

**U.S. TO MAINTAIN LEVEL
OF AID TO ISRAEL IN 1989**

By Howard Rosenberg

WASHINGTON, Feb. 21 (JTA) -- The State Department announced Thursday that the United States intends to give Israel \$3 billion in fiscal year 1989 after consideration of a decrease.

Deputy Secretary of State John Whitehead explained that the department looked into reducing aid to both Egypt and Israel, the two countries that receive the most U.S. foreign aid, because of budgetary constraints.

As in 1987 and 1988, Israel is designated to receive \$1.8 billion in military aid and \$1.2 billion in economic aid in 1989, all in the form of grants. The 1989 funding level was approved by Congress last year, when it concurrently set foreign aid levels for 1988 and 1989.

Egypt is to receive \$2.3 billion in both 1988 and 1989, in keeping with Congress' decision.

Whitehead said "some thought was given to" the reduction, "though there would be very little sympathy" in Congress.

The \$14.3 billion overall foreign aid budget proposed for 1989 is actually lower than that of 1988, because of inflation and the decline in the dollar's value abroad, Whitehead said. As a result, Ireland, Poland and Spain were eliminated from the foreign aid program in the 1989 budget.

Besides Egypt, other Arab countries designated to receive foreign aid in 1989 are Jordan (\$18 million), Oman (\$15 million), Morocco (\$15 million), Tunisia (\$12.5 million) and Lebanon (\$300,000).

Other allocations include \$7.5 million to private groups for development projects on the West Bank and Gaza Strip; \$5 million to Israel and Egypt to conduct scientific exchanges; and \$35 million for construction of a Voice of America transmitter in the Negev. Israel received \$34 million last year for that purpose.

**ARABS ASK U.N. TO DEBATE U.S.
DECISION TO CLOSE PLO MISSION**

By Yitzhak Rabi

UNITED NATIONS, Feb. 21 (JTA) -- The Arabs states officially requested Friday a special session of the General Assembly to debate the U.S. decision to close the Palestine Liberation Organization's observer mission to the United Nations here.

The request was contained in a letter from the U.N. Arab Group -- the PLO and the Arab states -- to Peter Florin, the deputy foreign minister of East Germany, who is president of the General Assembly this year.

The Arabs want the General Assembly to convene no later than Feb. 29 unless the Reagan administration reverses its decision or agrees to submit the matter for international arbitration, according to diplomats.

The Arabs desire the General Assembly to ask the International Court of Justice in The Hague to rule on the decision for closure, according to diplomats here.

The special session is likely, as is General Assembly condemnation of the U.S. move, given the wide backing for the Arab Group position.

They are supported by Secretary General Javier Perez de Cuellar in their claim that the closing of the PLO mission violates the 1947 Headquarters Agreement governing the United Nations' relations with its host country, the United States.

According to a legislation signed by President Reagan on Dec. 22, the PLO mission must be closed by March 21.

The State Department pressed Attorney General Edwin Meese to delay the closing of the mission and submit the issue to arbitration. The Justice Department announced Thursday that Meese was unlikely to decide for several weeks which action to take.

**POLITICAL POSTURING ACCELERATES
AS SHULTZ VISIT APPROACHES**

By Hugh Orgel

TEL AVIV, Feb. 21 (JTA) -- U.S. Secretary of State George Shultz's planned visit to the Middle East later this week has triggered a new surge of political posturing here and throughout the region, as leaders in Israel try to overcome what appears to be growing disunity between the two ruling parties.

Shultz is expected to try to sell the latest American peace plan to the Israeli leadership--and to Palestinian representatives, if he can find any willing to meet with him.

The Cabinet was briefed by Defense Minister Yitzhak Rabin on the latest flare-up of violence in the West Bank, during which five Palestinians were killed Saturday and Sunday. But it did not discuss the broader peace issue.

Premier Yitzhak Shamir, apparently under pressure from Labor ministers, agreed that the Inner Cabinet will convene in special session Wednesday, a day before Shultz's arrival, to try to hammer out a unified policy.

The Inner Cabinet is the government's top policy-making body, consisting of five Labor and five Likud senior ministers. Shamir explained that the smaller body was less prone to leaks than the full Cabinet.

