

**THREE ISRAELIS KILLED IN NEGEV
DURING TERRORIST HIJACK AND RAMPAGE**
By Hugh Orgel

TEL AVIV, March 7 (JTA) -- Three Israeli civilians were killed and 10 wounded Monday morning in a three-and-a-half-hour terrorist bus hijack and shooting rampage in the Negev.

Two women and a man, all passengers in the bus, were fatally shot. The man was killed by the terrorists while senior Israel Defense Force officers were bargaining with them to gain time. The women were killed by bullets later, as border police stormed the bus. According to the IDF, they were fired upon by the terrorists, all three of whom were killed by border police.

The dead Israelis were identified as Victor Ramm, 39, an engineer and father of three children whose mother died six months ago; Miriam Ben-Meir, 46, a mother of four children; and Rina Shiratzky, 31, mother of two. All were from Beersheba and worked at the Dimona nuclear plant.

Nine of the wounded were bus passengers; the tenth was a man traveling on the road at the time of the hijacking. The bus was carrying employees of the nuclear facility in Dimona, mostly women, to their jobs from Beersheba.

The bus was packed, but most of the 50 passengers managed to escape unhurt. The terrorists apparently infiltrated the Negev from Egypt. According to an Arabic speaking woman in the bus who conversed with them, they said they were members of Al Fatah, the terrorist arm of the Palestine Liberation Organization headed by Yasir Arafat.

But Defense Minister Yitzhak Rabin, who reported on the incident to the Knesset later in the day, identified the hijackers as members of the Popular Front for the Liberation of Palestine-General Command, headed by Ahmed Jabril, who is reportedly headquartered in Syria. His terrorist group, though considered part of the PLO, is at odds with Arafat.

The only demand the hijackers made to the passengers, and later to the IDF officers, was to speak to representatives of the International Red Cross. The terrorists might have decided by that stage that they wanted to give up.

Military Car Seized

They started their shooting spree, at about 7 a.m. local time, by seizing a military car at gunpoint from three IDF officers who managed to escape and alert security forces. The terrorists drove the car along the Beersheba-Dimona road, shooting at passing vehicles.

They were stopped by a slow-moving tractor-trailer truck. The Dimona-bound bus was just ahead of the truck. The terrorists abandoned the car and took over the bus. All but about a dozen passengers fled for cover.

The terrorists continued to fire on passing vehicles from the bus. By that time, the entire area was sealed off by troops and border police.

Because of the heavy volume of news from the Middle East, today's Daily News Bulletin has been expanded to six pages.

Police in a pursuing car halted the bus by shooting out its tires.

Senior IDF officers approached the disabled vehicle to negotiate with the hijackers, while border police, trained in anti-terrorist tactics, deployed for an assault on the bus. This was carried out at 10:25 a.m. local time and lasted less than a minute.

The operation was under the overall command of the general in command of the southern region. Defense Minister Yitzhak Rabin and IDF Chief of Staff Dan Shomron rushed to the scene while the operation was still under way.

Rumors of a terrorist attack in the Negev circulated throughout the country, but the public was not aware of what happened until 1:30 p.m., when the news was broadcast during the midday Israel radio newscast. Premier Yitzhak Shamir was kept informed of developments throughout the morning.

U.S. Deplores Attack

In Washington, the State Department deplored the hijacking. Department spokesman Charles Redman said simply, "We condemn this act."

Redman also said he did not know the cause of the undetonated bomb discovered in Jerusalem last Friday during Secretary of State George Shultz's visit to Israel.

"Peace has its enemies," Redman said. "Whether or not these kind of incidents are the works of those kinds of people, I really can't say at this point."

In New York, Theodore Mann, national president of the American Jewish Congress, issued a statement saying his organization was "horried and outraged by the indiscriminate terrorist attack on innocent Israeli bus passengers."

Mann noted that the PLO "has again exposed its true nature as a fundamentally terrorist organization committed to 'armed struggle' against Israel."

