

REAGAN BUDGET PROPOSES \$3 BILLION FOR ISRAEL, \$380,000 FOR REFUGEES

By Howard Rosenberg

WASHINGTON, Jan. 9 (JTA) -- President Reagan, in submitting his last budget to Congress on Monday, recommended that Israel continue to receive \$3 billion in foreign aid.

Deputy Secretary of State John Whitehead, at a briefing on the foreign aid requests for the 1990 fiscal year, ruled out a proposal to cut Israel's economic aid for the current fiscal year by 2 percent, which could have cost the Jewish state \$36 million of its \$1.2 billion in Economic Support Funds.

In addition, Israel has been concerned about seeing its economic aid in 1990 cut by around \$100 million, as part of a formula to give the State Department more discretion in its foreign aid budget. Currently, Congress earmarks funds to specific countries, including Israel and Egypt.

Under the Reagan budget, Egypt is designated to receive the \$2.3 billion in aid that it has been receiving in recent years.

In overall terms, Israel did not want to see any major cuts in foreign assistance to other countries, which would create greater resentment at Israel's share. The 1990 budget request is for \$19.4 billion for international affairs, \$14.8 billion of which would go for foreign aid.

No country was eliminated from this year's foreign affairs budget, State Department officials noted at the briefing.

The most recent budgets, for the 1988 and 1989 fiscal years, had \$18.1 billion designated for international affairs, including \$14.3 billion for foreign aid.

Despite the welcome news for supporters of Israel, its \$3 billion in grants could be cut at any later step in the annual budget cycle. Congress has until Oct. 1, when the 1990 fiscal year begins, to act on the White House budget request.

Refugee Budget Increased

A portion of the budget that gained enhanced interest last year was the allocation for refugee resettlement, which affects Soviet Jews who want to enter the United States.

The 1990 budget request is for \$380,000 for refugee assistance, including \$10,000 for emergency situations. By comparison, the United States estimates that it will spend \$361,950 this year to resettle refugees, with an additional \$50,000 available for emergencies.

The State Department estimates that 22,500 refugees will be admitted from Eastern Europe in 1990, compared to the 28,239 whom it admitted in the 1988 fiscal year. In this fiscal year, it estimates admitting 22,500 refugees from those countries.

As of Jan. 1, 270 Soviet Jewish emigrants had been denied refugee status on the grounds that they could not prove a "well-founded fear of persecution."

While previously Soviet Jews had been automatically granted refugee status, the more difficult standard for admitting refugees was applied to weed out applicants to meet the budget crunch.

Some 4,000 Jews are in Rome waiting to be

processed, said Jennifer Kane, spokeswoman for the Union of Councils for Soviet Jews. She said that another 600 are waiting in Moscow.

But to expedite the situation, Attorney General Richard Thornburgh announced that an additional 2,000 Soviet emigres a month would be allowed to enter the United States, which would include all Soviet Jews in transit in Rome.

ARAFAT HAS INSTRUCTED AL FATAH TO END TERRORISM AGAINST ISRAEL

By Gil Sedan and Hugh Orgel

JERUSALEM, Jan. 9 (JTA) -- Yasir Arafat has instructed his terrorist corps, Al Fatah, to halt all military operations against Israeli and Jewish targets abroad, Israel has learned.

The Palestine Liberation Organization leader's move was confirmed by senior Israel Defense Force officers, who briefed the Cabinet Sunday.

The report is the first indication that the PLO is cutting terrorist activities since Arafat explicitly renounced all forms of terrorism at the U.N. General Assembly session in Geneva Dec. 14.

The IDF chief of staff, Gen. Dan Shomron, and other ranking IDF officers said Arafat's orders have been obeyed. But at the same time, Arafat instructed his followers in the West Bank and Gaza Strip to continue and intensify the Palestinian uprising.

The PLO seems to be in a quandary over continuing attacks along Israel's borders, because it does not want to spoil its newly won dialogue with the United States, based in large measure on Arafat's renunciation of terrorism.

Arafat has told the Americans, on the other hand, that the uprising is not terrorism and that, in any event, he has no control over it.

According to the IDF officers, the situation on the northern border remains unclear. They said they would not be surprised if some Fatah units joined more radical Palestinian groups attempting to infiltrate. The idea is to see how the United States would respond.