But the Inner Cabinet has a poor record to date with respect to the peace process. Each session on the subject during the past year has ended in deadlock between Shamir's Likud bloc and the Labor Party, headed by Foreign Minister Shimon Peres.

At the moment, Labor is prepared to consider the American plan, which reportedly calls for acceleration of "interim arrangements" -- meaning some kind of autonomy for Palestinians in the West Bank and Gaza Strip -- and an international "opening" or "event" before the end of the year to launch negotiations over the permanent status of the territories.

Likud adamantly opposes any form of international conclave, insists on adhering to the five-year transition timetable set forth in the 1978 Camp David accords, demands bilateral negotiations with Jordan or any other negotiating partner and rules out an exchange of territory for peace.

If the coalition partners fail to reach a united stand on the eve of Shultz's arrival, the secretary of state may find himself confronted by

what observers inside and out of the Cabinet have called "two Israeli governments" instead of one.

Doubts About Jordan

Rabin, meanwhile, expressed strong doubts Sunday that Jordan will agree to enter negotiations with Israel on the basis of the American initiative.

He told a Labor Party forum that he was dubious of King Hussein's intentions, noting that Jordan has always opposed peace talks based on autonomy and rejects the Camp David accords, an agreement between Israel and Egypt from which Jordan stood aloof.

Rabin also noted that Hussein fears a confrontation with the Palestine Liberation Organization, which has the potential to stir trouble within the Hashemite Kingdom. Nevertheless, Rabin joined other Labor ministers in support of the American initiative.

The waters may have been further muddled by almost friendly signals from President Hafez Assad of Syria, until now a hard-line rejectionist of any negotiations with Israel.

According to media reports Sunday, Assad recently conveyed a message to Israel that he was ready for a peace settlement in exchange for Israel's withdrawal from the Golan Heights, which it captured in the 1967 Six-Day War and formally annexed six years ago.

The intermediary was described as a Jewish businessman living in Switzerland who sent Assad's message to Israel after meeting with a senior Syrian figure associated with Assad.

According to the reported message, Syria is willing to accept security arrangements that would remove any threat to Israel should it withdraw from the Golan Heights, the highlands overlooking most of upper Galilee.

Syrian Flexibility Reported

The message also contains hints of Syrian willingness to be flexible on the Palestinian issue and is critical of the leadership of Palestine Liberation Organization chief Yasir Arafat.

Syria has sent similar signals before, expressing willingness to examine a political settlement with Israel within the overall framework of the Golan Heights issue. The latest message followed a visit to Damascus two weeks ago by Richard Murphy, U.S. assistant secretary of state for Near Eastern and South Asian affairs.

Murphy, the Reagan administration's Middle East troubleshooter, came to Jerusalem after stopovers in Damascus and Cairo. If he brought any proposals from Assad, they have remained a tight secret.

In Geneva, meanwhile, Arafat said Friday the PLO was ready to accept United Nations Security Council resolutions 242 and 338, which call for Israel's withdrawal from occupied territories and its right to exist within secure, recognized boundaries. He made the remarks in an address to the annual conference of the United Nations Human Rights Commission.

Arafat vowed in Geneva that the PLO would "continue to resist the occupation with waves and waves of unrest until we get our goal."

The PLO also is apparently trying to prevent a meeting between Shultz and Palestinian leaders from the territories. It denied, from its headquarters in Tunis, Friday, that it had given the green light for such a meeting, as reported by the Arabic financial weekly A-Sinara which circulates in Nabulus.

According to that report, Arafat himself named six Palestinians to meet with Shultz. The newspaper identified them as Hanna Siniora, editor of the East Jerusalem Arabic daily Al-Fajr; Fayeze Abu Rahme, a Gaza Strip lawyer; journalist Jihad Abu Jihad; former Mayor Mustafa Natsha of Hebron; businessman Said Kanaan; and Az-A-Din Arian, West Bank director of the Red Crescent, the Islamic equivalent of the Red Cross. Arian is presently under administrative detention.

Abu Rahme, who recently accompanied Siniora to Washington, where both met with Shultz, was quoted Sunday by the Jerusalem Post as saying there was no Palestinian consensus at present for a meeting with the secretary of state, but he thought there could be "developments" that would make a meeting possible.

West Bank personalities were reported Sunday to be urging Arafat to withdraw his objections to Palestinians meeting with Shultz.

