

**ISRAELIS DENY REPORT OF DEAL
WITH ROMANIANS ON SOVIET JEWS****By David Landau**

JERUSALEM, June 28 (JTA) -- A newspaper report that the United Jewish Appeal would pay the Romanian government \$80,000 for each Soviet Jew flown to Israel via Bucharest was vigorously denied Tuesday by the Jewish Agency and the Foreign Ministry.

The story, by Haaretz's Washington correspondent, said Simcha Dinitz, chairman of the Jewish Agency and World Zionist Organization Executive, flew to Romania this week to wrap up the deal.

Jewish Agency sources confirmed to the Jewish Telegraphic Agency that Dinitz is in fact in Romania. But they denied the allegations by Haaretz.

The sources attributed the Haaretz report to certain circles that want to torpedo a June 19 Cabinet decision to tighten Israeli policy on issuing visas. It would require Jews leaving the Soviet Union on Israeli visas to fly directly to Tel Aviv after picking up their visas at the Israeli Embassy in Bucharest.

That decision, which would deny Israeli visas to Jews who are not committed to resettling in Israel, raised a storm of controversy here and abroad.

Although Dinitz and Jewish Agency Board of Governors Chairman Mendel Kaplan backed it enthusiastically, leading Diaspora philanthropists are vehemently opposed to the idea. It will be debated anew at a Board of Governors meeting this Friday.

Refugee Status Changes Rumored

Meanwhile, representatives of HIAS, the Hebrew Immigrant Aid Society, made it clear they would oppose any change in American immigration laws that would give refugee status to Soviet Jews arriving in Israel.

Under current U.S. laws, the refugee status accorded Soviet Jews exempts them from the quota restrictions that apply to most foreigners seeking to immigrate to the United States. Soviet Jews compelled to go directly to Israel presumably would lose that refugee status and then be less likely to qualify for residency in the United States.

HIAS was reacting to a report by the syndicated American columnists Rowland Evans and Robert Novak that such changes in the immigration laws are under way in Washington in reaction to the Israeli Cabinet decision.

In Washington, an official with the State Department's Bureau for Refugee Programs would not comment on the Evans and Novak report.

A spokesperson for the U.S. Immigration and Naturalization Service said the report was "largely erroneous" and referred to regulations implemented in April.

The regulations concerned only political asylum, which the spokesperson said falls under a different category than refugee status.

At first glance, HIAS opposition to a change in regulations concerning refugee status may seem at variance with the agency's longstanding support of freedom of choice for Soviet Jewish

emigres. The organization, in fact, frequently has been attacked by some Israeli government and Zionist officials for helping Jews holding Israeli visas to settle in the United States and other Western countries.

But a HIAS spokesman in New York, while expressing doubt about the Evans and Novak report, confirmed that the immigrant aid agency would actively oppose any American move to allow Soviet Jews to retain their refugee status after arriving in Israel.

'Politically Awkward' Move

Philip Saperia, assistant executive director of HIAS, told JTA that such a move would be a slap in the face to the Israeli government and would be "politically awkward in the United States," because it would establish special conditions for Soviet Jews arriving in Israel.

"There are many alternatives to helping Soviet Jews to retain their refugee status, short of doing something like what was supposed in that (Evans and Novak) article," Saperia said.

He said HIAS continues to support a two-track approach, meaning that Soviet Jews wishing to settle in countries other than Israel would enjoy the same emigration rights as Jews who wish to go to Israel, or who say they do.

At present, Soviet emigration authorities are more lenient to Jews ostensibly bound for Israel. They do not rigorously apply the law that applications for family reunification must come from a first-degree relative.

The law is applied to Jews wishing to reunite with their families in the United States or other Western countries.

HIAS officials in Jerusalem say they do not intend to open a facility in Bucharest that would help Soviet Jews head for the United States, as its facilities in Vienna and Rome do.

(JTA reporter Andrew Silow Carroll in New York contributed to this story.)

**POPE LEAVES AUSTRIA BEHIND,
BUT ANGER AND HURT CONTINUE
JTA Staff Report**

VIENNA, June 28 (JTA) -- Pope John Paul II concluded his five-day visit to Austria Monday, leaving behind a turbulent relationship with Jews in that country and around the world.

