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SOVIET JEWRY MOVEMENT TO RE-EXAMINE STANCE ON U.S.-SOVIET TRADE RELATIONS

By Susan Birnbaum

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NEW YORK, Jan. 10 (JTA) -- The National Conference on Soviet Jewry has agreed to re-examine its stance against improving U.S.-Soviet trade relations in light of recent positive changes taking place in the way the Soviets treat their Jewish population.

The decision to reassess its position was reached during a meeting Tuesday morning of the National Conference and 19 national organizations and constituent groups.

Mark Levin, director of the National Conference's Washington office, said the decision was not to abrogate or even presently waive the 1974 Jackson-Vanik amendment, which denies U.S. trade privileges to the Soviet Union until it makes substantial progress in increasing Jewish emigration.

But Levin said the conference is assessing positive changes in conditions for Soviet Jews, at a time when a new administration and new Congress are coming into office in Washington.

The conference released a statement Tuesday afternoon saying that it "and its constituent agencies, as a united community, are currently reviewing and assessing U.S.-Soviet trade policy in acknowledgment of positive steps towards improving the (cultural and religious) rights of the Soviet Jewry minority."

The announcement followed separate meetings key world Jewry leaders held earlier this week with representatives of the U.S. Commerce Department and the U.S.-Soviet Trade and Economic Council.

Meetings With Commerce Chief

On Monday, the National Conference's top leaders -- Chairwoman Shoshana Cardin, Executive Director Myrna Shinbaum and Levin -- met in Washington with C. William Verity, outgoing secretary of commerce.

Cardin described it as "a very cordial, amicable meeting in which he expressed his appreciation to the conference for assisting him when he needed information and advising us that it probably was time for us to take the initiative in certain areas."

Cardin said Verity "didn't specify which areas."

She said he promised to alert incoming Commerce Secretary Richard Mosbacher on the "helpful role that we play."

"We are heading into recognition of the fact that there has been a sea change in the Soviet Union, that we have a responsibility to assess where we are and to reassess those actions and what has been promised," said Cardin.

"I don't think that we are going to limit ourselves to numbers. I think it more important that we see sustained activity," she said.

Representatives of the Union of Councils for Soviet Jews also met earlier this week with Verity, but were unavailable for comment Tuesday afternoon.

On Monday night, key players in the Soviet Jewry movement met in Edgar Bronfman's Manhattan penthouse apartment with Wayne Andreas,

chairman of the U.S.-Soviet Trade and Economic Council. Andreas is also chairman of Archer Daniel Midlands, an American firm that deals in export of wheat.

The meeting was convened to "clarify what the Jewish community wants in exchange for changes on our part on the question of trade policy with the Soviet Union," an informed source said.

Participating were Bronfman, who is president of the World Jewish Congress; Morris Abram, past chairman of the National Conference; Cardin; Simcha Dinitz, chairman of the World Zionist Organization-Jewish Agency Executive; Mendel Kaplan, chairman of the Jewish Agency Board of Governors; and Seymour Reich, president of B'nai B'rith International and chairman of the Conference of Presidents of Major American Jewish Organizations.

HUGE COSTS OF RESETTLING REFUGEES AT CENTER OF JEWISH AGENCY MEETINGS

By Andrew Silow Carroll

NEW YORK, Jan. 10 (JTA) -- Huge increases in Soviet Jewish emigration are leading to tensions between Israel and the Diaspora, as worry mounts about the tremendous costs of absorbing the immigrants, the majority of whom choose to settle in the United States.

The tension is coming to a head this week in New York, where Jewish Agency officials have gathered for an executive committee meeting.

The Jewish Agency meeting, which began Tuesday, is led by Simcha Dinitz, chairman of the World Zionist Organization-Jewish Agency Executive.

Dinitz made clear in Israel before the meeting that he objects to any efforts on the part of American philanthropic agencies to divert some of the funds normally allocated to Israel and other overseas needs to pay for the rising costs of refugee resettlement.

Roughly half of the funds, collected by federations and the United Jewish Appeal in North America are allocated for overseas needs. Those funds account for two-thirds of the Jewish Agency's total budget.