Monday's incident kindled memories of the coastal road hijack in 1978, when a gang of seaborne terrorists landed on a beach in Israel, seized an Egged bus on the Haifa-Tel Aviv highway, which parallels the coast, and began firing on passing cars, causing fatalities and injuries. That bus was stormed by IDF troops in the northern outskirts of Tel Aviv, who killed the terrorists, but not before they inflicted heavy casualties among the passengers.

(Washington correspondent Howard Rosenberg contributed to this story.)

**WHITE HOUSE WELCOMES SENATORS'
LETTER OF CONCERN ABOUT SHAMIR**
By David Friedman and Howard Rosenberg

WASHINGTON, March 7 (JTA) -- The White House welcomed Monday a letter by 30 senators to Secretary of State George Shultz implying that Israeli Premier Yitzhak Shamir was obstructing the peace effort in the Middle East by opposing Shultz's land-for-peace formula.

The letter, signed by many of Israel's most staunch supporters in the Senate, also criticized Jordan for "backing away" from its earlier support of a Jordanian-Palestinian delegation to

negotiate with Israel.

"The views of these senators are helpful to us and probably instructive to other parties in the region," White House spokesman Marlin Fitzwater said.

"The administration, of course, welcomes the support and advice from this group; they are senators of considerable stature and interests and involvement in Middle East affairs."

Fitzwater, however, declined to comment on Shamir's views. "We'll have to undergo any number of discussions in the weeks ahead," he said. Shamir, who comes to Washington next week, will meet with President Reagan March 16 at the White House.

Meanwhile, Jewish groups have criticized the letter as interfering in Israel's domestic affairs. The Zionist Organization of America's executive committee released a statement saying the senators' criticism "will only serve to embolden the enemies of Israel, the Jewish people and the American-Israeli alliance."

Rabbi Milton Polin, president of the Orthodox Rabbinical Council of America, said the letter "is ill-timed and unhelpful" and "an unwarranted and outrageous interference in Israel's internal politics."

Reportedly Initiated by Levin

The letter was initiated by Sen. Carl Levin (D-Mich.), according to a Washington source. He was prompted, according to the letter, after Shamir was reported in the Feb. 26 New York Times as saying that the "expression of territory for peace is not accepted by me."

Levin and Sen. Rudy Boschwitz (R-Minn.) circulated the letter, which also contains the signatures of three other Jewish senators, Frank Lautenberg (D-N.J.), Howard Metzenbaum (D-Ohio) and Warren Rudman (R-N.H.).

Other signers included some of Israel's leading supporters, including Sens. William Cohen (R-Maine), Alan Cranston (D-Calif.), Christopher Dodd (D-Conn.), Edward Kennedy (D-Mass.), Robert Kasten (R-Wis.) and Daniel Moynihan (D-N.Y.).

Two Jewish senators did not sign the letter, Sens. Arlen Specter (R-Pa.) and Chic Hecht (R-Nev.).

A spokesman for Specter confirmed Monday that the Pennsylvania Republican believed "it's a very bad idea" for senators to be giving "any such advice" to Israelis, at least publicly. He said if senators disagreed with Shamir's position, they should have told the Israelis in private.

Hecht, who reportedly was not asked to sign the letter, was reported as saying the Senate "should not interfere" in Israel's affairs.

The letter was sent to Shultz after he returned this weekend from the Middle East, where he had given Israel, Egypt, Jordan and Syria a written detailed proposal for solving the Arab-Israeli conflict.

'Best Hope' For Peace

"We hope that the prime minister's statement did not indicate that Israel is abandoning a policy that offers the best hope of long-term peace," the senators' letter said.

While "Israel cannot be expected to give up all the territory gained in 1967 or to return to the dangerous and insecure pre-67 borders," the letter continued, "peace negotiations have little chance of success if the Israeli government's position rules out territorial compromise."