The swelling Jewish anger and hurt, however, go far beyond resentment over the papal meetings with President Kurt Waldheim, whose Nazi past the pontiff seems disinclined to acknowledge.

It is rooted in John Paul's apparent insensitivity to the uniqueness of Jewish suffering in the Holocaust, his reluctance to mention it specifically even when referring to the horrors of the Nazi era and his reference to Austrians as Nazi victims rather than as the enthusiastic collaborators they historically were.

Even when the pope was made aware of Jewish reactions and sought to redeem himself, his words had a negative impact.

Jewish feelings toward Pope John Paul may have been summed up most accurately by Elie Wiesel, author, human rights activist and winner of the Nobel Peace Prize in 1986.

Writing in the New York Post Tuesday, Wiesel accused the pope of wanting to "de-Judaize the Holocaust" with his "strange and offensive behavior whenever he is confronted by the cruelest event in recorded history."

The pontiff's failure to mention that Jews had died at Mauthausen, after he had repeatedly failed to mention Jewish victims during two visits to Auschwitz and a visit to Majdanek, left Wiesel with one conclusion.

"It is now clear: This pope has a problem with Jews, just as Jews have a problem with him. His understanding for living Jews is as limited as his compassion for dead Jews," wrote Wiesel, an Auschwitz survivor.

Wiesel wrote that at his first visit to Auschwitz, the pope celebrated a general Mass to those who died there.

"Would not common decency and respect for the dead have dictated that he invite a rabbi and nine other Jews to recite Kaddish for the Jewish victims, even as he said Christian prayers for the others? Did he (subconsciously) wish to convert the Jewish dead posthumously?"

Wiesel accused John Paul of wanting people to believe Christians suffered as much as Jews in Hitler's concentration camps.

"Was this yet another attempt to whitewash the church of its heavy responsibility for the European anti-Semitism that led to mass murder?" Wiesel wrote.

"When he finally spoke of Jewish (and Christian) suffering he described it as a 'gift to the world.' A gift? Whose gift? God's? The Jewish people's?"

"We Jews have never considered the death of anyone a gift to anyone. The murder of one million Jewish children was a moral scandal, a catastrophe of universal dimensions, not a gift," the Nobel laureate wrote.

Meets Jewish Leaders

The pope met Friday with six Austrian Jewish community leaders, including Paul Grosz, president of the Federal Association of Jewish Communities, and Rabbi Paul Chaim Eisenberg, chief rabbi of Vienna.

Although both sides described the atmosphere as cordial and friendly, they expressed divergent views.

The pope, referring to the Nazi campaign of extermination against the Jews, told the group that "it would be unjust and untruthful to put the blame on Christianity for these unspeakable crimes."

"Although the extermination was directed more openly against the Jews, it was also against the faith of those who honor the Jewish Jesus of Nazareth as the savior of the world," he said.

After the pope conducted Mass late Friday at Mauthausen and failed to mention that Jews were the primary victims, Eisenberg remarked, "The only Jew he mentions who suffered is Jesus Christ, and he did not suffer at Mauthausen."

In New York, Rabbi Jerome Davidson, chairman of the Union of American Hebrew Congregations' Interreligious Committee, and Annette Daum, its director, issued a statement saying: "It is deeply troubling that Pope John Paul II, at a prayer meeting during his visit to Austria, should have described the suffering of the victims of Nazism as 'a gift to the world.'"

On Sunday, the last day of his visit, the pope did raise the matter of Austrian complicity with Nazi Germany.

"No one can undo what has already been done," the pontiff said in an address at a Catholic youth center in Salzburg.

But, the pope added, "Do not simply sweep the waste of your failures, your guilt, your deeds committed in vain, under the carpet. They will only contaminate the spiritual climate or make us look for a scapegoat for our own mistakes."

ISRAEL MUST PROTECT ITS SECURITY IN TERRITORIES, RABIN TELLS REAGAN

By David Friedman

WASHINGTON, June 28 (JTA) -- Israel will not change its policy in suppressing the Palestinian uprising in the West Bank and Gaza Strip, as long as it feels its security is being threatened, Israeli Defense Minister Yitzhak Rabin said he told President Reagan on Tuesday.

