener was born in Zurich in 1921 and educated in Switzerland. He has been a pathologist at the Plant Protection Institute of the U.S. Agricultural Research Service in Beltsville, Md., since 1959.

FOCUS ON ISSUES

MARTIN LUTHER KING AND SOVIET JEWS

By Albert Chernin

(Editor's note: Albert Chernin is the executive vice chairman of the National Jewish Community Relations Advisory Council.)

NEW YORK, Jan. 7 (JTA) -- As the observance on January 19 of the birthday of Dr. Martin Luther King, Jr. draws closer, I recall arranging for him to address a national telephone hook-up of Soviet Jewry rallies we were organizing in communities nationwide in December 1966. I was doing so in my capacity as the coordinator of the American Jewish Conference on Soviet Jewry, which was then being staffed by NJCRAC.

Despite his very heavy schedule, King enthusiastically accepted our invitation which gave him an opportunity to speak out publicly for the first time on the issue of Soviet Jewry.

Although his schedule kept him from coming to the major rally held at historic Cooper Union in New York where Abraham Lincoln spoke 100 years earlier about a nation half slave, half free, King spoke from Atlanta on the issue of Soviet Jewry in the spirit of Lincoln, and in the spirit of the struggle of the civil rights movement, which he led so nobly.

Sadly, his description of the plight of Soviet Jewry in 1966 is still relevant to the conditions of Soviet Jewry in 1987. He said then:

Statement By King

"While Jews in Russia may not be physically murdered as they were in Nazi Germany, they are facing every day a kind of spiritual and cultural genocide. Individual Jews may in the main be physically and economically secure in Russia, but the absence of opportunity to associate as Jews in the enjoyment of Jewish culture and religious experience becomes a severe limitation upon an individual.

"These deprivations are a part of a person's emotional and intellectual life. They determine whether he is fulfilled as a human being. Negroes can well understand and sympathize with this problem. When you are written out of history as a people, when you are given no choice but to accept the majority culture, you are denied an aspect of your own identity. Ultimately you suffer a corrosion of your self-understanding and your self-respect."

Oppressive Conditions Continue

Twenty years later the conditions of Soviet Jewry still remain oppressive. Emigration has been virtually ended, reaching the lowest numbers since the doors were slightly opened in early 1967. While Natan Shcharansky and prominent refuseniks such as Eliahu Essas have been permitted to leave, thousands more continue to be denied emigration visas year after year.

The names of more than 11,000 long-term refuseniks were given to the Soviet government by the United States shortly after President Reagan and Soviet leader Mikhail Gorbachev met in Reykjavik last October; still they wait for permission to emigrate, many for more than 10 years in "quiet desperation." They do so in a climate of open and vicious hostility toward Israel, Zionism and Judaism, expressed in barely disguised anti-Semitism in the Soviet media.

Seeking to learn Hebrew, Jewish history, Jewish culture, and to practice the Jewish religion, they are subjected to various forms of intim-

idation ranging from surveillance and KGB interrogation to trials and prison. As some Prisoners of Conscience have been released, other Soviet Jewish activists have taken their place.

These harsh realities of life for Soviet Jewry cannot be camouflaged by a more skilled, Western oriented public relations style.

Significant Developments Noted

Nevertheless, in the 20 years since King spoke to the Soviet Jewry rallies, there have been significant developments in the struggle for Soviet Jews. Only a few weeks after King spoke, Soviet Prime Minister Alexei Kosygin declared in a Paris press conference that those who chose to do so could join their families abroad.

But even with this assertion of family reunion from Kosygin, which was aimed at Western audiences as are the declarations of Gorbachev, no one dreamed at that time that more than 270,000 Soviet Jews would soon live in freedom, most in Israel.

In contrast to 20 years ago, the issue of Soviet Jewry was a critical and, significantly, a formal agenda item in the bilateral negotiations that took place in Reykjavik.

Reversal Of Soviet Insistence

That Soviet Jewry was part of the official agenda represented a reversal of Soviet insistence, dating back decades, that the issue of Soviet Jewry was an internal matter. It represented an affirmation of King's assertions to those community rallies in 1966 when he said, "The denial of human rights anywhere is a threat to the affirmation of human rights everywhere."

That the Soviet Union accepted this issue on the agenda, and the Soviets feel compelled to make gestures that attempt to project the appearance of Soviet responsiveness to the issue of human rights, underscores King's awareness that voices of conscience can overcome the voices of oppression when asserted loudly, vigorously, and ceaselessly. We need to be aware of that charge upon us as we join with millions of other Americans in celebrating the birthday of Dr. Martin Luther King, Jr.

POLL ON POTENTIAL YERIDA

TEL AVIV, Jan. 7 (JTA) -- Nine percent of Israelis were considering emigration in 1986, a 70 percent increase in less than three years, according to a review in Haaretz Tuesday of a series of polls taken by the Pori organization.

In 1983, 5.3 percent of those questioned by the pollsters said they were contemplating emigration. In 1984 the number grew to 6.1 percent and was 7.7 percent in August 1985. In December 1986, nine percent said they would "probably" or "certainly" emigrate, the report said.

It also found the number of Israelis who justify emigration to have increased significantly. In 1984 it was 14.6 percent. In March 1985 the number was 17.1 percent and by August of that year it was up to 20.3 percent.

In 1986, 57 percent of the respondents said they agreed or tended to agree with the statement that emigrants do not betray their homeland.

TEL AVIV (JTA) -- A Katyusha rocket exploded in northern Galilee Tuesday night causing neither casualties nor damage.