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BUSH ENDORSES SHAMIR PROPOSAL FOR ELECTIONS IN THE TERRITORIES

By David Friedman

WASHINGTON, April 6 (JTA) -- President Bush has endorsed Israeli Prime Minister Yitzhak Shamir's proposal for elections in the West Bank and Gaza Strip to allow the Palestinians to choose representatives for negotiations with Israel.

"I believe it is in Israel's interest to engage in a serious dialogue with Palestinians," Bush said after a 65-minute White House meeting with Shamir on Thursday, 45 minutes of which were a private session between the two leaders in the Oval Office.

"The United States believes that elections in the territories can be designed to contribute to a political process of dialogue and negotiations," the president said.

Both Bush and Shamir made clear that the elections would lead to an interim period of Palestinian self-rule, after which negotiations would be held for a final settlement.

"All proposed options will be examined during these negotiations," Shamir said, in an apparent signal that Palestinians would be free to propose an independent state.

"I am encouraged by the prime minister's assurances that all options are open," Bush responded.

At the same time, both Bush and Shamir reiterated their opposition to a Palestinian state, which Shamir said was "a prescription for war, not peace."

"We do not support an independent Palestinian state, nor Israeli sovereignty over nor permanent occupation of the West Bank and Gaza," Bush stressed.

Extra Meeting With Baker

Bush and Shamir met later in the afternoon for an unscheduled visit to the National Air and Space Museum. The visit was arranged after Israeli newspapers reported that Shamir was not being treated as warmly as Egyptian President Hosni Mubarak.

After Mubarak met with Bush on Monday, the two went to Baltimore, where Bush threw out the first ball of the baseball season.

Shamir is also the first foreign visitor to stay at Blair House, the official U.S. government guest house across from the White House, since the building underwent repairs six years ago.

Bush announced his support for elections after Shamir had an unscheduled, early morning meeting with Secretary of State James Baker at Blair House. The meeting was called because Baker and Shamir did not have enough time to complete their talks at the State Department Wednesday, an Israeli official explained.

Both Bush and Shamir made clear that the means of holding the elections have not been worked out, and Bush promised to work with Israel and the Palestinians to devise a system.

"We urge Israel and the Palestinians to arrive at a mutually acceptable formula for elections," the president said.

Mubarak told Bush on Monday that the Palestinians would never accept an election under Israeli control. He indicated that elections could

be held under United Nations auspices.

Later Thursday, Shamir rejected any outside supervision of an election in the territories. "We don't think there is a need for international supervision," he said, answering questions after a speech to the American Enterprise Institute.

He said Israel has a democratic tradition and "I think we will be able to arrange some common effort to supervise the elections."

Plan To Aid Refugees

Shamir proposed the elections as part of a four-point program to move the peace process forward.

The plan calls on Egypt, Israel and the United States to expand the Camp David process to include the Palestinians and other Arab states.

It urges the United States and Egypt "to make it clear to the Arab governments that they must abandon their hostility" to Israel, including the Arab economic boycott.

It also proposes that a multinational effort, with substantial Israeli participation, be undertaken "to solve the Arab refugee problem perpetuated by Arab governments while Israel absorbs hundreds of thousands of Jewish refugees from Arab countries."

He said this would include providing decent housing and improving the living standards of the refugees.

Bush has been urging Israel and the Palestine Liberation Organization to reduce tensions in the territories in order to create an atmosphere conducive to negotiations.

"Progress will require meaningful steps to reduce tension," he said Thursday.

"Israel has an obligation to contribute to the process," he added, "but it cannot be expected to assume the entire burden. Palestinians, the Arab states and other interested parties must demonstrate that they, too, are willing to make peace a reality."

Bush made a strong appeal for movement in the peace process, noting that the present leaders should follow the example set by Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat in making peace 10 years ago.

Enemies 'Finding Ways To Talk'

"Throughout the world, old enemies are finding ways to talk to one another and end conflicts in a manner that preserves the basic interests of all concerned," he said.

He stressed that the Arab-Israeli conflict could be ended through direct negotiations. "Problems do not resolve themselves; leaders acting with courage and vigor solve problems."

