

RABIN DEMANDS INNER CABINET ACTION TO BREAK DEADLOCK IN PEACE PROCESS

By David Landau

JERUSALEM, Feb. 22 (JTA) -- Defense Minister Yitzhak Rabin has served notice on Likud that its unity coalition with the Labor Party will not survive long, unless the government moves speedily to activate the stalled peace process.

Although his position was stated unofficially in radio interviews Thursday, Rabin was clearly presenting an ultimatum to Prime Minister Yitzhak Shamir to yield sufficiently to get an Israeli-Palestinian dialogue started.

He demanded a decision by the policy-making Inner Cabinet within "two or three weeks."

The Prime Minister's Office issued a terse statement Thursday saying Shamir was "not fazed" by Labor "threats."

Rabin's remarks were especially significant for their timing and because of his steadfast support for the preservation of the Likud-Labor coalition government, in the face of mounting sentiment in the Labor Party to abandon it.

Rabin, his party's second in command after Vice Premier Shimon Peres, spoke out a day before Israeli Foreign Minister Moshe Arens was scheduled to meet in Washington with U.S. Secretary of State James Baker.

Informed sources said Thursday that Rabin wants Arens instructed to adopt a more flexible position on the issues that have held up U.S.-Israeli-Egyptian peace diplomacy.

Political circles here regard the defense minister's new stand as a potential turning point in the domestic-foreign policy stalemate that has bedeviled Israeli politics and frozen peace moves in the past several months.

It is considered especially critical because of the apparent weakening of Likud's hard-line wing by the resignation of Ariel Sharon from the Cabinet this week.

Labor Leadership Convenes

The Labor Party's leadership bureau was scheduled to convene late Thursday to endorse Rabin's tough stand. That could give impetus to Peres' efforts to put together a Labor-led coalition, with religious and leftist parties, to govern without Likud.

Rabin refused to be drawn into possible political scenarios in his interview on army radio Thursday morning, saying they are "subsidiary" to the main issue, which is advancing the peace process.

Rabin was co-author with Shamir of the peace initiative launched last May 14 with Cabinet approval.

It calls for Palestinian elections in the West Bank and Gaza Strip to select delegates who would negotiate with Israel for self-rule in the territories.

But the plan, though embraced by the United States, became stalemated over such matters as which Palestinians would be eligible to vote or run in the elections.

Israel ruled out any contact, direct or indirect, with the Palestine Liberation Organization.

Acting as a buffer, Egypt offered to host an

Israeli-Palestinian dialogue to set the ground rules for the elections.

Arens, Baker and Egyptian Foreign Minister Esmat Abdel Meguid were tentatively scheduled to meet in Washington last month to arrange the dialogue.

The meeting has yet to take place. Shamir, under pressure from Likud's right wing, refused to allow Israel to sit down with a Palestinian delegation that included deportees from the administered territories.

Likud also would bar Palestinian residents of East Jerusalem from voting in the elections.

The Labor Party is much more flexible on both issues and has been supportive of Egyptian efforts to resolve them.

Readmission Of Deportees Proposed

Rabin said Thursday that Egypt has responded "reasonably" to the United States with respect to the composition of the Palestinian delegation. He confirmed that Cairo's responses were in line with the Labor Party's ideas to bridge the gap between the two sides.

Rabin indicated that Cairo is calling for Israel to readmit certain Palestinians deported from the territories and allow them to participate in the preliminary negotiations. The defense minister noted pointedly that the authority to deport and to readmit rests with him.

On the franchise issue, persons with offices or homes in East Jerusalem who also maintained residences in the West Bank would be eligible to vote.

Rabin also indicated that the Egyptians agreed to announce the composition of the Palestinian delegation. The delegates, of course, would have been approved by the PLO, a provocation Israel could choose to disregard without losing credibility.

Finally, Rabin is apparently willing to compromise on the agenda of the dialogue.

Israel has insisted until now that it be devoted exclusively to the modalities of the elections. The Palestinians demand the right to introduce political subjects.

