

**SHULTZ MEETS TWICE WITH HUSSEIN;
NEW PROPOSAL IN THE WORKS**

By Hugh Orgel

TEL AVIV, Oct. 21 (JTA) -- A ranking U.S. official briefed Premier Yitzhak Shamir on talks Secretary of State George Shultz had with King Hussein of Jordan in London this week as speculation mounted here that Shultz's recent visit to Israel may have advanced the Middle East peace process more than originally indicated.

Richard Murphy, assistant secretary of state for Near Eastern and South Asian affairs, arrived from London for a surprise visit Wednesday and immediately met with Shamir, who was recovering from a cataract operation, and later with Foreign Minister Shimon Peres.

No details of their conversation were disclosed. But Murphy is believed to have informed Shamir of Hussein's response to a new proposal for superpower sponsorship of bilateral peace talks between Jordan and Israel.

According to sources here, a positive response by Jordan would improve chances of Soviet acceptance of the idea which, some media reports hinted, may have originated with Shamir.

Haaretz reported Wednesday that Shamir and Peres have agreed on a new formula for peace talks which would be defined as direct talks within the framework of superpower sponsorship, not as an international conference.

Shultz may have been making an oblique reference to this when he said at a news conference here Sunday that he would try "to find some avenues" with which Shamir could be "more comfortable than he obviously is with the international conference."

Shamir Remained Firm

Shamir's media adviser, Avi Pazner, has repeatedly denied what he called "press speculation regarding so-called changes in the prime minister's stand on an international conference."

Pazner said Shamir remained firm in his conviction that the only road to Middle East peace is direct negotiations between Israel and its neighbors.

According to Haaretz, direct talks under superpower sponsorship would enable Shamir to respond to charges by right-wing critics in his Herut Party that he was surrendering to American pressure for an international conference.

Davar reported Wednesday that Hussein has not entirely rejected Shamir's idea and discussed it with Soviet diplomats. The paper said the Jordanian ruler had talks in London with the Soviet deputy foreign minister about proposals brought from Jerusalem by Shultz and that Hussein met with the secretary of state immediately afterward for an unscheduled round of talks.

Davar quoted observers to the effect that Hussein is trying to determine whether the Soviets are willing to participate in the peace process under conditions set forth by Israel. These include the restoration of diplomatic relations and broader emigration rights for Jews in the USSR. Shultz, who flew from London to Helsinki, was

expected to bring up these issues when he meets in Moscow with Soviet officials Thursday and Friday.

The secretary of state is also expected to discuss the Soviet government's practice of denying Jews permission to emigrate because they possess "state secrets."

Last week, the National Conference on Soviet Jewry briefed Shultz on the problem and presented the secretary a report he had requested on the matter. The report was prepared for NCSJ by the New York-based international law firm of White & Case.

**ISRAELI BLASTS ARAB PROPOSAL
TO CONVENE TERRORISM CONFERENCE**
By Yitzhak Rabi

UNITED NATIONS, Oct. 21 (JTA) -- An Arab proposal to convene an international conference that would define terrorism and differentiate it from struggles for national liberation was denounced by Israel Wednesday as a ploy intended to "legitimize" terrorism "past and future."

The "Godfathers are seeking to define organized crime," Israel's ambassador to the United Nations, Binyamin Netanyahu, said of the proposal presented to the General Assembly by Libya and Syria Tuesday night. "No doubt these two regimes know the topic well. In fact, no two other regimes are more experienced practitioners of this craft," Netanyahu said.

The proposal, which technically was offered by Libya on behalf of Syria, was submitted to the General Assembly's legal committee for discussion, after which it may be returned to the General Assembly in the form of a draft resolution to be voted on.

The idea of a conference to redefine terrorism has been brewing at the United Nations for some time. Israeli diplomats told the Jewish Telegraphic Agency Wednesday that Israel and the United States have been campaigning vigorously in recent weeks against Arab plans to convene such a conference. According to observers here, the Arabs are searching for legal grounds to continue their violent struggle against Israel, Israeli citizens and institutions.

"Libya and Syria seek a distinction between terrorism and 'national liberation,'" Netanyahu said. "By this logic, if terrorists massacre passengers at an airport or bomb a discotheque in the name of national liberation -- that is not terrorism."