Bush began his remarks by saying that he had given Shamir a message for his government and the people of Israel that "we are friends, strategic partners and allies. Mutual interests bind together the people of the United States and Israel."

He said he would work toward "maintaining and possibly improving the relationship between our two countries."

Shamir said Israel and the United States share many things, but "we do not share the neighborhood" in the Middle East, where Israel faces many dangers to its existence.

**U.S. WILL CONTINUE SCREENING
SOVIET JEWS FOR REFUGEE STATUS**

By Howard Rosenberg

WASHINGTON, April 6 (JTA) -- The Bush administration has no intention of changing its case-by-case evaluations of Soviet Jews applying to come to the United States as refugees, Immigration and Naturalization Service Commissioner Alan Nelson told Congress Thursday.

Prior to last fall, Soviet Jews wishing to immigrate to the United States were automatically granted refugee status. But since Sept. 14, 1,470 Soviet Jews have been denied admission as refugees, according to figures provided by the Hebrew Immigrant Aid Society, the principal group helping Soviet Jews enter the United States.

And the rate of refusal is increasing. Last month, 37 percent of all Soviet Jews who applied for U.S. refugee status were turned down by immigration authorities, HIAS said.

Immigration authorities have been more selective about granting refugee status, because they expect the number of Soviet citizens who want to enter the United States to greatly exceed the congressionally mandated quota of 25,000 for this fiscal year.

HIAS President Ben Zion Leuchter told the House Judiciary subcommittee on immigration, refugees and international law Thursday that it projects 19,000 additional refugees will seek to enter the country during this fiscal year, which ends Sept. 30.

Adding 19,000 refugee slots would allow about 31,000 Soviet Jewish refugees to enter the United States this fiscal year, said Leuchter.

Will Reach Quota By April 20

HIAS expects the U.S. refugee quota for the Soviet Union to be exhausted by April 20.

Congress and the Bush administration are under pressure to approve one of several pending bills that would raise the worldwide refugee ceiling and commit new federal funds.

On Wednesday, Jonathan Moore, the U.S. coordinator for refugee affairs, informed the subcommittee that President Bush has approved emergency consultations with Congress to raise the refugee admissions ceiling.

Now Congress must formulate a compromise piece of legislation, based on the following alternatives:

Rep. Howard Berman (D-Calif.) has proposed creating 19,000 new Soviet refugee slots and 2,000 more to be apportioned among various Eastern European countries, including the Soviet Union.

Sens. Edward Kennedy (D-Mass.) and Robert Kasten (R-Wis.) have proposed creating 25,000 new Soviet refugee slots. Sen. Paul Simon (D-Ill.) has introduced a similar proposal.

Various Jewish groups have endorsed the Berman bill, which would borrow money from federal grant programs to states and repay the funds in fiscal year 1991.

The other bills would require new money to be spent by Congress. So would an \$85 million administration plan, which would increase the Soviet refugee ceiling this fiscal year from 19,000 to 43,500.

The subcommittee chairman, Rep. Bruce Morrison (D-Conn.), has drafted, but not introduced, yet another bill, which would automatically grant refugee status to all emigrating Soviet Jews and Pentacostals.

Nelson of the Immigration and Naturalization

Service said he opposes a "presumption of that magnitude."

Currently, the burden of proof is on applicants for refugee status to convince INS adjudicators that they face a "well-founded fear of persecution."

Example Of 'Eligible' Refusenik

Nelson indirectly addressed that concern in his testimony Thursday, giving an example of a "clearly eligible Jewish refusenik" for refugee status, who is from "an area of the Ukraine which has a long history of anti-Semitism."

By contrast, a Jewish family from the eastern Soviet republic of Uzbekistan was found by INS adjudicators ineligible for refugee status.

"When specifically questioned about anti-Semitism in the Soviet Union, the response was that they never had experienced it but had heard it exists," Nelson said. "Their two young sons wore yarmulkes to the interview, as they do every day when attending their ethnically mixed preschool."