Contacts With Palestinians

Meanwhile, Defense Minister Yitzhak Rabin is reported to have resumed contacts with non-PLO Palestinians from the territories to explore the possibility of a dialogue excluding the PLO.

According to Haaretz, the meetings have taken place in Rabin's Tel Aviv office. The Palestinians have not been identified to protect them from reprisals.

One of the subjects discussed is the possibility of local elections in the territories from which a non-PLO Palestinian leadership could emerge, Haaretz military correspondent Dan Sagor said.

The PLO has forbidden discussions about Israeli-sponsored elections. Yet other Israeli officials are talking to Palestinians known to be supporters of Arafat.

Al Hamishmar reported that Deputy Finance Minister Yossi Beilin, a close associate of Shimon Peres, met recently with Palestinians described as pro-PLO centrists.

They included Hanna Seniora, editor of the East Jerusalem Arabic daily Al-Fajr.

In addition, members of the civil administra-

tion in the territories, including Shmuel Goren, coordinator of activities, met recently with Arafat supporters, and members of both the Palestinian Communist Party and of Hamas, according to Al Hamishmar.

Hamas, a Moslem fundamentalist group, has challenged the PLO for leadership of West Bank Palestinians.

The Israelis sought to clarify one of the main issues, the "right of return," which none of the Palestinians seemed willing to forego, the paper reported.

SPANISH FOREIGN MINISTER INVITES ARAFAT TO MADRID FOR PEACE TALKS
By Yossi Lempkiewicz

BRUSSELS, Jan. 9 (JTA) -- Spain is moving swiftly at the head of a European Community effort to bring Israelis and Palestinians together to talk peace.

Spanish Foreign Minister Francisco Fernandez Ordonez has invited Palestine Liberation Organization chief Yasir Arafat to Madrid for talks Jan. 27, E.C. sources disclosed here Monday.

Fernandez himself will be going to Jerusalem Jan. 15 for talks with Israeli leaders.

The Spanish foreign minister assumed the rotating chairmanship of the Brussels-based E.C. Council of Ministers on Jan. 1, taking over from Foreign Minister Karolos Papoulias of Greece. Foreign Minister Roland Dumas of France will succeed Fernandez July 1.

The three foreign ministers constitute the "troika" mandated by their E.C. partners last month to consult and confer with Israel, the PLO and all other parties concerned to help resolve the Middle East conflict.

The troika is expected to visit Syria, Jordan and Egypt and will to talk to Arafat in Madrid.

Arafat's new stature in diplomatic circles stems in large measure from the American decision last month to open a dialogue with the PLO.

The flurry of activity this month is in preparation for the Feb. 14 meeting of the 12 E.C. foreign ministers in Madrid.

According to a well-informed source here, the foreign ministers may use that gathering to launch an initiative for an international conference for Middle East peace under U.N. auspices.

Dutch May Meet Arafat

Meanwhile, diplomatic sources here hinted Monday that Dutch Foreign Minister Hans van den Broek may meet Arafat later this month in Tunis.

Speculation over such an encounter followed a meeting in Tunis Sunday and Monday between a delegation of senior Dutch-Foreign Ministry officials and PLO representatives.

The official objective of the Dutch mission was to find out if the PLO has really changed its attitude toward Israel.

In Amsterdam, representatives of the Jewish community expressed concern last week over the growing contacts between the Dutch government and the Palestine Liberation Organization.

A delegation representing five national Jewish organizations was received last Thursday by van den Broek prior to his departure for a conference in Paris.

The Netherlands has long been considered the most pro-Israel of the European Community nations.

(JTA correspondent Henrietta Boas in Amsterdam contributed to this report.)

FOUR KNESSET MEMBERS EN ROUTE TO PARIS FOR MEETINGS WITH PLO
By Gil Sedan

JERUSALEM, Jan. 9 (JTA) -- Four leftist Knesset members are going to Paris for a conference to be attended by members of the Palestine Liberation Organization, despite threats of criminal prosecution when they return home.

They are Ora Namir and Arieh Eliav of the Labor Party, Yair Tshaban of Mapam and Shulamit Aloni of the Citizens Rights Movement.