"But terrorism has nothing to do with the real or stated aims of its perpetrators. Terrorism is defined by what the terrorists do, not by what they say they do it for," the Israeli envoy stated.

"With these proposals, Libya and Syria want to confuse our understanding of terrorism and thereby legitimize their crimes, past and future. They want to do so by deliberately mixing ends and means. But ends and means do not mix -- and must not be mixed. This is the whole basis of morality. Terrorism is a means, a criminal means. Nothing justifies it and nothing will," Netanyahu said.

SHARON SAYS ISRAEL'S ARABS SHOULD PAY TAXES, SERVE IN ARMY -- OR NOT VOTE

By David Friedman

WASHINGTON, Oct. 21 (JTA) -- Ariel Sharon, Israel's minister of commerce and industry, said Wednesday that unless Israeli Arabs are willing to serve in the army and pay their share of the taxes, as do other Israelis, they should not be permitted to vote for the Knesset.

The Likud leader emphasized that he was making this proposal because Israeli Arabs, who will number one million by the year 2000, now "are dictating what government will be" in Israel since they provide the deciding margin between the almost evenly split two major political blocs, Labor and Likud.

Sharon made this argument as he gave his vision of what Israel should be by the end of the century in a talk sponsored by the Center for Strategic and International Studies, a Washington-based think tank. He had been in Washington to serve as co-host of a two-day conference marking the second anniversary of the Free Trade Area agreement between Israel and the United States.

The controversial former defense minister took pains to stress that he was not talking about expelling Israel's Arabs as has been proposed by Kach leader Rabbi Meir Kahane. He said that as a native-born Israeli "I have been living with Arabs all my life" and expects to continue doing so.

Equal Rights, But Obligations

Sharon stressed that Israeli Arabs should have equal rights, but they must also fulfill the duties and obligations of other Israeli citizens. He noted that there are 80,000 Jews who live in Israel, but who are not citizens and thus cannot vote for the Knesset. Arabs who do not serve in the army should also be inhabitants with "everything open" to them except the right to vote for the Knesset.

He added that Israelis had made the "mistake" of telling Israeli Arabs that "we understand that you are part of the Arab nation" and thus do not want to serve in the army.

But, Sharon said he tells Israeli Arabs that "you are part of the State of Israel, your president is Chaim Herzog, your leader is not (Palestine Liberation Organization chief Yasir) Arafat, your leader is the prime minister of Israel."

Sharon made his proposal, though in the context of what he sees as a solution of the Palestinian problem in which Israel would control all the territory west of the Jordan River and a Palestinian state would be in what is now Jordan. He noted that Palestinians now make up most of the population of Jordan, as well as a majority of its parliament and many of its governmental leaders.

Israel Responsible For Security

Israel and Jordan would negotiate the conditions of the Arabs in Judea, Samaria and Gaza, Sharon said. But he stressed that Israel alone would be responsible for the internal and external security of the West Bank and Gaza.

However, there should be as little interference as possible with the everyday life of the residents of the territories, Sharon said.

The only "practical" way to achieve such a settlement is through the autonomy plan outlined in the Camp David agreements, Sharon said. "That

is the only way that I believe that you can move forward," he said.

Sharon said that once Israel and the Arabs of the West Bank and Gaza learn "how we can live together," the Palestinian Arabs could serve as "a bridge between ourselves and the Arab world."

SAUDI PRINCE LEAVES WASHINGTON WITH NO PROMISES TO SPUR PEACE

By David Friedman

WASHINGTON, Oct. 21 (JTA) -- Crown Prince Abdullah of Saudi Arabia is ending a four-day visit to Washington Wednesday without giving any public indication that the Saudis are now willing to be helpful in the Middle East peace process.

A State Department official, who was briefing reporters on the visit Tuesday, said the Reagan administration stressed its commitment to the peace process in the meetings with Abdullah, but refused to give any indication of the crown prince's response.

Abdullah, who was last in Washington in 1982, was here at the invitation of Vice President George Bush. In addition to a working meeting with Bush, he met with President Reagan, Defense Secretary Caspar Weinberger, State Department officials and congressional leaders.