Rabin hinted that Egypt's response on that matter was in line with Labor's suggestion that the dialogue could begin with wide-ranging opening statements and then settle down to the mechanics of the election process.

JEWISH GROUPS WELCOME REPORT PAMYAT IS UNDER INVESTIGATION

By Susan Birnbaum

NEW YORK, Feb. 22 (JTA) -- American Jewish groups have welcomed reports that the chief prosecutor in Moscow has initiated criminal investigations into the anti-Semitic activities of the ultranationalist group Pamyat.

The action follows a deluge of anti-Semitic threats and actions that have paralyzed Soviet Jews with fear.

The Soviet news agency Tass quoted the popular newspaper Literaturnaya Gazeta on Wednesday as reporting that the Moscow prosecutor's office had launched criminal proceedings against Pamyat, "which is charged with inciting national and racial hatred and strife."

The specific reason for the action, Tass said, was Pamyat's planned program to "de-Zionize" the country. The program was outlined in an article in *Energetika*, the official newspaper of the Moscow Energy Institute. The paper condemned Pamyat's campaign.

Tass said the Interior Ministry is investigating Pamyat's break-in and roughing-up of members of the House of Writers in Moscow last month, which Tass called a pogrom.

The ministry is also looking into the "irresponsible handling of the militants by law enforcement bodies," Tass said.

According to Pamyat's program, "Jews and their relatives" should be denied the right "to defend dissertations, to acquire knowledge and get academic titles, to join the Soviet Communist Party" and "must not be appointed to leading party, government and other posts."

'Step In Right Direction'

In New York, the Anti-Defamation League of B'nai B'rith said it was "encouraged" by the report of the Pamyat investigation.

Abraham Foxman, ADL's national director, said, "We hope that the prosecutor's actions will send a strong message that anti-Semitism is not going to be tolerated."

In Washington, Mark Levin, associate executive director of the National Conference on Soviet Jewry, described the Soviet prosecutor's decision as "a step in the right direction." But he added, "We hope it doesn't stop there."

Micah Naftalin, national director of the Union of Councils for Soviet Jews, likewise called it "very welcome news, if it's followed up."

He cautioned, however, that "it isn't the first time the government has threatened to do this. But as far as we know, they haven't ever prosecuted and convicted for these charges."

He expressed hope Soviet President Mikhail Gorbachev will personally "take the leadership with respect to the rise in anti-Semitism."

The Soviet Interior Ministry sought to allay fears in a statement Wednesday. "Rumors of Jewish pogroms disseminated in the mass media have no grounds whatsoever," Tass quoted the ministry as saying. "Moreover, they mislead the public and can serve to promote ethnic strife and destabilization in several regions of the country."

Said Naftalin, "We hope they're right that the reports are groundless, but there has been an almost exponential growth of threats and warnings throughout much of the Soviet Union."

More Rumors Of Pogroms

Jews in various cities in the Soviet Union have reported hearing that a pogrom would be mounted Feb. 25, said Lynn Singer, executive director of the Long Island Committee for Soviet Jewry.

In Minsk, some Jews reported that Pamyat had placed posters in the city threatening a pogrom for Feb. 26, said Rena Schwartz, director of special projects for the Greater New York Coalition for Soviet Jewry.

Herbert Block, a liaison between New York Mayor David Dinkins and the Jewish community, who was in Minsk last week, said, "Everyone whom I talked to in Minsk and throughout the Soviet Union is afraid."

Block also said a Jewish cemetery in Minsk is being torn up by the municipality to build a sports field. "There are tombstones piled up and scattered around. Part of the cemetery has been

leveled and cleared, and there were actually bones that were visible in places."

Meanwhile, some 500 Jews in Leningrad have signed an appeal addressed to the Supreme Council of the USSR, the Leningrad Council of People's Deputies, the Leningrad chief prosecutor, Israeli government, Jewish organizations worldwide and the U.N. Commission on Human Rights.