Three of them are scheduled to leave Tuesday. One is already in Paris. The conference, at the French Senate, will be hosted by Gaullists Jacques Chaban-Delmas and Simone Veil.

Thirty-two Knesset members from Likud and parties further to the right tried to prevent their colleagues' departure. They petitioned the ministers of justice and police and the attorney general last week to bar them from leaving the country.

Failing that, they are expected to demand that the four be prosecuted under the 1948 prevention of terrorism ordinance.

Israeli law forbids citizens from contact with members of terrorist organizations. But it has rarely been enforced against Knesset members.

The attorney general, for example, did not ask to have Hadash Communist Charlie Biton or Mohammed Miari of the Progressive List for Peace stripped of their parliamentary immunity after they met with PLO chief Yasir Arafat a year ago.

Instead, he cited court rulings that a Knesset member acting in the framework of his duties should not be prosecuted.

But Labor hawks are uneasy. They have demanded that the party's Knesset faction meet soon to discuss the issue of its members meeting with PLO representatives.

TV SPECIAL ON ACHILLE LAURO PLANNED
By Ruth E. Gruber

ROME, Jan. 9 (JTA) -- Television's insatiable maw will be filled with a dramatized account of the Achille Lauro tragedy later this year.

According to the news reports here, the 1985 hijacking of the Italian cruise ship by Palestinian terrorists will be made into a three-hour, two-part mini-series.

It will be an international venture, jointly produced by RAI, the Italian state television; France's TF-1; Beta-Taurus of West Germany; and the Tribune Network, which is American.

The estimated cost for the series is \$10 million.

Alberto Negrin, who will direct, was quoted by Il Messaggero as saying the production will recount the affair as faithfully as possible.

"Our script was based on all the articles written and, above all, on the interrogations and court documents in Genoa," he said. But he added, "This does not mean that it will be an investigative or documentary film."

The Achille Lauro was seized by terrorists in Egyptian waters in October 1985. One of its passengers, Leon Klinghoffer, an elderly American Jew confined to a wheelchair, was shot to death and thrown into the sea.

Leading roles for the TV special will include Klinghoffer; the young terrorist who murdered him; Mohammed (Abul) Abbas, the Palestinian who masterminded the hijacking; and Yasir Arafat, chairman of the Palestine Liberation Organization.

**ARENS RULES OUT TALKS WITH PLO,
IS MUTE ON CHEMICAL ARMS CAPABILITY**
By Edwin Eytan

PARIS, Jan. 9 (JTA) -- Israeli Foreign Minister Moshe Arens emphatically ruled out the Palestine Liberation Organization as a possible partner in peace negotiations.

He also refused to say whether or not Israel has chemical weapons of any kind. But he said the Jewish state would abide by any international agreements banning the production and use of chemical weapons.

Arens is representing Israel here at an international conference to ban chemical weapons, attended by 141 nations. He is also using the occasion for high-level diplomatic contacts.

He followed an apparently successful meeting with Soviet Foreign Minister Eduard Shevardnadze Sunday by one Monday morning with Foreign Minister Qian Qichen of the People's Republic of China.

While it was described as cordial, it produced few concrete results. Both sides failed to agree on the role the PLO should play in the search for a Middle East peace settlement.

Nevertheless, Qian and Arens agreed, at the Chinese official's suggestion, to remain in contact through their respective missions to the United Nations.

Arens continued to blast the PLO at a news conference Monday. He alleged it has "perpetrated some of the worst atrocities since the second World War."

Meetings With Turkish Official

He contended that contacts by other countries with the PLO give it a certain amount of respectability, and recognition. According to Arens, that is counterproductive to the search for peace in the Middle East.

Arens said he has relayed that point of view to all of the foreign leaders he has met here.

He may have clashed on that issue with Foreign Minister Mesut Yilmaz of Turkey, which recognized the independent Palestinian state proclaimed by PLO chief Yasir Arafat in Algiers in November.

Arens reportedly told the Turkish foreign minister, whose country has diplomatic relations with Israel, that its position is considered unfriendly.

Arens said he also asked other countries to abstain from any new peace initiatives to give the Israeli government time to work out its own peace plan, which he promised will be unveiled shortly.