Nelson confirmed that immigration authorities began using more stringent criteria in awarding refugee status on the basis of an Aug. 4, 1988, memorandum written by then Attorney General Edwin Meese. It urged "more equitable and legally appropriate application of existing U.S. refugee law worldwide."

He attributed the recent increase in the refusal rate to "phased implementation of the worldwide adjudication standard."

The Union of Councils for Soviet Jews, which also testified at the hearings Thursday, applauded the subcommittee for attempting to address the refugee backlog crisis.

"We are pleased to see the genuine concern and motivation on the part of so many members of Congress to find a solution to this problem," Pamela Cohen, president of the Union of Councils, said in a statement.

**SOVIET SALE OF PLANES TO LIBYA
CAUSES SURPRISE, CONCERN IN ISRAEL**
By David Landau

JERUSALEM, April 6 (JTA) -- The Soviet sale of advanced fighter planes to Libya will not contribute to regional peacemaking, Foreign Minister Moshe Arens said Thursday.

Arens said the sale had taken Israel by surprise. The remark seemed to be designed to counter speculation in the West that Israel itself had leaked the story to The New York Times as a way of easing pressure on Prime Minister Yitzhak Shamir, as he held important political talks in Washington.

In a formal statement on the Soviet-Libyan deal, Israel's Foreign Ministry said "the Soviet Union, which states that it seeks to relieve situations of confrontations around the world, including the Middle East, is supplying offensive weaponry to the Libyan regime (which) does not hide its intentions to attack Israel."

The ministry spokesman told reporters here that Libya had already received a half-dozen or so planes, out of a reported order of 12. Nevertheless, he said, Israel is urging the Soviet Union to reconsider the deal.

But neither Arens nor the Foreign Ministry spokesman would respond directly to questions from the foreign press about whether Israel's air force was contemplating pre-emptive action against Libya.

U.S. PLANS TO REJECT ARAB REQUEST TO CURTAIL ISRAEL TRADE BENEFITS

By Howard Rosenberg

WASHINGTON, April 6 (JTA) -- Israel will not have its trade benefits curtailed by the United States, despite charges from an Arab-American group that Israel has violated the rights of Palestinian workers.

The information is contained in a recommendation by U.S. Trade Representative Carla Hills to President Bush, who is expected to affirm it next week.

In jeopardy was Israel's involvement in the 12-year-old Generalized System of Preferences program, or GSP, which allows certain Israeli products -- including gold chains and some chemicals -- to enter the United States duty-free.

Last August the American-Arab Anti-Discrimination Committee filed a complaint saying Israel should be disqualified for the benefits because of its treatment of Palestinian workers.

It charged, among other things, that Israel deducts 20 percent of the gross wages of residents of the administered territories who are legally registered to work in Israel and that it will not allow them to stay overnight within Israel proper.

Israel did not dispute the charges in subcommittee testimony, but convinced Hill, according to the Long Island newspaper Newsday, that "corrective steps are being taken" and that Israel has made "sufficient progress to warrant a continuation" of the trade benefits.

The key point in Hills' recommendation, U.S. and Israeli sources said, was not to consider the administered territories as part of Israel.

According to the Jewish Labor Committee, which testified on Israel's behalf during hearings on the Arab group's complaint, there are 31 independent trade unions on the West Bank and seven in the Gaza Strip.

Israel is "the only democratic country in the Middle East and the only state with a free trade movement," it noted.

SETTLERS USING NEW GIMMICK TO POST 'PRESS' SIGNS ON CARS

By Hugh Orgel

TEL AVIV, April 6 (JTA) -- Settlers in the administered territories have found a novel way of avoiding any claim that the posting of "press" signs on their cars can be interpreted as impersonating journalists.

They have begun using white signs reading "press" in large English letters, over a line in smaller Hebrew letters reading "enemy of the people."

They explain that the new signs do not misrepresent the cars' occupants but merely make a public statement of their feeling that the news media are enemies of their version of the Zionist ideal.

The police commissioner has ruled that the use of press signs by police officers on duty is not illegal, but is allowed only in exceptional circumstances and must have his personal consent.

The Israel Journalists Association and the Foreign Press Association claim that the use of their official press signs is designed to protect them from attacks related to the Palestinian uprising. They fear that the wide misuse of press identification will invite hostile attacks by Palestinians.