The letter also said that the senators are "disturbed by reports that Jordan may be backing away from the idea of a joint Jordanian-Palestinian delegation that would negotiate with the Israelis at a peace conference. These accounts indicate that Jordan may insist on an independent PLO presence at the negotiating table."

"We hope that these reports are without foundation. Israel rejects negotiations with the PLO, and rightly so. However, its officials have indicated that it would negotiate with a joint Jordanian-Palestinian delegation. Jordan's abandonment of the joint delegation concept now would deal a serious blow to the peace process."

The senators stressed that "it is only through compromise by both sides that we will achieve Middle East peace."

SHAMIR SAYS CABINET WILL VOTE ON PEACE PLAN AFTER HIS U.S. TRIP

By Hugh Orgel

TEL AVIV, March 7 (JTA) -- Insisting that the American peace package presented to him by Secretary of State George Shultz last week is neither sacrosanct nor unalterable, Premier Yitzhak Shamir made clear Sunday night that the government will make no decisions until he returns from Washington later this month with necessary changes.

Shamir spoke at a meeting of the National Religious Party after refusing, at Sunday's Cabinet meeting, to allow the Shultz plan to be voted on.

He was referring to the letter Shultz presented to him and to Foreign Minister Shimon Peres last Friday outlining in detail a greatly accelerated timetable for Arab-Israeli peace negotiations, to be preceded as early as next month by the opening of an international peace conference, under United Nations auspices.

"I am to leave next week to visit the U.S. We will conduct talks on the matter. I will attempt to attain changes which will better suit our interests, and after I return, the government will convene and will decide," Shamir said.

The prime minister is due to arrive in Washington March 14 and to meet with President Reagan at the White House March 16.

Although Shultz had requested that Israel provide a "clear response" to the plan by March 15 and stressed that the package must be treated as a whole, with all of its components, Shamir seemed to disagree.

"The contents of this (Shultz's) letter are not something which cannot be altered. Changes can be made through talks, discussions, persuasions. Things can be changed," the leader of the Likud bloc said.

"This is not some kind of ultimatum, a demand to follow a certain course -- that's it, you have to say yes or no," Shamir added. "Even the timetable determined by the American administration is, ultimately, neither sacred or untouchable. After all, Israel is a sovereign state."

"Therefore, I don't think we are obligated to hasten to provide a reply," he said. "It may endanger to a great extent what we have achieved, what we wish to accomplish and the progress we wish to -- and must -- attain."

The prime minister stressed that he does "not believe that we will be able to reach any type of serious negotiations capable of producing results" until the unrest in the administered territories has been ended.

"This, I repeat, is the most important mis-

sion facing us at the moment. Our American friends also understand this," he said.

Meanwhile, Peres, whose Labor Party is deadlocked with Shamir's Likud over the American package, warned of dire consequences should Israel reject it.

He told a Labor Party regional conference that Israel would find itself in a difficult economic situation if the Americans are given a negative response.

"We will not find any country or statesman who will support Israel. The European Community will find it difficult to accept Israeli produce, and all efforts to break into the large economic market of Asia will be blocked," the foreign minister warned.

"In the U.S., we will permanently lose friends and assets, and criticism among the Jewish people will increase," Peres said.

TEXT OF SHULTZ LETTER TO SHAMIR

By Hugh Orgel

TEL AVIV, March 7 (JTA) -- Following is the text of the letter Secretary of State George Shultz presented Friday to Premier Yitzhak Shamir.

The letter, published Sunday in Yediot Achronot, outlines the secretary's timetable for peace negotiations between Israel and the Arab states and Palestinians:

March 4, 1988

Dear Mr. Prime Minister:

I set forth below the statement of understanding which I am convinced is necessary to achieve the prompt opening of negotiations on a comprehensive peace. This statement of understandings emerges from discussions held with you and other regional leaders. I look forward to the letter of reply of the government of Israel in confirmation of this statement.