A half dozen of the Arab states attending the conference charged that Israel is stockpiling chemical weapons. According to Tarik Aziz, the Iraqi foreign minister, Israel has used them against the Palestinian population in the West Bank and Gaza Strip.

Arens' response was deliberately evasive, as has been Israel's response over the years to claims that it has stockpiled nuclear weapons.

The foreign minister refused to give a flat yes or no when asked directly if Israel possesses chemical weapons. He said the conference should concentrate on countries which have such weapons and have already used them. He mentioned Iraq and Libya in that connection.

As for Israel, "those who attack us will find us ready to defend ourselves, as we have always been," Arens said.

**ISRAELI HOPES RAISED BY TALK
OF NORMALIZATION WITH USSR**
By David Landau

JERUSALEM, Jan. 9 (JTA) -- Foreign Minister Moshe Arens' meeting with his Soviet counterpart, Eduard Shevardnadze, in Paris on Sunday has raised hopeful speculation in government circles here about the future of Soviet-Israeli relations.

Arens is known to have cabled a very favorable report of his talk with Shevardnadze.

The two agreed to "normalize" relations and improve the working conditions of their respective consular missions.

This has been taken to mean that the Israeli Embassy building in Moscow, vacant for the past 21 years, will be restored and that the consular missions' severely limited activities will be expanded.

The Israeli consular delegation has been in Moscow since late July. A similar Soviet delegation set up shop near Tel Aviv in June 1987.

The Israeli mission has been working out of hotel rooms since arriving in Moscow. Its deputy head, Yisrael Mei-Ami, told an interviewer Monday that visitors must wait in the corridor "in the cold, sometimes for hours on end."

The Jerusalem Post reported Monday that Soviet workmen were seen restoring electric power to the ground floor of the embassy building last week. The report raised hopes that the building will soon revert to its original functions.

Arens reportedly assured the Soviet foreign minister that Israel is preparing a new peace plan for the Middle East, which would "take account of the changing circumstances" in the region.

Arens, in Paris for an international conference on banning chemical warfare weapons, has met with ranking diplomats of many countries. He has spoken to each of them of a new Israeli peace plan to be unveiled shortly.

This has led Geula Cohen of the ultranationalist party Tehiya to demand Arens' recall, "because he is presenting a new Israeli plan before it has been shown to the Cabinet and the Knesset."

COVERAGE BUT NO FANS AT MOSCOW MATCH
By Hugh Orgel

TEL AVIV, Jan. 9 (JTA) -- The championship Maccabi Tel Aviv basketball team has gotten its visas to play the champion CSKA Red Army team in Moscow on Thursday.

But they are going there without the moral support of Israeli fans.

The Soviet authorities issued 25 visas to the Israeli players, their coaches and staff. But, reversing an earlier promise, they rejected the applications of 180 Israelis who wanted to travel to Moscow with the team.

The Soviets had originally offered visas and package tours. But apparently they had second thoughts about a large crowd of Israelis cheering in Hebrew and waving flags under the eyes of television cameras.

They also refused visas to Israeli newspaper correspondents. But three Israel Radio and Israel Television newscasters have been granted entry. They will have the services of Russian technicians for a live broadcast to Israel.

Thursday's match will be the first ever played by an Israeli basketball team in Moscow. The CSKA team is scheduled to come to Israel for a return match in Tel Aviv in March.

UPRISING ENTERS ITS 14TH MONTH WITH A STRIKE AND MORE WOUNDED By Gil Sedan

JERUSALEM, Jan. 9 (JTA) -- At least 12 Palestinians were wounded in fierce clashes with Israeli security forces Monday, as the Palestinian uprising entered its 14th month.

Arab sources put the wounded at 15 or more. The West Bank and Gaza Strip were shut down, meanwhile, by a general strike that seemed to be 100 percent effective.

The strike was observed in response to Leaflet No. 32 issued by the underground command of the intifada, as the Palestinians call their uprising.

The leaflet urged the two rival factions in the intifada, Yasir Arafat's Al Fatah and Hamas, a Moslem fundamentalist group seeking to supplant the secular Palestine Liberation Organization, to set aside their differences.

The call for unity was heeded. Shops were shuttered throughout the territories. There was no public transportation, and many Arab workers stayed home from their jobs in Israel.