"We are addressing you because our lives and the lives of our children are in danger," it says.

The petition calls for government action to punish the perpetrators of racist activity, guarantee personal security and freedom of national life to all the Jews of the USSR, and permit "free emigration from the USSR to any country of the world which agrees to take them."

BAKER SAYS USSR WON'T ALLOW FLIGHTS, BUT ANTI-SEMITISM IS UNDER CONTROL

By Howard Rosenberg

WASHINGTON, Feb. 22 (JTA) -- Secretary of State James Baker said Thursday that a reduction of anti-Semitism in the Soviet Union is more likely to occur than direct flights between Moscow and Israel.

But Baker called them "two different questions" during a House Foreign Affairs Committee hearing on the Bush administration's 1991 foreign aid budget request.

Soviet Jewry activists have linked the two issues, arguing that signs of growing popular anti-Semitism in the Soviet Union necessitate swift implementation of an agreement El Al and the Soviet airline Aeroflot signed last fall to initiate direct flights between their two countries.

Baker said he raised both the issue of direct flights and "emerging anti-Semitism in the Soviet Union" in his meetings with Soviet officials in Moscow last month.

The secretary expressed confidence that Soviet leaders "will do what they can to get a handle" on anti-Semitism.

"What we are seeing is some old ethnic tensions and rivalries breaking out" under the new Soviet policy of free expression, he said. "I think that it is not being condoned or permitted or in any way acquiesced to by the leadership of the Soviet Union."

But as to direct flights, he said, "I am not as optimistic with respect to that question, because there are serious concerns within the Soviet Union that the people making use of that direct flight will be settled in the occupied territories."

Questioned About Dole Proposal

When pressed on that issue by Rep. Mel Levine (D-Calif.), Baker said that over 99 percent of Soviet Jews immigrating to Israel have not settled in the territories.

"But I don't think that it's accurate to say that there's not a genuine concern on the part of some that some of the people that have gone out of the Soviet Union will be settling in the territories," the secretary added.

Baker also was asked about an idea recently proposed by Senate Minority Leader Robert Dole (R-Kan.) to make 5 percent cuts in U.S. foreign aid to the five largest recipients, including Israel, so that more funds could be made available to emerging democracies in Eastern Europe.

Baker said that the Dole proposal, if implemented, should be modified to "shave" funds from all foreign aid recipients, not just the top five.

ISRAEL DISMAYED WITH U.S. STAND ON U.N. RESOLUTION ON IMMIGRANTS

By Tamar Levy

GENEVA Feb. 22 (JTA) -- Israel is still smarting over the U.S. abstention on a resolution adopted last week by the U.N. Human Rights Commission that exhorts Israel not to settle immigrants in the West Bank and Gaza Strip.

Israeli officials here told the Jewish Telegraphic Agency they were "disappointed" in the Feb. 16 vote and claimed the resolution could harm the Middle East peace process.

Morris Abram, the U.S. envoy to the Human Rights Commission, made clear at the time that the United States concurred in the resolution.

The United States abstained, however, because it believes the issues raised can only be resolved in peace negotiations, Abram explained.

"Our reservation is not new and does not represent any erosion in our position," he said.

The draft resolution, introduced by the European Community, Japan, Sweden and Morocco, was adopted by a vote of 42-0 at the closing session of the Human Rights Commission's annual meeting here.

The commission also adopted a two-part resolution condemning Israeli policies and practices in the administered territories. The United States cast the sole negative vote.

The resolution on resettlement says the commission is "seriously concerned at the recent suggestion that immigrants to Israel might be settled in the occupied territories."

The reference is clearly to remarks by Israeli Prime Minister Yitzhak Shamir last month that were widely interpreted to mean that Jewish immigrants from the Soviet Union would be settled in the West Bank.

Settlements Are 'Obstacle To Peace'

Shamir has denied that was his intent. The Israeli government position is that, while immigrants are free to live wherever they like, there is no policy of settling immigrants in the territories.