Moscow Against Peace Plan

Meanwhile, a ranking Soviet diplomat told the Jewish Telegraphic Agency in Geneva on Sunday that Moscow does not accept the peace plan proposed by Shultz and considers it most urgent to convene an international peace conference immediately.

Vladimir Petrovsky, the Soviet vice minister for foreign affairs, said an international conference would serve as a framework for multilateral negotiations and, if necessary, bilateral talks.

But he would not agree, under questioning by the JTA, that the conference should have no power to enforce a solution, one of the conditions put down by Shultz and by Israeli leaders, such as Foreign Minister Peres, who favor an international conference.

The Soviet diplomat, in Geneva for disarmament talks, said his delegation is pressing for a meeting of the U.N. Security Council on the foreign ministerial level to find a political settlement of the Arab-Israeli conflict.

(Geneva correspondent Tamar Levy contributed to this report.)

FOUR ISRAELI WRITERS URGE AMERICAN JEWS TO 'SPEAK UP'

NEW YORK, Feb. 21 (JTA) -- Four prominent Israeli writers are urging American Jews to "speak up" against Prime Minister Yitzhak Shamir's policies regarding the administered territories.

In a letter appearing in Sunday's New York Times, poet Yehuda Amichai, journalist Amos Elon, and novelists Amos Oz and A.B. Yehoshua said Shamir "would like to maintain the status quo forever and continue to rule over 1.5 million Palestinians against their will."

"We are convinced that the status quo will further corrupt Israeli society and inevitably lead to another major war," the letter continued. Changing the policies, it said, "also depends on the Jews of America."

"By their very silence, (American Jews) are massively intervening in Israeli politics and silently but effectively supporting one side in the debate, the tragically wrong side."

The writers support Foreign Minister Shimon Peres' calls for political and territorial compromise and a plan by Knesset member Abba Eban of Labor for a "partitioning (of) the country between the two national movements that have fought over it for so long."

**FIVE PALESTINIANS KILLED
IN WEEKEND OF VIOLENCE**
By Hugh Orgel

TEL AVIV, Feb. 21 (JTA) -- Five Palestinians were killed and at least 14 wounded as violence flared anew in the West Bank and Gaza Strip over the weekend. It spread to East Jerusalem and Arab towns in Israel, but no casualties were reported there.

An Arab was killed Sunday during a riot at Deir Amar village, near Ramallah. Two others were killed Sunday as riots rocked Nablus, the largest Arab town in the West Bank. Three Arabs were wounded Sunday in rioting in Khan Yunis, at the southern end of the Gaza Strip. Eleven were wounded Saturday in the West Bank.

Military sources said the circumstances of the Deir Amar killing were unclear. There were no Israel Defense Force soldiers or other security forces in the vicinity at the time, the sources said, indicating the fatal shot might have been fired by Jewish settlers surrounded by rock-throwers.

The two deaths in Nablus occurred as a result of attacks on IDF soldiers, according to a military spokesman. One Arab was shot after he stabbed a soldier, by the soldier's companion. The other was gunned down when he tried to run over a soldier with the vehicle he was driving.

Earlier Sunday, police and troops fired tear gas and rubber bullets at crowds rioting in Ramallah, where a 20-year-old Palestinian youth was fatally wounded Saturday in a skirmish with border police. The police said one of their patrol fired his rifle accidentally when he stumbled while trying to evade stone-throwers.

12-Year-Old Fatality

The IDF is investigating the death of a 12-year-old Arab boy fatally shot at the Tulkarm refugee camp Saturday. A 16-year-old youth was wounded in the same incident. Local residents claimed IDF troops fired at them because they were outside their homes during a curfew.

The Palestine Liberation Organization is distributing leaflets in the territories and in Israel exhorting Palestinians to escalate disturbances before the arrival of U.S. Secretary of State George Shultz, who is due in Israel on Thursday.

"Communique No. 8" was circulated over the weekend urging Palestinians to stage protest marches after prayers at churches and mosques, mass violations of curfews, a hunger strike and a sit-down strike at Red Cross offices and to pay solidarity visits to the families of Palestinians killed or wounded by the IDF.

The communique, signed by the "United National Command of the Uprising," also asked for donations to the needy through "national institutions."