The agreed objective is a comprehensive peace providing for the security of all the states in the region and for the legitimate rights of the Palestinian people.

Negotiations will start on an early date between Israel and each of its neighbors which is willing to do so. These negotiations could begin by May 1, 1988. Each of these negotiations will be based on United Nations Security Council Resolutions 242 and 338, in all their parts.

The parties to each bilateral negotiation will determine the procedure and agenda of their negotiation. All participants in the negotiations must state their willingness to negotiate with one another.

As concerns the negotiations between the Israeli delegation and the Jordanian-Palestinian delegation, negotiations will begin on arrangements for a transitional period, with the objective of completing them within six months. Seven months after transitional negotiations begin, final-status negotiations will begin, with the objective of completing them within one year.

Based On Resolution 242

These negotiations will be based on all the provisions and principles of United Nations Security Council Resolution 242. Final-status talks will start before the transitional period begins. The transitional period will begin three months after the conclusion of the transitional agreement and will last for three years.

The United States will participate in both

negotiations and will promote their rapid conclusion. In particular, the United States will submit a draft agreement for the parties' consideration at the outset of the negotiations on transitional arrangements.

Two weeks before the opening of negotiations, an international conference will be held. The secretary general of the United Nations will be asked to issue invitations to the parties involved in the Arab-Israeli conflict and the five permanent members of the United Nations Security Council.

All participants in the conference must accept United Nations Security Council Resolutions 242 and 338 and renounce violence and terrorism. The parties to each bilateral negotiation may refer reports on the status of their negotiations to the conference, in a manner to be agreed. The conference will not be able to impose solutions or veto agreements reached.

Palestinian representation will be within the Jordanian-Palestinian delegation. The Palestinian issue will be addressed in the negotiations between the Jordanian-Palestinian and Israeli delegations. Negotiations between the Israeli delegation and the Jordanian-Palestinian delegation will proceed independently of any other negotiations.

This statement of understanding is an integral whole. The United States understands your acceptance is dependent on the implementation of each element in good faith.

Sincerely yours,

George Shultz

SEVEN WOUNDED IN WEST BANK CLASH; GAZA TAX COLLECTORS QUIT EN MASSE By Gil Sedan

JERUSALEM, March 7 (JTA) -- Seven Palestinians were wounded Monday morning in a fierce clash with Israeli security forces in Idna village, some six miles west of Hebron, in the West Bank. One soldier was slightly injured and hospitalized.

Riots broke out in Idna after the Israel Defense Force imposed a curfew on the village and began arresting residents described as "hostile elements." A hand grenade was thrown at a border police jeep, followed by a rain of stones, rocks and chunks of iron hurled at IDF troops.

Border police opened fire in the direction of the grenade-thrower, wounding seven rioters, one of them seriously. Several dozen residents were arrested.

Idna has been a trouble spot for several weeks. The IDF entered the village Monday morning to arrest Palestinian nationalists suspected of inciting riots in the territories. It is part of the military's policy to crack down on local agitators.

The Gaza Strip was relatively quiet Monday. But Palestinian nationalists seem to have succeeded for the first time in launching a campaign of civil disobedience by the Arab population. The first target was Arab employees of the Gaza civil administration's income and property tax division, who resigned en masse Monday.

About 38 of the 40 employees signed a collective letter of resignation. Although they claimed no Arabs would dare take their place, civil administration sources said tax collection would continue as usual.

Local sources linked the resignations to widespread charges that the taxes Israel collects in the administered territories exceed by far the budgets allocated for development in the areas.

ISRAELIS DEBATE WHETHER TV IS DISTORTING THE UNREST

By Andrew Silow Carroll

JERUSALEM, March 7 (JTA) -- In what is becoming a weekly ritual, more than 30 English-speakers gathered in a classroom here last Monday to watch videotapes of American and Canadian television news reports from the previous week.