"I explained the Israeli policy," Rabin said after a 15-minute White House meeting with Reagan. He would not reveal what Reagan said in reply.

"I'm not saying that everyone here is in agreement with our policy," the defense minister added. "But we are a free, independent state. When it comes to Israel's security and Israel's defense, we feel that we are free to act" as Israel sees fit "to prevent any damage to our future and our security."

The brief White House meeting ended two days of official talks here for Rabin in which he met with Vice President George Bush, Secretary of State George Shultz, Defense Secretary Frank Carlucci and Lt. Col. Colin Powell, the president's national security adviser, as well as members of Congress. He is scheduled to address the National Press Club on Wednesday before leaving Washington.

"I'm going back home quite satisfied," the defense minister said. He said he is satisfied that the administration has agreed that U.S. military aid to Israel for the 1990 fiscal year will remain at the level it has been the past several years, a grant of \$1.8 billion. (The administration is expected to submit the 1990 fiscal year budget before it leaves office. The 1989 fiscal year begins in October.)

Rabin said Israel is aware of the problems the United States is facing because of its enormous budget deficit, which has prompted foreign aid cuts and reduction in its own military budget. "As long as we will be able to keep, in reality, the same level of support, we're satisfied," he said.

The defense minister noted that he had stressed in all of his talks with administration officials the danger Israel faces from new sophisticated ground-to-ground missiles acquired by its Arab neighbors.

He said that Israel and the United States were about to sign a Memorandum of Understanding to permit Israel to develop the Arrow anti-tactical ballistic missile, which Israel wants to protect its cities against Soviet-made SS-21 missiles in Syria.

But he left unclear whether he or some other Israeli official would sign the MOU, which mainly relates to Israel's participation in the Strategic Defense Initiative, more popularly known as the "Star Wars" program.

He said Israel wants the United States "to allow us the means" to demonstrate over the next two to three years that the Arrow can intercept the Syrian missiles.

EAST JERUSALEM FREE OF RIOTS ON ANNIVERSARY OF ANNEXATION By Gil Sedan

JERUSALEM, June 28 (JTA) -- A general strike gripped East Jerusalem on the 21st anniversary of its annexation by Israel. But expected rioting did not materialize, due in large measure to the massive police presence.

Police Minister Haim Barlev said this represented a failure for the underground leadership of the Palestinian uprising. Their "Communique No. 20," circulated earlier in the week, urged public disorder on the anniversary date.

But it also gave security forces plenty of time to prepare for trouble.

"Jerusalem is unified and will remain unified," Barlev declared. He said that in addition to taking security precautions, the police and the municipality were trying to make personal contacts with various Arab leaders to convince the people that in the long run, violence does not pay.

A motorcade of Herut activists drove through East Jerusalem streets honking horns and waving Israeli flags. Police turned them back when they reached the outskirts of an Arab village, Jabel Mukabar.

In Nablus, meanwhile, a 17-year-old Palestinian youth was wounded Tuesday in a clash with Israeli soldiers. The incident occurred in the town's casbah or old quarter.

According to a military spokesman, Israel Defense Force soldiers were attacked by crowds of Arab youths who rushed out of the narrow alleyways, throwing stones and wielding sticks.

The soldiers opened fire to disperse the attackers, wounding one, the spokesman said. Sources at Ittihad hospital in Nablus said two Arab youths were brought in with gunshot wounds in their legs. There was no official confirmation.

Meanwhile, the state has appealed a 20-month prison sentence imposed on Gal Nitzan, who was found guilty of selling weapons to terrorists. The prosecution contended that the sentence was much too light and said the court put too much weight on Nitzan's personal problems.

One of the weapons he sold was used in the murder of Yigal Shahaf in the Old City several months ago.

BEHIND THE HEADLINES: PLO AIDE'S CALL FOR DIRECT TALKS WITH ISRAEL GETS A SECOND LOOK By David Landau

JERUSALEM, June 28 (JTA) -- Japanese Foreign Minister Sosuke Uno's one-day visit to Israel on Sunday was remarkable in several respects. But one aspect of the historic visit, reported only briefly by the news media here, is worthy of note and comment, for it may well be a harbinger of a new and different phase in the diplomacy surrounding the Israeli-Palestinian conflict.