As many as 38,000 Soviet Jews are expected to be allowed out of the Soviet Union in 1989, compared to nearly 19,000 last year. To the chagrin of Israeli leaders, 90 percent will choose to live in the United States.

According to some estimates, the cost to the American Jewish community of resettling those immigrants could be as high as \$140 million.

Cut In Allocations Considered

Jewish federations in this country are faced with a number of options. Dinitz objects most strongly to any effort by federations to skim off their allocations to the United Jewish Appeal to pay for domestic resettlement.

There has been talk of such an arrangement, as Jerry Levinrad, director of refugee resettlement programs at the Council of Jewish Federations, told the Jewish Telegraphic Agency.

Dinitz also objects to a "separate line campaign," a proposal to hold a simultaneous appeal on behalf of resettlement in addition to

the annual UJA drive. The model for such appeals is Project Renewal, which allows campaign contributors to give a separate gift on behalf of a designated community in Israel.

Jewish Agency officials are concerned that a separate line would only dilute total gift giving. Instead, Dinitz suggested last week that the federations dip into their capital funds and investments to make up the shortfall.

Supporters of a separate-line campaign argue that the Jewish community has not yet reached the level of "giving till it hurts," and could be persuaded to increase its overall contribution level.

The battle lines in this country are not clearly drawn, however. Officials of the UJA, which was established to help Jews overseas and is in business to aid Israel, are not expected to welcome efforts to diminish the funds they channel to Israel through the United Israel Appeal.

These suggestions and others were expected to be discussed during meetings Tuesday and Wednesday. The results may not be known until Thursday, when Dinitz and Mendel Kaplan, chairman of the Jewish Agency Board of Governors, are to hold a news conference.

Transit Center In Israel

Among Dinitz's most surprising proposals is one that the Jewish Agency begin running the centers in Vienna and Rome where Soviet Jews await processing for their trips to Israel or the United States.

Dinitz has even suggested that a transit camp be set up in Israel, according to some reports. There Soviet emigres would be exposed to Israeli life and could then choose to settle there. If not, their coveted refugee status would not be jeopardized, he maintains, because they would be issued only tourist visas and would remain free to emigrate to the United States.

Other Jewish Agency officials and former refuseniks have objected strongly to the proposal.

Responsibility for the transit centers currently falls to the American Jewish Joint Distribution Committee, also a beneficiary of the UJA.

Speaking at Tuesday's Jewish Agency meeting, Sylvia Hassenfeld, president of the JDC, said its expenditures for those in Vienna and Rome will double and possibly quadruple in 1989.

Hassenfeld said that 1988 expenditures of \$12 million were already 12 times those in 1987.

The resettlement issue was also the centerpiece of a UJA executive committee meeting Monday, which Dinitz, Jewish Agency Treasurer Meir Sheerit and other Jewish Agency officials attended as observers.

Presentations were made by officials from HIAS, the Hebrew Immigrant Aid Society; NYANA, the New York Association of New Americans; and the JDC.

ISRAELI ENVOY IN MOSCOW WELCOMES REPORT THAT EMBASSY MAY BE REOPENED By David Kantor

BONN, Jan. 10 (JTA) -- The recent diplomatic offensive by the Palestine Liberation Organization has not changed the increasingly cordial Soviet attitude toward Israel, at least as reflected in the state-controlled media, an Israeli diplomat stationed in Moscow said in a telephone conversation Tuesday.

"If anything, they have become more realistic and they demonstrate their will to have

normal working contacts with us," said Yisrael Mei-Ami, who is deputy head of the six-man Israeli consular delegation that came to Moscow last July.

The Russian-born Mei-Ami, who speaks Russian fluently, said members of the delegation have no regular meetings with Soviet officials on the political level.

But Aryeh Levin, who heads the delegation, reported in Israel last weekend that he recently had discussed political issues with Soviet Foreign Ministry officials.

Mei-Ami said he was buoyed by reports that the Israeli Embassy building in Moscow, vacant since the Soviets severed diplomatic ties in 1967, may be reopened to accommodate the consular mission.

There has been no official word to that effect, but "this is certainly good news," Mei-Ami said.