In silence, they saw tapes of young Palestinians heaving stones at Israeli troops, clouds of tear gas billowing along the streets of Kalkilya and Nablus and green-clad soldiers advancing with guns and clubs.

Again and again, they watched CBS footage of a quartet of Israeli soldiers beating two Palestinian men.

When it ended, the viewers talked.

"Why don't (the networks) talk with people who live on the West Bank?" said Toby Klein Greenwald, who lives in the West Bank settlement of Efrat. "Rocks are lethal weapons. They are intended to kill, maim and destroy."

"The question is not whether the networks are doing a fair or unfair job," a young man responded. "The problem is, you don't see our leaders talking about the issues. You see them talking about their image."

Another woman snorted, "We should make these reporters do their homework. Freedom has to be handled with responsibility."

Raymond Dolphin, an Irishman who taught English at the University in Hebron, had another view.

"I've been to the hospitals -- the wards are full of Palestinians with broken limbs. I think there is a bias the other way and we're seeing only a fraction of what's being filmed," he said.

Monday night's discussion at Beit Agron, the Jerusalem press center, was being filmed by a crew from ABC-TV's "Nightline" program; it was American television watching current and former Americans watching American television.

Widespread Discussion

But wherever Israelis and visitors share opinions -- in kitchens, restaurants, newspaper columns and the Knesset -- there are spontaneous versions of the same debate:

What is to be done about television coverage of the three-month-old unrest in the administered territories?

The discussions touch on the fairness of reports, the objectivity of reporters and their free access to the territories, and, most often, a perceived lack of perspective in what is being printed and broadcast.

For many, including those who esteem Israel's democratic nature, the answer is a total ban on television coverage, as the Israel Defense Force tried last Friday throughout the West Bank.

Earlier in the week, Premier Yitzhak Shamir said he was considering a blanket prohibition of TV cameras in the territories, a statement he repeated before visiting delegates of the Conference of Presidents of Major American Jewish Organizations.

Even former Secretary of State Henry Kissinger is said to have told eight American Jewish leaders in February that "Israel should bar the media from entry into the territories involved in the present demonstrations, accept the short-term criticism of the world press for such conduct and put down the insurrection as quickly as possible."

When the Conference of Presidents met here last week for its annual mission to Israel, the topic of television coverage was never far from the top of the agenda.

Howard Squadron, a former conference chairman, said at a forum on Israel's image that he would not like to see a general media ban.

But if cameras provoke an incident, he said, "then maybe there is reason in that particular volatile sector, in that particular time, to take the cameras out."

Martin Fletcher, a correspondent for NBC News based in Jerusalem, acknowledged that incidents do develop when television crews arrive.

"But was there an incident before the cameras arrived?" he asked rhetorically. "Sometimes all is quiet until the army patrol came, and then the kids went crazy. During the Shultz visit, all hell broke loose. So maybe you should ban visiting politicians seeking peace."

Continued Fletcher, "We have to be careful about making the problem worse when we arrive, and we do make the problem worse. But very often, we don't film those incidents."

Concerning fairness, Fletcher said, "I've never known as much about a story as this one... I know as much as anybody else what the truth is in this particular story, and it's not the truth that the Israeli public is told and is certainly not the truth that apparently (Americans) have been getting."

Los Angeles Times correspondent Dan Fisher echoed Fletcher's comments. "If anything, we have probably failed to communicate how widespread what's going on really is," said Fisher.

But, he said, "there is fairness. And I think the American Jewish community has done a superb job on its part of holding the media to very high levels and standards of fairness. The Times' managing editor reads every line of Mideast copy before it goes in" the newspaper.

For Kenneth Bialkin, also a past chairman of the Conference of Presidents, the problem is not the reporters on the front lines, but the editors at home.

"Israel is not the favorite of the liberal media, the editorial writers, the people who think for some reason that Israel is wrong and the Palestinians are right," he said. He called their presentation of the news a "subliminal effort to influence world opinion."