In Hebron, troops forcibly removed hundreds of slogan-chanting Arabs who tried to spread prayer mats in the Machpela Cave -- the tomb of the Patriarchs -- while Orthodox Jews were holding Friday night prayers there.

Two gasoline bombs were thrown Saturday night at the American Consulate in East Jerusalem, causing no casualties. An awning in the consulate compound was burned. Gasoline bombs were thrown at the police station in Umm el-Fahm village in Israel and at a Jewish-owned department store in Nazareth, Israel's largest Arab city.

**ISRAEL SAYS THERE IS NO
OTHER SPY IN UNITED STATES**
By David Friedman

WASHINGTON, Feb. 21 (JTA) -- A spokesman for the Israel Embassy here "emphatically" denied Friday that Israel has any spies within the United States government.

"I don't find any problem in denying this emphatically," Yosef Gal, spokesman for the embassy, said in an interview. "The policy of the government of Israel is clearcut against any espionage on the United States."

Gal added that the case of Jonathan Jay Pollard, the former civilian analyst for the U.S. Navy who was sentenced last March for spying on behalf of Israel, was an "aberration" for which the Israeli government apologized to the United States.

His remarks were made in a response to a Washington Post report Friday that the Justice Department is still looking for another Israeli spy in either the Central Intelligence Agency or Defense Department, whom it is calling "Mr. X."

The story, by Post investigative reporters Bob Woodward and Walter Pincus, said the belief that there is a second spy is based on questioning of Pollard, who said he was asked to acquire specific documents and files by his Israeli handlers.

However, the Justice Department accepts Pollard's assertions that he believed he was acting alone, the Post said.

Gal noted that speculation about a second spy has frequently appeared in the Post and other newspapers without any real proof. At the State Department Friday, spokesman Charles Redman had no comment on the Post story.

The report comes in the wake of efforts to free Pollard's wife, who reportedly is not receiving proper medical treatment in a federal penitentiary in Lexington, Ky., where she is serving two concurrent five-year sentences for being an accessory to her husband.

WOMAN WHO LURED VANUNU NAMED
By Maurice Samuelson

LONDON, Feb. 21 (JTA) -- The identity of the mysterious blonde woman who lured former Israeli nuclear technician Mordechai Vanunu out of Britain in September 1986, to eventually face trial for espionage and treason in Jerusalem, was disclosed in this week's edition of the Sunday Times of London.

The Sunday Times is the newspaper to which Vanunu, once employed at Israel's nuclear facility in Dimona, gave facts and figures about Israel's alleged nuclear weapons capabilities.

His nemesis, according to the newspaper, was Cheryl Bentov, 28, the American-born wife of a former major in Israeli military intelligence. The Sunday Times claimed that Bentov, working for Mossad, the Israeli secret service, introduced herself to the lonely, nervous Vanunu in London, as "Cindy."

He traveled with her to Rome on Sept. 1 and was kidnapped there by other Israeli agents and taken to Israel against his will. The Sunday Times account contradicts the Israel government's denial that it was involved in anything illegal on British soil.

The trial of Vanunu, which began last year, is continuing in a Jerusalem court closed to the press and public.

DEFENSE QUASHES KEY EVIDENCE IN WHITE SUPREMACIST TRIAL

By Susan Birnbaum

NEW YORK, Feb. 21 (JTA) -- Lawyers for the defense of key white supremacists on trial in Fort Smith, Ark., succeeded Thursday in quashing portions of a videotape made inside the Idaho compound of the Aryan Nations showing trainees shooting at cutouts of Menachem Begin's face.

Attorneys N.C. Deday Larene and Everett Hofmeister contested as irrelevant to the proceedings segments of a videotape made by Peter Lake, an investigative reporter who had briefly infiltrated the Aryan Nations compound in 1983.

Larene is representing Robert Miles, 63, former Ku Klux Klan leader who heads the Mountain Church of Jesus Christ the Saviour in Cohocah, Mich. Hofmeister is representing Rev. Richard Butler, 69, the so-called pastor of the Church of Jesus Christ-Christians of the Aryan Nations near Hayden Lake, Idaho.

Butler and Miles are charged with plotting violent acts that would lead to the overthrow of the United States government. The two are among 10 men charged with seditious conspiracy.