He said only minor alterations would be needed for the limited services currently provided. But should the Israeli diplomatic presence be enlarged, the building would require extensive renovations.

He said the Israelis would expect the Soviets to install telephones with direct dialing abroad before they moved in.

Would Improve Working Conditions

Soviet Foreign Minister Eduard Shevardnadze reportedly indicated to Israeli Foreign Minister Moshe Arens in Paris over the weekend that the embassy would be restored, in the framework of "normalizing" relations between their countries.

Both ministers are attending an international conference there on chemical weapons.

Mei-Ami said a move by his mission to the embassy building "in addition to the symbolic meaning, would greatly improve our working conditions."

"It would be of great help to all those Soviet citizens who use our service," he said.

The Israeli delegation in Moscow has been operating from the Hotel Ukraine, where its members live. They have no place to receive guests and no direct access to international telephone service.

The delegates spend most of their working day in a small, crowded room at the Dutch Embassy, where Israel has maintained an interest section since 1967.

There is no waiting room for visitors, and visa applicants often have to stand in the cold for hours before being admitted.

ISRAELI TEAM EN ROUTE TO MOSCOW

By Hugh Orgel

TEL AVIV, Jan. 10 (JTA) -- The champion Maccabi Tel Aviv basketball team left for Moscow via Zurich Tuesday to play the Soviet champions, the CSKA Red Army team, in Moscow Thursday.

The contest, part of the European Cup tournament, will be the first time an Israeli team has played in the Soviet Union.

The Soviet authorities issued visas to the 25 Israeli players, coaches and staff, but reneged on an early promise of visas to Israeli fans who wanted to accompany the team.

Israeli journalists were also banned, except for three radio and television sports commentators. But at the last minute, the Soviets granted visas to 11 print journalists whose applications had been stalled.

GERMANS TO INVESTIGATE FIRM'S CONNECTIONS TO LIBYAN PLANT

By David Kantor

BONN, Jan. 10 (JTA) -- West Germany says it is investigating allegations that German firms helped Libya build a plant to manufacture chemical weapons.

Chancellor Helmut Kohl said Monday that his government would discuss the matter in the coming days with a view toward preventing dangerous exports to areas of tension.

But Foreign Minister Hans-Dietrich Genscher declared that Bonn would oppose American attempts to saddle his country with responsibility for helping Libya build a factory the Reagan administration insists is producing poison gas.

Nevertheless, official sources here confirmed Tuesday that a Hamburg company is under investigation.

It is a subsidiary of Imhausen-Chemie, based in the southern city of Lahr, which Washington has singled out as the main source of supply to the alleged weapons plant in Rabta, Libya.

The West German authorities have cleared the Lahr company. The probe of its Hamburg affiliate is being conducted by tax officials rather than by chemical engineers.

Bonn was embarrassed by television pictures from Libya showing a container labeled "Siemens" at the site of the alleged weapons plant. Siemens, a West German firm, is a major producer of chemicals.

Helped Iraq Produce Gas

Television reporters said no one knew where the Siemens container came from. The Libyan authorities had invited a group of journalists to inspect the plant.

The journalists were not allowed to enter the facility, and they reportedly were not convinced of authorities' insistence that it was not producing poison gas.

Die Welt reported Tuesday that an Iraqi businessman involved with the Libyan poison gas project fled his office in Frankfurt last summer, for fear of becoming the target of Israeli or other hit squads.

The man, identified as Ihsan Barbouti, is said to have coordinated international efforts to help the Libyans build their factory. He allegedly dealt with Japanese, British, Swiss, Danish and East and West German companies.

The Iraqi's company, IBI, is currently in liquidation. It had a subsidiary in Hong Kong that might have recruited experts or contracted for material and equipment for the gas plant, Die Welt said.

SHAMIR TO VISIT FRANCE NEXT MONTH; EGYPTIAN OFFICIAL MAY COME TO ISRAEL

By Edwin Eytan

PARIS, Jan. 10 (JTA) -- Israeli Prime Minister Yitzhak Shamir will pay an official visit to France next month at the invitation of President Francois Mitterrand, it was announced here Tuesday.