Many Blame Israel's 'Hasbarah'

Whether the blame is on the hundreds of reporters covering Israel or their editors, there is general agreement here that the Israeli government is failing to provide proper "hasbarah," a word whose meaning falls somewhere between information and propaganda.

For reporters, that means a frustrating delay before the army releases official accounts of incidents. And for supporters of Israel, that means a failure of the government to successfully communicate Israel's side of the story.

According to Yossi Goell of The Jerusalem Post, "We have been doing some horrible things (in the territories)." However, he said, "We have not been able to put across an Israeli side to the entire thing... because we're split in our politics."

Dan Pattir, chairman of the Jeane Kirkpatrick Institute in Israel and a former press adviser to Premiers Yitzhak Rabin and Menachem Begin, said that "Israel has never actually looked at hasbarah as an integral part of policy-making."

MEDIA, PUBLIC CRITICISM HARM ISRAEL, ABRAM ASSERTS

By Susan Birnbaum

NEW YORK, March 7 (JTA) -- An anti-Israel bias among news media and public criticism by U.S. Jews are tormenting Israel as it tries to quell the unrest in the administered territories, according to Morris Abram, chairman of the Conference of Presidents of Major American Jewish Organizations.

The morality of Israel "is high and noble. Its soldiers are pure, and the press is dreadfully unfair," Abram said Sunday night at the 80th anniversary dinner here of the Bnai Zion fraternal organization.

He and Benjamin Netanyahu, Israel's ambassador to the United Nations, were presented awards at the dinner.

Abram charged that "the press itself believes that Israel has no right to be there. Then anything you do to a soldier is right and anything the soldier does to respond is wrong."

The Jewish leader, who had just returned from a four-day Conference of Presidents mission to Israel, also criticized public criticism of Israel by U.S. Jews because, he said, it "gives the impression that we are disagreeing with Israel in the most fundamental ways. . . I feel it is not productive.

"Having built this land was the most precious dream. I don't wish to see it impaired by self-righteous double standards."

Asked preceding the dinner to explain his opposition to the public criticism given a closeness between American Jews and Israel akin to strong family ties, Abram replied, "Family members don't have enemies waiting in the wings to annihilate them."

Netanyahu criticized press coverage of the unrest for encouraging violence. "There are now hotels in East Jerusalem where within five minutes of their arrival," he said, "foreign journalists have been approached with offers: 'What do you want to see today -- broken arms, broken legs? We can arrange it. Do you want a small riot, a medium-sized riot or a large riot?'"

INFILTRATORS THWARTED IN LEBANON; SLA REPELS HEZBOLLAH GUNMEN

By Hugh Orgel

TEL AVIV, March 7 (JTA) -- An Israel Defense Force patrol intercepted and killed three terrorists attempting to infiltrate Israel through the southern Lebanon security zone Saturday night, military sources announced Monday.

One of the terrorists was killed when the IDF spotted the gang and opened fire near Itrun village, in the central sector of the security zone. The other two fled and were killed in a brief gun battle later by pursuing soldiers. There were no Israeli casualties.

The would-be infiltrators were carrying Kalachnikov assault rifles, wire cutters, explosives, grenades and maps of Israel and Jerusalem.

In an unrelated incident Sunday, troops of the Israeli-backed South Lebanon Army killed three guerrillas of the Shiite fundamentalist Hezbollah militia who attempted to storm their position near Bint Jbail village in the security zone. There were no SLA casualties.

It was learned, meanwhile, that Israeli Arabs were the victims of a Katyusha rocket attack that demolished their home in a village in Galilee

Saturday night. Five members of one family were injured, only one of them seriously, when the 122mm missile scored a direct hit. The military authorities have refused to name the village for security reasons, but apparently it is an Arab village.