DALEY ELECTED MAYOR OF CHICAGO WITH STRONG SUPPORT FROM JEWS

By Todd Wiener

CHICAGO, April 6 (JTA) -- With strong support from the Jewish community, Richard Daley will follow in the footsteps of his late father and occupy the fifth floor of City Hall as mayor of Chicago, the nation's third-largest city.

Daley, who beat Acting Mayor Eugene Sawyer in the Democratic primary last month, won Tuesday's general election by an impressive 150,000-vote margin, defeating an independent bid by black Alderman Timothy Evans, running on the Harold Washington Party ticket, and Republican Edward Vrdolyak.

Chicagoans again voted mostly along racial lines, with Daley taking 90 percent of the white vote and Evans 92 percent of the black vote.

Daley's margin of victory was due to a larger turnout among whites than blacks and strong support for him among Chicago's Hispanic, Asian and Jewish communities.

He won 79 percent of the Jewish vote, according to exit polls conducted by The New York Times.

Anti-white rhetoric by black political leaders in the city made it difficult for even the most liberal of whites to support Evans, who had to frequently distance himself from the inflammatory charges.

Late in the campaign, Evans himself said that Daley was "getting ready to open his father's plantation. The new machine is going to be just as bad as the old one, if not worse."

The special mayoral election was held because of the death 18 months ago of Harold Washington, Chicago's first black mayor. Washington had strong backing among Jewish voters, who were three times more likely to vote for him than other whites.

It was the Jewish vote in the 1983 mayoral election that proved to be the margin of victory for Washington, who faced a Jewish Republican candidate.

End Of Black-Jewish Coalition?

This time, however, the black-Jewish coalition never materialized. That was due primarily to last year's Steve Cokely affair. Cokely, an assistant to Sawyer, made several anti-Semitic statements, including a claim that Jewish doctors were injecting blacks with the virus that causes acquired immune deficiency syndrome.

Although Evans was one of only three black aldermen to sign a petition criticizing Cokely, he failed to win Jewish political or financial support.

Don Rose, Evans campaign strategist, told the Chicago Sun-Times that the black-Jewish coalition was "irreparably damaged" by the Cokely incident.

Rose, who is Jewish, added, however, that "the fact that concern over the Cokely episode has spread to virtually all blacks and was seen as a symbol of massive black anti-Semitism is a hysterical reaction."

The strong Daley victory was seen as a blow to the political prestige of the Rev. Jesse Jackson, who resides in Chicago. Jackson campaigned hard for Sawyer in the primary and for Evans in the general election, but was unable to bring together the fractured black community or enlist the broad support of white liberals for Evans.

The focus will now be on Daley, who will be sworn in as mayor on April 24, his 47th birthday.

ISRAELIS HOLDING \$5,000 A MONTH FOR JONATHAN POLLARD, BOOK CLAIMS

By Andrew Silow Carroll

NEW YORK, April 6 (JTA) -- Israel is setting aside \$5,000 a month for Jonathan Pollard, the former U.S. Navy intelligence analyst who spied for Israel, a new book alleges.

In addition, high-level U.S. and Israeli officials continue to talk about sending Pollard to Israel in an international spy swap, writes Wolf Blitzer in his new book "Territory of Lies" (Harper & Row, New York, 336 pages).

Israel has declined to comment on Blitzer's report. Pollard has called an excerpt from the book a "fiction," according to Bernard Henderson, Pollard's father-in-law and leader of an organization that advocates his release.

The book again thrusts into the headlines a case that became a major embarrassment for Israel and at one point posed a threat to U.S.-Israel relations.

Pollard pleaded guilty in 1986 to passing hundreds of classified U.S. intelligence documents to Israeli agents. He is serving a life sentence at a maximum-security federal prison in Marion, Ill.

Pollard's wife, Anne, pleaded guilty to lesser charges and is serving a five-year term at a federal prison hospital in Rochester, Minn.