At a meeting with Palestinian leaders in the West Bank, the Japanese foreign minister discussed the content of a document issued just a few days earlier by a rising star in the Palestine Liberation Organization, Bassam Abu Sharif.

Uno's interlocutors told reporters after the meeting that the Japanese minister expressed keen interest in the document, which is entitled "Prospects for a Palestinian-Israeli Settlement."

It calls for direct talks between Israel and the PLO, and envisions a two-state solution with strong international guarantees.

PLO chief Yasir Arafat was quoted Sunday as saying that in the wake of the Abu Sharif document, "the United States ought now to make a gesture toward the PLO."

This seemed very close to an outright endorsement of the document by Arafat.

When the document was first published last week, the U.S. State Department termed it "constructive," but questioned whether it was in fact "authoritative," hinting thereby that Arafat must clearly endorse it if it is to have real weight in American eyes.

Arafat's radical rivals, meanwhile, have roundly condemned the Abu Sharif paper. On the extremist end of the Palestinian movement, the Abu Nidal group has threatened implicitly to assassinate the author for what is seen as a grave violation of pristine PLO dogma.

Spurns Jordanian Role

The Abu Sharif document was first circulated, unsigned, during the Arab summit earlier this month in Algiers. Later it was communicated to the U.S. government and to various news media as authored by Abu Sharif, who is a close aide and spokesman for Arafat.

The document spurns a Jordanian role in the peace process. But it holds out the prospect of direct negotiations between Israel and the PLO, and the eventual creation of an independent Palestinian state, living at peace alongside Israel.

Israeli official reactions to date have been largely dismissive. Premier Yitzhak Shamir said it "contains nothing new." An aide to the premier described it as "cleverly written with an American audience in mind."

Abu Sharif, in his paper, is careful not to distinguish between the Israeli parties, urging talks with whichever side is elected in November.

"We are ready to talk to Mr. Shimon Peres' Labor Alignment, and Mr. Yitzhak Shamir's Likud bloc, or anyone else the Israelis choose to represent them," he writes.

On the settlement issue, Abu Sharif writes that the Palestinians want "lasting peace for themselves and the Israelis, because no one can build his own future on the ruins of another's."

"The means by which the Israelis want to achieve lasting peace and security is by direct talks, with no attempt by any outside party to impose or veto a settlement. The Palestinians agree," he writes. "The key to a Palestinian-Israeli settlement lies in talks between the Palestinians and the Israelis."

The only reason, Abu Sharif continues, that the PLO has not publicly accepted U.N. Security Council Resolutions 242 and 338 is because "neither resolution says anything about the national rights of the Palestinian people."

Abu Sharif also responds to the Israeli "fear that a Palestinian state would be a threat to its neighbor." He writes that the Palestinians "would be open to the idea of a brief, mutually accepted transitional period during which an international mandate would guide the occupied Palestinian territories."

"Beyond that, the Palestinians would accept -- indeed insist on -- international guarantees for the security of all states in the region . . . including the deployment of a United Nations buffer force on the Palestinian side of the border."

**SOVIETS TO RETURN JEWISH CENTER
FIRST REQUISITIONED IN 1947**

NEW YORK, June 28 (JTA) -- A former Jewish community center in Moscow will be returned to its owner, Moscow's famous Choral Synagogue, 47 years after it was requisitioned by the Soviet authorities to serve as a hospital for war casualties.

An agreement was reached last week between Rabbi Arthur Schneier, president of the Appeal of Conscience Foundation, and Mayor Valery Saikin of Moscow for the transfer, which has been approved by the Moscow City Council.

Schneier said his congregation will help pay for restoring the 100-year-old building, which stands next to the Choral Synagogue, the largest in the Soviet Union, on Arkhipova Street.

It will send architects and construction specialists to Moscow for that purpose.

Schneier, who is rabbi of the Park East Synagogue in Manhattan, said he began to campaign for the return of the building 18 months ago, in talks with Konstantin Kharchev, chairman of the Council of Religious Affairs of the Soviet Council of Ministers.