The official noted that Abdullah was in Washington at a time when the "Saudi-American relations are particularly close, particularly cooperative" as a result of Saudi Arabia's support of the United States effort in the Persian Gulf.

Maintaining that he could not reveal all the Saudis are doing to help the United States in the Gulf, the official said, "I hope the day will come when these good deeds will be widely recognized."

It is this Saudi support that apparently convinced a majority of the Senate and House to drop opposition to a proposed \$1 billion arms sale once Maverick anti-tank missiles were removed from the package. The compromise agreement between Senate opponents and the administration was reached despite a widely held feeling in Congress that the Saudis have not done anything to help bring about negotiations between Israel and its Arab neighbors.

A Billion-Dollar Package

The official said the Saudis "understood" they could not get everything they wanted in the arms package. "But who gets everything they want at the bottom of the Christmas tree?" he said. "They have asked for a billion-dollars-plus arms package and they have gotten a billion-dollar arms package."

He said the Saudis see the proposed arms package as "a good effort by the administration," particularly as it is expected to go through without a major fight in Congress. The compromise package without the Mavericks was reached as the administration realized the proposed sale would face almost certain rejection in Congress.

However, the official also indicated that the Saudis expect to get the Mavericks eventually, as Reagan promised, as well as other arms. But he stressed that "no son of the arms package" is presently being contemplated.

Congressional critics have charged the administration has been using "salami" tactics, proposing one arms deal and when that's approved offering the next proposal from a Saudi wish list.

**TWO U.S. MAYORS BOYCOTT
CONFERENCES EXCLUDING JERUSALEM**
By Susan Birnbaum

NEW YORK, Oct. 21 (JTA) -- The mayors of New York and Boston are boycotting two separate international conferences devoted to great cities of the world because Jerusalem has not been invited.

Mayor Ed Koch of New York canceled his appearance at the Capitals of the World Conference, which opened in Ottawa Tuesday and closes Friday. And Mayor Raymond Flynn of Boston announced he will not be going to the World Conference of Historical Cities in Kyoto, Japan, next month even though Boston, Kyoto's sister city, was the only American city invited to the conclave.

Koch, invited to speak at the conference in Ottawa, pulled out because the invitation to Israel from Ottawa Mayor Jim Durrell went to Mayor Shlomo Lahat of Tel Aviv. Lahat returned it with a note saying the invitation was mis-addressed.

A spokesman for Durrell said Jerusalem Mayor Teddy Kollek was not invited to be a delegate because the mayor "did not want to embarrass the federal government." Canada does not recognize Jerusalem's status as Israel's capital.

To make amends, Kollek was invited as a guest speaker but declined. Larry Simonberg, a spokesperson for the mayor's office, told the Jewish Telegraphic Agency, "If Mayor Kollek doesn't find it acceptable, Mayor Koch does not find it acceptable either. He's not going if Teddy is not being treated equally." He noted that Koch and Kollek are close friends.

Flynn officially announced his rejection of the invitation from Kyoto in the presence of Kollek Tuesday at the International Leadership Reunion of the United Jewish Appeal in Boston. Flynn first raised the issue of Jerusalem's exclusion at a luncheon last June honoring Kyoto city officials who had promised to seek a reversal of that decision. But by August, when no movement on the issue appeared likely, he said he refused to attend the Kyoto conference if Jerusalem were excluded.

The invitation was in fact a singular honor for Boston inasmuch as the Japanese are inviting only cities that are at least 1,200 years old. Jerusalem is eminently qualified. The decision not to invite it stemmed from the "political dispute" that followed the 1980 United Nations resolution condemning Israel's annexation of East Jerusalem.

Jewish community leaders in Boston actively urged city officials to boycott the conference. Leonard Zakim, New England regional director of the Anti-Defamation League of B'nai B'rith, told the JTA after Flynn's announcement that Kollek was very happy about the decision and praised Flynn for his "courageous and firm stand on behalf of the people of Boston and the people of Jerusalem."

Earlier this year, Gov. Michael Dukakis of Massachusetts wrote to the Japanese ambassador to the United States protesting "the exclusion of one of the world's most historical cities" from the Conference of Historical Cities. He made it clear that the state of Massachusetts also could not participate in any way in the conference, Zakim said.