Among the documents Pollard gave to the Israelis, according to Blitzer, were detailed aerial photographs of Palestine Liberation Organization headquarters in Tunis, later used by Israel for the October 1985 bombing raid on the home of PLO chief Yasir Arafat; information on Soviet weapons shipments to Arab countries; and information about the chemical warfare capabilities of Syria, Iraq and Libya.

The U.S. government indicted former Israeli air force Col. Avicim Sella as a conspirator in the case and named three others as unindicted co-conspirators. All remain in Israel.

Family Not Informed

The Israeli government said the operation was the work of "rogue" agents, operating with no political authority. While Blitzer uncovered no evidence of involvement at the highest level of the Israeli government, he writes that Israeli investigators believe some Cabinet ministers "probably suspected."

Blitzer, who is Washington correspondent for the Jerusalem Post, said the \$5,000 being set aside for Pollard is double the amount Pollard was receiving from his Israeli handlers during the year he spied for Israel.

"This is standard operating procedure in most intelligence agencies, to keep paying captured agents. In Israel, the tradition is the salary is doubled," Blitzer said in a telephone interview Thursday.

Pollard's father, Dr. Morris Pollard of South Bend, Ind., said Wednesday that "we knew nothing about" the payments and did not hear about them during a visit to Israel last week.

"I don't know what to say about it," he said in a telephone interview. "It's certainly generous of them to do it. He's been abused very severely."

But Bernard Henderson issued a statement denying the report outright. "The truth is the Pollards lack even a few dollars necessary to buy supplies from their prison commissaries," he said.

Blitzer writes that U.S. and Israeli officials have been discussing a number of scenarios that

would send the Pollards to Israel. Israel may be asked to relax its reluctance to extradite American criminals living in Israel or to make a swap for Soviet spies in its own prisons.

However, there is considerable opposition within the U.S. Justice Department, which would prefer that Pollard stay behind bars at least until he is eligible for parole in 1997, said Blitzer.

The Justice Department has no comment on the book, according to a spokesman.

'Personal Axes To Grind'

In his initial reaction to the book, based on an excerpt in the April issue of Washingtonian magazine, Jonathan Pollard said Blitzer's account of his arrest by U.S. officials and "abandonment" by his Israeli handlers was based on interviews with individuals "with personal axes to grind."

"One of my greatest concerns is the fallout to my wife and family that the article's blackening of my character may lead to," he said in a statement released by Henderson.

By contrast, Morris Pollard said he was expecting a "sympathetic treatment" in Blitzer's book, which he had not yet read.

He labeled the Washingtonian excerpt "frivolous" and "sensationalized," but said he had called Blitzer Wednesday morning and told him he "came off very well" on ABC's Nightline treatment of the case Tuesday night.

"The book is a complete account. For the first time it tells all sides of what happened," said Blitzer. He said he based his book on interviews with all sides, including two interviews with Pollard in prison, and thousands of documents.

"There are things that will make the Israelis happy, other things the U.S. will not be happy with," he said. "But my job was not to make people happy, but to tell the truth of what happened."

ALLIES IN WEST BERLIN EXTEND BAN ON NEO-NAZI GROUP'S ACTIVITIES

By David Kantor

BONN, April 6 (JTA) -- The Western Allied Powers that have governed West Berlin since the end of World War II renewed a ban Monday on the activities of the National Democratic Party, a right-wing group widely believed to be neo-Nazi.

The NPD, as it is known, can operate legally in the rest of West Germany as a right-wing party.

In the Frankfurt municipal elections last month, the NPD won 6.6 percent of the popular vote, giving it for the first time representation in the municipal council.

The party also mustered considerable popular support in the federal state of Hesse.

Werner Kohlhoff, a spokesman for the governing mayor of Berlin, said Tuesday that the ban will apply to all activities, including organizing and meetings.

The federal government in Bonn moved Wednesday to block popular support for extreme right-wing parties by making it more difficult for foreigners to reside in West Germany. Authorities decided to limit the numbers of ethnic Germans arriving here from Eastern Europe, who compete for jobs and scarce housing.

The ethnic Germans are those of German ancestry who lived in regions that came under Soviet control during or after World War II. They have struggled long to be repatriated to West Germany, the country they consider their own.