Earlier this month, the Soviet government returned property to the Russian Orthodox Church that it has controlled since the 1920s.

"It's part of a process that seeks to align religious believers with perestroika (reconstruction) and the rebuilding of Soviet society," said Schneier, whose foundation promotes religious freedom worldwide.

He said it was unlikely the synagogue's annex would have been returned five years ago.

The building, which was requisitioned in 1941, now houses a medical school. The two doors connecting it to the synagogue are sealed.

The transfer will be finalized when Mayor Saikin signs a contract with Rabbi Adolph Shayeivich of the Choral Synagogue.

**EUROPEAN COMMUNITY LEADERS CALL
FOR INTERNATIONAL PEACE CONFERENCE**
By David Kantor

HANOVER, June 28 (JTA) -- The European Community resolved Tuesday to work for a United Nations-sponsored international peace conference to resolve the Middle East conflict.

That policy statement was issued by the heads of state and government of the 12 E.C. member-states on the second day of their summit meeting here. It was drafted by the E.C. foreign ministers.

The statement declares that "the status quo in the occupied territories cannot be sustained," apparently a reference to the Palestinian uprising against Israeli rule in the West Bank and Gaza Strip.

The 12 nations pledged to continue to work "on the basis of their established positions . . . toward the early convening, under United Nations auspices, of an international conference, which is the suitable framework for the necessary negotiations between the parties directly concerned, and is essential to bring about a comprehensive, just and lasting peace in the region.

"The 12 will support all initiatives to this end," the communiqué said.

The forum at which the statement was issued was the periodic gathering of European leaders to consider collective positions on international problems.

**GENERAL STRIKE IS POSTPONED;
HEALTH CARE PANEL IS STYMIED**
By Hugh Orgel

TEL AVIV, June 28 (JTA) -- A general strike by some 400,000 public sector employees, called for Sunday, has been postponed until July 6, Histadrut announced Tuesday.

The labor federation said the three-day breathing spell is to allow more time for wage negotiations with the government. But employees will stop work briefly on Sunday to hold "informational meetings" at their work places.

Histadrut has not decided whether to limit the mass walkout to 24 hours or declare an open-ended strike to last until the government approves worker demands. These include wage increases, expanded fringe benefits and improved working conditions.

Meanwhile, the nation's health care crisis is continuing, with no end in sight. State-run and Histadrut hospitals in central Israel were put on a restricted Sabbath schedule Tuesday. Outpatient clinics were closed and only emergency surgery was performed.

Finance Minister Moshe Nissim has refused to consider wage hikes for doctors on the grounds that they would trigger similar demands from other public employees.

Panel Split Along Party Lines

The special ministerial committee set up at the beginning of the month to find a quick, short-term solution to the health care crisis has become deadlocked.

It is split along party lines. Premier Yitzhak Shamir backs his Likud colleague, Finance Minister Nissim, who will not countenance budgetary increases. Foreign Minister Shimon Peres and fellow Laborite Shoshana Arbely-Almoslino, the health minister, support the doctors.

The four ministers met with doctors' representatives Monday. But it was a brief encounter.

"We were summoned to present our plans for reducing the lengthy queue for operations and health treatments in the public service hospitals, but we were dismissed after only seven minutes," a spokesman for the physicians said. "This is no way to find a solution to the health crisis."

WOMAN IS NO BAR TO RABBI'S CANDIDACY
By Hugh Orgel

TEL AVIV, June 28 (JTA) -- The Chief Rabbinate has given Rabbi Yisrael Lau permission to stand for election as Ashkenazic chief rabbi of Tel Aviv, where the electoral body now includes a woman.

Lau, who is chief rabbi of Netanya, is considered the leading candidate for the prestigious post. But although a liberal within the context of Orthodox Judaism, he was reluctant to enter his name, because of the possibility the Chief Rabbinate would raise objections to a woman elector.

The Jerusalem rabbinate was indeed unhappy. But it agreed to let Lau run, because a less suitable rabbi might be appointed if he does not.

In an unrelated development, the Jerusalem rabbinate has canceled the kashrut license of the Conservative movement's youth hostel on Agron Street.

No explanation was given. The hostel has had a kashrut license since it started operating 14 years ago.