He added that "the message that the Mayor of Boston is sending to the Japanese government and to the people of Kyoto is that they have to

understand that there is a cost that they have to bear for taking that position that is not friendly to Israel."

(Ben Kayfetz in Toronto also contributed to this story.)

**MORTON KORNEICH ELECTED
CHAIRMAN OF NATIONAL UJA CAMPAIGN**

NEW YORK, Oct. 21 (JTA) -- Morton Kornreich, head of one of New York's largest insurance brokerage firms, has been elected national chairman of the United Jewish Appeal's 1989 campaign. Alexander Grass, chairman of the UJA board of trustees and of the 1989 National Chairman Selection Committee, announced this week. Kornreich will be the first UJA national chairman from New York City in 30 years. He will succeed Martin Stein of Milwaukee.

In announcing his election by the UJA board of trustees, Grass cited Kornreich's leadership record as chairman of the board of the UJA-Federation of Jewish Philanthropies of Greater New York, and past president, past general chairman and past major gifts chairman of that campaign.

Kornreich has worked on behalf of the UJA and the Joint Distribution Committee (JDC), the American Jewish Congress and American Jewish Committee. He has participated in many fact-finding missions to Israel and has visited the Jewish communities in Istanbul, Bucharest, Prague, Vienna, Paris and the Soviet Union.

The UJA national vice chairman for three years, Kornreich holds the portfolio of communications/public relations and has chaired both the National Campaign Cabinet and the Conference Committee. He has been an active participant of the national UJA fly-in and community leadership consultation programs. He serves on the boards of UJA beneficiary agencies, the United Israel Appeal, the JDC and the Council of Jewish Federations.

Kornreich is a founder of the Albert Einstein College of Medicine and a member of the board of the Jacob K. Javits Convention Center. He has been widely active in New York civic affairs.

TERRORISTS GET LIFE SENTENCES
By Gil Sedan

JERUSALEM, Oct. 21 (JTA) -- Two members of an Arab terrorist cell were given life sentences by a Nablus military court Wednesday for the 1986 murder of Zafer Al-Masri, the Israel-appointed mayor of Nablus.

Masri was gunned down as he stepped from his car outside the city hall on March 2, 1986. The terrorists claimed two other victims, Albert Buchris, a civilian who ran the canteen at military government headquarters in Nablus, and Jamil Fares, a border policeman from Nablus.

One member of the military tribunal demanded the death penalty but was overruled by his colleagues. When the convicted terrorists were escorted from the court, they were attacked and beaten by several Israelis. Among them: was Avraham Haba of Elon Moreh, whose 8-year-old son, Rami, has been missing for several months and is presumed to have been kidnapped and murdered by terrorists.

The Nablus military court will shortly hear the case of Ibrahim Zeid Rai, suspected leader of the terrorist cell responsible for Masri's murder.

ARAB-ISRAEL CONFLICT DEFLECTED INTERNATIONAL ATTENTION FROM OTHER CONFLICTS IN MIDEAST

By Susan Birnbaum

NEW YORK, Oct. 21 (JTA) -- A Middle East scholar visiting the United States has wondered at the naivete of Americans vis-a-vis the Persian Gulf, and the perception that Israel wants the Gulf War to continue.

Dr. Yossi Olmert, research scholar at the Dayan Center for Middle Eastern Studies at Tel Aviv University and a lecturer at the school's Department of Middle Eastern and African Studies, was in the United States recently for the Eugene Warner Middle East Lecture Series sponsored by the Anti-Defamation League of B'nai B'rith.

In an interview at the JTA offices, the 38-year-old scholar, who is the youngest brother of Likud M.K. Ehud Olmert, sat and marveled at the long-time insistence of Americans to view the Arab-Israeli conflict as the dominant policy issue facing the Middle East while ignoring other areas of potentially dangerous contention in the region.

Now, he noted, Americans are being unavoidably confronted by other Mideast dynamics through daily news dispatches from the Persian Gulf.

Skeptical About U.S. Policy in the Gulf

Olmert also expressed skepticism that America has a clear-cut, intelligent approach to its elevated involvement in the Persian Gulf.