Mitterrand, who aspires to play a peace-making role in the Middle East, extended the invitation during an hour-long meeting with Israeli Foreign Minister Moshe Arens at the Elysee Palace Tuesday morning.

The meeting was the last of Arens' four-day visit here. During his stay, the Israeli diplomat

met with the foreign ministers of the Soviet Union, the People's Republic of China, a half dozen Western European countries and with U.S. Secretary of State George Shultz.

All were attending an international conference on the proliferation of chemical weapons.

Arens also conferred twice with the foreign minister of Egypt, Esmat Abdel Meguid.

After their second meeting, a 90-minute breakfast session at the Egyptian's hotel Tuesday, Meguid said he might visit Israel to continue their consultations. No date was set.

Both ministers described their talks as "very friendly," in spite of basic differences.

The two spoke privately, without aides or translators. They did not apparently discuss the possibility of a summit meeting between Shamir and President Hosni Mubarak of Egypt.

Taba Dispute Discussed

They did, however, review the current situation in the Middle East and discuss the Taba settlement, over which Israel and Egypt still have to agree on certain details.

Taba, a disputed strip of beach near Eilat, was awarded to Egypt by an international arbitration panel last year.

Roni Sobel and Nabil el-Arabi, the legal advisers to the Israeli and Egyptian foreign ministries respectively, are meeting in Paris on the remaining issues, but have failed so far to reach agreement.

Egyptian sources told the Jewish Telegraphic Agency that the sticking point is Israel's insistence in retaining part ownership of the Sonesta Hotel, a resort built by Israelis and its demand that Israelis have access to Taba without passports or visas.

According to the Egyptians, this solution seems "out of the question" right now and will have to be reviewed at a higher ministerial level.

Israelis said meetings between the two sides will be resumed in the near future.

Arens made it clear to Meguid that a favorable resolution of the remaining Taba issues would benefit the peace process and Israeli-Egyptian relations. He also stressed that Israel is in the process of developing its own peace plan.

ANTI-SEMITISM IN WEST BERLIN LEAVES MARK AT THREE LOCATIONS

By David Kantor

BONN, Jan. 10 (JTA) -- Anti-Semitic vandalism was rampant in West Berlin over the weekend, leaving the Jewish community outraged and Mayor Eberhardt Diepgen vowing that no effort will be spared to find and punish the perpetrators.

In one incident, pig carcasses were hung on the Putzitzbruecke memorial to Jews who were transported in trains from Berlin to Auschwitz and other death camps.

The same desecration was found at the Ploetzensee memorial, where hundreds of anti-Nazis were killed, and at the Tiergarten, where a plaque stands in memory of the Jewish-born Communist, Rosa Luxemburg, who was murdered on that spot in 1919.

In addition, the walls were daubed with anti-Semitic slogans such as "Juden Raus" and "Juden-sau."

Local news wire services received anonymous telephone calls claiming responsibility from an unknown group calling itself the "April 20 Movement." April 20 is Hitler's birthday.

**SHAMIR AND RABIN DRESS DOWN
E.C. DELEGATION OVER INTIFADA**
By Gil Sedan

JERUSALEM, Jan. 10 (JTA) -- A visiting delegation of the Parliament of Europe got a tongue lashing from Defense Minister Yitzhak Rabin Tuesday over European criticism of Israel's handling of the Palestinian uprising.

They also encountered a defiant Prime Minister Yitzhak Shamir, who told them that while Israel was willing to listen to ideas for peace put forward by the Europeans, it alone would make the final decisions.

The visitors from the Strasbourg-based Parliament, the legislative body of the 12-member European Community, are here at the invitation of the Knesset for their annual inter-parliamentary dialogue.

The president of the European Parliament, Lord Henry Plumb of Britain, was told by Shamir on Monday that it was hard to see what role the E.C. could play in the Middle East peace process given its "consistent pro-Palestinian policies."

Rabin was especially vociferous. "Stop preaching to us," he told his guests. "We shall not turn tail and run away because Palestinians are throwing stones at us."

Rabin insisted that the Palestinians in the West Bank and Gaza Strip are not struggling for civil rights but "to achieve far-reaching political objectives which pose a threat to Israel's security and Israel's future."