The defense attorneys claimed the footage was not relevant because it did not apply to their clients.

Cross-Burning Shown

But the judge overruled another defense motion to disallow portions of the videotape portraying a cross-burning in a southern California canyon, because the arrests of those allegedly responsible are still being litigated, according to Leonard Zeskind, research director of the Atlanta-based Center for Democratic Renewal, who is attending the trial.

The government also succeeded Thursday in showing parts of the videotape that depict Butler conferring "Aryan warrior" status on two young men.

Larene told the jury of 10 men and two women that although his client "advocates racial separation," such endorsement never crossed into criminal activity.

In completing its opening statements Thursday, the defense told the jury in federal district court that the defendants were being persecuted for their unpopular beliefs that support racial purity and oppose the U.S. government, which they call the "Zionist Occupational Government" and claim is controlled by an international Jewish conspiracy.

Free Speech Rights Cited

The indicted alleged co-conspirators reiterated that they were only exercising their First Amendment rights to free speech and free association by voicing beliefs ranging from support of a separate white Aryan nation in the Pacific Northwest to theories that Jews are descendants of Satan and, in one statement, a religious doctrine that maintains that white people are the offspring of angels who mate with human women.

Crucial to the government's case is an alleged meeting, held in July 1983 at the Idaho Aryan Nations compound, whose participants included Miles, Butler and Louis Beam Jr., 41, of Houston, a former "ambassador-at-large" of the Aryan Nations and former grand dragon of the Texas Knights of the Ku Klux Klan. Beam set up a computer network linking right-wing racists and tax protester groups throughout the United

States. The government contends that the plans for acts of counterfeiting, robbery, bombings and guerrilla warfare were laid out at this meeting.

'Baby Diaper Conspiracy'

Beam, in his statement to the jury, called the alleged seditious conspiracy "the baby diaper conspiracy," because he claimed that at the time of the discussions he was in a bedroom changing his child's diapers and did not hear any talk of criminal activities.

Beam, who was a fugitive until his arrest in Mexico in November 1987, acknowledged he is "a political heretic," but said he "was under the impression that I could say what I wanted to say."

Beam and several other defendant are serving as their own attorneys. Five men made their own statements, five had their attorneys represent them and four withheld statements until after the prosecution presents its case.

In addition to the 10 charged with seditious conspiracy, five defendants are separately charged with conspiracy to kill Federal District Judge H. Franklin Waters and special FBI agent Jack Knox. The prosecution asserts that this scheme was terminated when the conspirators' van, loaded with weapons, was involved in an accident.

U.S. NAVAL COMMANDER READY TO HELP FREE ABDUCTED OFFICER

By Hugh Orgel

TEL AVIV, Feb. 21 (JTA) -- The commander of a task force of the U.S. Sixth Fleet that is currently making a routine visit to Israel said he is prepared to help secure the release of a senior U.S. Marine officer abducted in Lebanon last week.

Vice Adm. John Reed, commander of the aircraft carrier Coral Sea and her seven escorting vessels, which are anchored in Haifa port, told reporters the visit was arranged some time ago and had nothing to do with unrest in the West Bank and Gaza Strip or developments in Lebanon.

But Reed said he was prepared to intervene, if necessary, in Lebanon to secure the release of U.S. Marine Lt. Col. William Higgins, abducted Feb. 17 by unknown gunmen.

Higgins was serving with a United Nations truce supervision organization in Lebanon. He was seized near the port of Tyre.

U.N. forces, assisted by members of the Amal, the mainstream Shiite militia, have searched in vain for Higgins for the past four days.

Reed said the 7,000 American seamen of the task force will be given shore leave while their ships are in port, but Jerusalem has been declared out of bounds because of recent unrest there.

CABINET APPROVES SUPPLEMENTAL BUDGET

By Hugh Orgel

TEL AVIV, Feb. 21 (JTA) -- The Cabinet voted Sunday to add some \$788 million to the 1987 fiscal budget, in the form of a supplementary appropriation.

The ministers decided it was needed to offset a 6 percent increase in real wages during the year, unanticipated subsidy cost overruns and the failure to implement mandated cuts in the health and education budgets.

Finance Minister Moshe Nissim said there has been an increase in tax revenue that would partly cover the unforeseen higher expenditures.