EGYPT, ISRAEL TO PRESENT ORAL ARGUMENTS ON SINAI NEXT WEEK

By Tamar Levy

GENEVA, March 7 (JTA) -- Israel and Egypt are preparing to present oral arguments in the final phase of the binding arbitration process to decide ownership of 14 disputed sites along the Israel-Sinai border, including the resort area of Taba.

The pleas of both sides will be heard by a five-member international arbitration board. The presentation is scheduled for March 14-28, with a break for the Passover-Easter holidays, and resumption for one week on April 12.

After that, the panel will begin deliberations and write its report, which may take up to several months.

At the first phase of the arbitration hearings, which ended last December, Israel and Egypt each submitted several thousand pages of documents, maps and charts and written arguments supporting their respective claims.

Throughout the process, a compromise has been sought within the framework of the arbitration agreement and through United States intervention. At one point, it was learned, the United States proposed to award Egypt sovereignty over the half-square-mile Taba region, allowing Israel special access rights to its property there, mainly a luxury resort hotel and a beach-side vacation village. Israel rejected the proposal.

The Taba arbitrators visited the region in January. Nevertheless, Israel will present videotape films and a large three-dimensional scale model of Taba during the oral arguments phase. The chief counsel for Israel will be Eli Lauterbach, a prominent British international lawyer.

The arbitration panel comprises legal experts headed by Judge Gunnar Lagergren of Sweden. Its other members are Pierre Bellet of France, Dietrich Schindler of Switzerland, Ruth Lapidot of Israel and Hamdi Sultan of Egypt.

FORMER WEST GERMAN OFFICIAL MAY BE TRIED FOR WAR CRIMES

By David Kantor

BONN, March 7 (JTA) -- The former prime minister of the federal state of Baden-Wuerttemberg, Hans Filbinger, may be tried for war crimes, based on information obtained from the United Nations war crimes files, which were opened in New York last year.

Filbinger is one of approximately 4,000 West Germans whose names were discovered in the files and passed on to the Ludwigsburg-based Federal Office for the Prosecution of Nazi War Criminals in December. The Ludwigsburg office sent the Filbinger file to the state prosecutor in Stuttgart, who must decide whether to open a formal investigation.

Filbinger is accused of participating in massacres in Scandinavia during the closing months of World War II, when he was a military judge with the German occupation forces. He has flatly denied the allegations, declaring he could not be charged on legal or moral grounds.

**PERES SAID TO DISCUSS MISSILES,
HOSTAGES WITH IRANIAN IN 1986**

By Tamar Levy

GENEVA, March 7 (JTA) -- Israeli Foreign Minister Shimon Peres was involved as prime minister in a secret meeting in Switzerland with an Iranian arms dealer in March 1986, the newspaper Zurich Sonntagsblick alleged in an article published Sunday.

The purpose of the meeting was to work out a snag that developed in a \$36 million deal for Israel to sell Iran 3,000 American anti-tank missiles in exchange for the release of two Israeli soldiers and five Americans held hostage by pro-Iranian terrorists in Lebanon, the newspaper claimed.

The story may shed light on what has become known as the Iran-Contra scandal involving the United States, Israel and the Nicaraguan Contra rebels, who are alleged to have received part of the proceeds of the arms sale from Israel.

The Sonntagsblick alleged that Bernhard Stoll, head of the secret service department of the Swiss Ministry of Defense in Bern, organized meetings between an Israel secret service agent known as Jonathan Alexander and the arms merchant, Hamid Naghashian.

An agreement was reached on the sale early in 1986, the newspaper said. The money and documents were to be handled by a firm in Luxembourg, Kalydon, a Geneva bank and a West German arms dealer, Karl-Heinz Oettershagen.

But the Iranians wanted to test the quality of the missiles and later seemed hesitant about the exchange. Stoll arranged a meeting between Naghashian and Peres at which Stoll, Alexander and several Swiss secret service agents were present.

It took place in the VIP lounge at Kloten Airport in Zurich on March 14, 1986, the Sonntagsblick said. Peres was on his way to the funeral in Stockholm of assassinated Swedish Prime Minister Olaf Palme.