The defense minister also claimed that the measures taken by Israeli security forces to quell the uprising are mild compared to what European powers did in the past.

Rabin was asked how he would have reacted had he been Syrian defense minister. "If the Syrian defense minister were in charge of the territories, and not me," Rabin responded angrily, "Nablus and Ramallah would long ago have been wiped off the face off the map and the intifada would have come to an end."

Shamir told the parliamentary delegation Tuesday that Israel has not yet formulated a peace plan. "We have ideas and principles, but so far no official stand," he said.

**DUTCH FOREIGN MINISTRY OFFICIALS
ARRIVE IN TUNIS AMID MEDIA CIRCUS**
By Henrietta Boas

AMSTERDAM, Jan. 10 (JTA) -- The Dutch news media are displaying avid interest in a Foreign Ministry delegation from The Hague presently visiting Palestine Liberation Organization headquarters in Tunis.

The intensive radio, television and newspaper coverage given the trip seems to have embarrassed Dutch officials and Foreign Minister Hans van den Broek, who sent them to Tunis.

It was supposed to be a low-key, fact-finding mission to test the PLO on a number of issues not made clear in its current diplomatic offensive.

The Netherlands wants to know, for example, how the PLO defines "terrorism."

The PLO, for its part, is interested in maximum publicity to show that the Dutch, always pro-Israel, are now veering toward the Palestinian cause.

The Dutch diplomats who arrived in Tunis Sunday are Henri Weynants, director general of political affairs at the Foreign Ministry, and

Robert Serri, director of its Middle East division.

They were joined in Tunis by the Dutch ambassador, Peter Houben, and his first secretary, Robert Akkerman.

The visitors are scheduled to meet with PLO leader Yasir Arafat, although the time and place has been kept secret for security reasons.

They have already had meetings with Farouk Kaddoumi, the PLO's foreign affairs director and Abu Alapa, the PLO's director of economic affairs.

**HIGH COURT RULES FOR FREE SPEECH,
ALLOWS PUBLIC CRITICISM OF MOSSAD**
By Gil Sedan

JERUSALEM, Jan. 10 (JTA) -- The High Court of Justice ruled Tuesday that the head of Mossad, Israel's foreign intelligence agency, is not immune to criticism by the news media.

In rendering the decision for the court, Justice Aharon Barak said that with a few exceptions, the right to freedom of expression overrides claims of national security.

The High Court upheld an appeal by the Tel Aviv weekly Ha'ir against military censorship. It ruled that a story critical of the Mossad chief whom it said would soon be replaced may be published.

The story, which the military censor had "killed" five times, will appear Friday. The only restriction allowed is that the identity of the head of Mossad cannot be revealed.

The censor contended that public criticism of that official would be detrimental to the functioning of Mossad. Barak rejected the argument, observing that while criticism is unpleasant and sometimes even harmful, its suppression cannot be justified in a democratic society.

The decision was the latest in a series of High Court rulings over the past two years which have eroded the immunity of the secret services.

In 1984, the head of Shin Bet, the internal security service, and several of its operatives were forced to resign for falsifying information on the killing of two Arab bus hijackers by security agents.

More recently, the High Court overturned the conviction of Izzat Nafsu, a Circassian officer in the Israel Defense Force found guilty by a military court of spying for Syria.

It found that the evidence used to convict him had been fabricated by the Shin Bet.

STATE CONTROLLER TUNIK IS DEAD
By Cathrine Gerson

JERUSALEM, Jan. 10 (JTA) -- Yitzhak Tunik, a prominent attorney who was Israel's third state comptroller, died Monday at the age of 77.

Tunik was born in Russia, came to Palestine in 1934 and studied mathematics and physics at the Hebrew University in Jerusalem.

He began to study law in 1937, and was chief prosecutor of the Israel Defense Force during the War for Independence in 1948.

Tunik was elected president of the Israel Bar Association in 1972 and served as state comptroller from 1982 to 1987.

In that watchdog job, he was especially critical of rabbinical courts, religious institutions and election financing. He also fought against what he considered to be wasteful government projects, such as a proposed canal through the Negev linking the Dead Sea and the Mediterranean.