"I hope that they have a strategy, not just tactics. I hope they have a reasonable measure of cooperation with their allies," he said. "There is no reason for America to be deeply involved in the Gulf, enabling countries like Iraq to cause trouble. That would deteriorate the situation."

Olmert wanted to ensure that Americans remembered who, indeed, struck the first blow that began the now seven-year-long Gulf War. "The Iraqis attacked Iranian shipping. If America really wants to protect free navigation in the Gulf, they have to be even-handed in that sense, to make sure the Iraqis don't go crazy."

He took aim at America's short memory in the Gulf, saying "America seems to forget that Iraq killed 37 Americans." His suggested response? "Tell the Iraqis and the Iranians that they can expect the same treatment from America. Instead, what is happening in reality is that the Iraqis have an American umbrella."

Commenting on Israel's position on the war, Olmert said, "The general perception that Israel wants the Gulf War to continue is incorrect. We are not very much interested in a war that is taking place between two of our worst enemies." However, he admitted that "We have no reason to wish Iraq to win the war."

Reasons For Arms Sales to Iran

Touching on the clandestine scheme to sell arms to Iran, Olmert said Israel had "very good reason" to take part in the largely American caper. "First of all, Israel does not sell very many arms to Iran. But Iranians are very short of aircraft and spare parts, and Iran and Israel use the same American planes and the same American arms." But even more important, explained Olmert, "is the existence of Iranian Jewry. What is Israel if not a Jewish state?" The presence of a Jewish community anywhere is reason enough for Israel to get involved somehow in that country, he said.

Global political reasoning also plays an obvious part, Olmert observed, echoing responses now familiar to American ears. "Look, there are many Israelis who believe that the Khomeini regime is not likely to last forever more. There may be another upheaval in Iran," he said, and while there could be a Western element, there also could be a Soviet takeover.

"We don't want to see a pro-Soviet regime in Iran, nor does America," he pointed out. "Just imagine the Soviets in Iran. There is no question that Iran is lost now, but is it lost forever? There must be some thinking for the future."

BOY ABDUCTED FROM FATHER WHO STRAYED FROM ORTHODOXY

TEL AVIV, Oct. 21 (JTA) -- The case of a 5-year-old boy taken by his mother from the Orthodox township of Bnei Brak several months ago, allegedly because his father was not sufficiently strict in his religious observances, is being treated by police as a kidnapping.

The serious crimes squad has been assigned to the case, it was announced Wednesday after the father reported anonymous telephone calls warning that he would never see his son unless he returns to strict Orthodoxy.

The telephone caller, a male, said the boy's mother charged that the father stopped studying Torah, engaged in secular pursuits and had purchased a television set. Residents of Bnei Brak are vigorously discouraged from watching television or reading "secular newspapers."

The incident recalled the case of Yossele Schumacher, who was abducted from Israel by his grandparents 30 years ago because they thought he was not being raised in a strictly Orthodox manner. He was spirited abroad, reportedly with the help of the ultra-Orthodox Neturei Karta and the Satmar rebbe, who secreted him in a series of yeshivas in Europe and the United States.

The Israeli secret service finally tracked him down in the Williamsburg section of Brooklyn and returned him to his family in Israel. Schumacher, today a secular Jew, prefers not to discuss the episode.

NAFSU PRESSES FOR COMPENSATION By Hugh Orgel

TEL AVIV, Oct. 21 (JTA) -- Izat Nafsu, a former Israel Defense Force officer, and the government are at odds over what constitutes adequate compensation for the seven years Nafsu spent in prison on espionage charges found to have been based on false evidence.

Nafsu, a Circassian Moslem, is claiming 1.4 million shekels, the equivalent of almost \$1 million. The government has decided to pay him 70,000 shekels, the sum he would have earned as an IDF lieutenant had he not been dismissed and jailed, the weekly Koteret Rashit reported Wednesday.

The Shin Bet, Israel's internal secret service, insists Nafsu is not entitled to any compensation and has urged the attorney general to reject all claims. According to Shin Bet, he was not acquitted of charges that he had contacts with the Palestine Liberation Organization and was not proven completely innocent of other charges.

Israel's Supreme Court earlier this year ordered Nafsu released from prison. It upheld an appeals court finding that he had been convicted largely on evidence fabricated by the Shin Bet.