The newspaper reported that police found bank checks totalling \$36.25 million from Iran to Israel in a raid on the home of Oettershagen.

A spokesman for the Defense Ministry in Bern, Rudolf Strasser, said the entire story was untrue. However, he admitted Monday that Stoll had met with a high-ranking Israeli at Kloten.

**REFUSENIKS KHASINA AND OSNIS
RECEIVE PERMISSION TO EMIGRATE**

By Susan Birnbaum

NEW YORK, March 7 (JTA) -- Two long-term refuseniks have been told they can emigrate from the Soviet Union, Soviet Jewry groups here reported Monday.

Natasha Khasina of Moscow, an 11-year refusenik told she would never be allowed to leave, and Marat Osnis of Chernovtsy (Chernovitz), waiting 16 years, were informed by OVIR emigration authorities over the weekend that they and their families could join family members in Israel, according to the National Conference on Soviet Jewry, the Long Island Committee for Soviet Jewry and the Union of Councils for Soviet Jews.

Soviet Jewry activists were overjoyed at the news.

Khasina and Osnis were told by telephone to prepare their paperwork for the OVIR authorities, who would then inform them when they could

expect their visas.

Both Khasina and Osnis had been repeatedly denied the right to emigrate, based on alleged possession of "state secrets." Khasina is a mathematician specializing in computer programming and Osnis is a computer engineer.

Last week, Khasina, 47, was part of a group of more than 100 refuseniks who went to the Moscow headquarters of the Communist Party Central Committee to review the cases of about 300 refuseniks. At the time, she was not told she had permission.

A week before that, her husband, Gennady Khasin, 50, and daughter, Judit, 10, who had applied in November to emigrate separately, were refused and told they could reapply in June. The couple has another daughter, Alyona, in Tel Aviv.

Khasina and her husband, formerly a prominent professor of mathematics, were arrested in 1976 for attending a memorial service at Babi Yar and were prevented from attending a service there the following year. They applied to emigrate in September 1977 and both lost their jobs as a result. They are observant Jews.

Beaten By KGB

Khasina has been active in women's demonstrations, at which she has been beaten by the KGB. Khasin, who teaches Hebrew, was threatened for prosecution for "parasitism" -- a charge often levied at those who do not hold government-sanctioned jobs. Their apartment was searched several times and Hebrew books, personal letters and a tape recorder were confiscated.

Marat Osnis's mother, Dr. Vanda Osnis, who lives with her husband, Dr. Yitzhak Osnis, in Kfar Saba, Israel, has traveled with the Mothers for Freedom on behalf of her son. She spoke with members of Congress in 1986 and 1987 in a plea for his emigration.

Marat, 41, and his wife, Klaudia, 36, have a son, Boris, 15, and a daughter, Dana, 4. In 1972, they first applied for exit visas together with his parents and grandmother, who were permitted to go to Israel.

Marat was refused, because he allegedly was exposed to classified materials in his engineering job. He left his job, where he had never needed security clearance, in 1971.

Osnis initially was told he would receive a visa "within a short time." He supported his family by tutoring in mathematics and physics and performing odd jobs.

Osnis was told in 1979 that he could expect his visa in October 1981, after 10 years had passed since he had left his professional work. But he was again refused then, and many times subsequently, without explanation.

SOVIET HUMAN RIGHTS CONDUCT SCORED

By Tamar Levy

GENEVA, March 7 (JTA) -- Soviet human rights policy is far from perfect even in this era of glasnost, the U.S. ambassador to the United Nations Human Rights Commission said here Monday.

The Cuban-born envoy, Armando Valladares, said the United States believes that the changes in the Soviet Union in general have been "more superficial and cosmetic than fundamental." He estimated that at the current rate of emigration, the 375,000 Jews waiting to leave will have to wait 46 years to do so.