Nevertheless, some 300,000 students were expected to return to classes in the West Bank on Tuesday.

NEO-NAZI COMPUTER GAMES NOW ARE BIG HIT IN WEST GERMANY By David Kantor

BONN, Jan. 9 (JTA) -- Neo-Nazis have found a new outlet: computerized games with anti-Semitic or racist overtones that feature forbidden Nazi symbols and propaganda.

BPS, a government office that monitors material considered unsuitable for German youth, warned that the games are proliferating and have become popular among an increasing numbers of youngsters.

The games have names such as "Clean Germany," "The Nazi" and "Anti-Turkish Test." Turks, who came here mainly as guest laborers, are the largest national minority in the Federal Republic and are currently the target of virulent xenophobia.

According to BPS, many of the computer programs include passages from Hitler's speeches and feature Nazi symbols, which are banned. The producers of these programs use models from North America altered to suit their own ideas.

One game asks the player, "Should your SS men persecute Jews? (Y/N)."

In another, players are asked to choose among several concentration camps to send their victims.

In addition, neo-Nazi activists are using electronic mailbox services to exchange programs and messages.

AFTER 15-YEAR BATTLE, COURT OKs JERUSALEM SOCCER STADIUM By Gil Sedan

JERUSALEM, Jan. 9 (JTA) -- After a 15-year controversy, Jerusalem will finally have a new, modern soccer stadium despite objections from many of its Orthodox residents.

The High Court of Justice ordered the Interior Ministry Monday to give final approval to the project.

The court's ruling ended the long-running battle between secular and religious circles over

the projected new soccer stadium in the Malha neighborhood.

Orthodox Jews objected in principle because soccer is played on Saturdays -- the only day off for most Israelis -- in violation of the Sabbath.

Observant Jews, especially in the nearby Bayit Vagan neighborhood, had protested most vigorously because they will be within earshot of the new stadium, thus ruining the quiet of their Shabbat.

The Interior Ministry, which traditionally is controlled by the religious parties, argued that plans for the stadium be held in abeyance until final planning for the entire area is completed.

But the High Court rejected that as "unreasonable."

The municipality promptly announced that Jerusalem fans would be enjoying soccer in their new stadium by next fall.

But first, the city has to raise funds to build it. It hopes to get contributions from abroad as well as proceeds from the local sports lottery.

U.S. TO BUY MINE SWEEPERS FROM ISRAEL By Hugh Orgel

TEL AVIV, Jan. 9 (JTA)-- The U.S. Army and Marine Corps have ordered 400 mine-sweeping plows designed and manufactured in Israel, and are expected to order 1,000 more in the near future.

The \$30 million-plus contract went to Ramta Structures and Systems, a unit of Israel Aircraft Industries, which has been supplying the plow to the Israel Defense Force for years.

Ramta said it would fill the first order within 18 months and would increase production to one plow a day.

Known as the TWMP (Tread Width Mine Plow), the device is mounted on the front of tanks. It was designed after the Yom Kippur War in 1973.

The Israelis got the idea from mine plows on captured Soviet-made tanks, which they found to be primitive and inefficient.

INFANTS TREATED FOR HYPOTHERMIA By Hugh Orgel

TEL AVIV, Jan. 9 (JTA) -- The cold wave sweeping Israel is threatening the lives of very young children.

Five infants, Jewish and Bedouin, ranging in age from 4 days to 1 year old, are being treated for severe hypothermia, or frostbite, at Soroka Hospital in Beersheba.

One Jewish infant is reported to have suffered brain damage because of the freeze. They were brought to the hospital because they became drowsy, stopped feeding and showed no response to stimuli.

Hospital officials said frostbite is not uncommon in the Negev. Between 15 and 20 children are admitted for treatment each winter.

According to a Soroka spokesman, 30 to 70 percent of frostbitten children in underdeveloped countries die. The death rate has dropped to 5 percent at the Beersheba hospital, since a children's intensive care unit was established in 1983.

With the weather bureau forecasting another severe winter storm this week, with high winds and subzero temperatures, doctors are instructing parents keep their infants in rooms with temperatures of 72 degrees Fahrenheit and away from external walls.