The U.N. resolution calls settlement of Israeli civilians in the territories "illegal." It cites the Fourth Geneva Convention of 1949, which expressly forbids an occupying power to transfer populations into or out of captured territory.

It also affirms that the Geneva Convention relative to the protection of civilian populations in time of war is applicable to all Palestinian and Arab territories occupied by Israel since 1967, including Jerusalem.

In his explanation of the American abstention, Abram said, "We concur that the Fourth Geneva Convention is applicable to the occupied territories."

"As to settlements, the (American) administration's views are well known. We believe the settlements are an obstacle to peace and that putting more settlers in these areas, particularly at this time, works against the cause of peace."

Abram continued, "We renew today our call on the government of Israel to refrain from establishing new settlements or settling new immigrants in the occupied territories."

At the United Nations headquarters in New York, meanwhile, the Security Council has still not convened a session requested by the Soviet Union on Feb. 19 regarding the settlement of immigrants in the administered territories.

I. MIGRANT ABSORPTION IS PRIORITY IN 1990 BUDGET OF JEWISH AGENCY

By Gil Sedan

JERUSALEM, Feb. 22 (JTA) -- The Board of Governors of the Jewish Agency for Israel approved a \$606 million budget Thursday, the vast majority of which will be allotted to the absorption of immigrants.

The budget, adopted on the final day of the board's weeklong regular mid-winter meeting, reflects the massive increase in the volume of immigration expected from the Soviet Union during the remainder of this year.

More than 8,000 Soviet immigrants arrived from Jan. 1 through Feb. 21. An influx of 10,000 a month is expected by June, if adequate transportation is available, agency officials said.

Vice Premier Shimon Peres, one of the main speakers at the closing session, predicted that the Soviet authorities would approve direct flights from Moscow to Tel Aviv as diplomatic relations improve between Israel and the Soviet Union.

That, in turn, depends on positive developments in the peace process, Peres stressed. "Peace and immigration are complementary, not contradictory," he added.

The chairman of the Board of Governors, Mendel Kaplan, painted a rosy picture of absorption prospects for Soviet olim.

"There has never been a more effective framework for absorption," Kaplan said in an interview with the Jewish Telegraphic Agency.

The ministerial aliyah committee is working "very well," and there is full cooperation between all the parties involved in aliyah, he said.

Kaplan said one of the keys to successful absorption is decentralization and privatization. He explained that every immigrant family receives the equivalent of \$11,000 a year to purchase the necessary goods to start a new life.

35,000 Immigrants Processed

The ultimate proof that direct absorption is working, said Kaplan, is that there are still 1,000 vacancies at the absorption centers, even though 35,000 immigrants will have been processed by the end of the current fiscal year on March 31, almost double the annual number in previous years.

He stressed, however, that continued success depends on three factors: the availability of housing; the strengthening of social services; and the creation of employment opportunities.

The last is the most problematic, Kaplan admitted. He recommended that job opportunities be tailored to the specific talents and skills offered by Soviet Jews.

Kaplan, nevertheless, is optimistic. He believes the construction industry will be boosted by housing starts -- some 25 projects this year -- and that the increased purchasing power of the immigrants will benefit the entire economy.

Of the \$606 million budget for the 1990 fiscal year, which begins April 1, \$200 million will go to the Immigration and Absorption Department.

Together with funds from other departments directed toward absorption needs, a full 70 percent of the agency's budget will go for that purpose, Kaplan said, three times more than was spent in the past.

Kaplan dismissed suggestions that American Jewry has been slow to respond to the challenge of the immigration wave. "It took Israelis until December to understand the scope of this aliyah, so it took the Diaspora another month," he said.

U.S. OFFER OF OLD TANKS TO EGYPT WORRIES SOME SUPPORTERS OF ISRAEL

By David Friedman

WASHINGTON, Feb. 22 (JTA) -- Supporters of Israel on Capitol Hill are expressing concern that a U.S. offer to Egypt of some 700 tanks being phased out of the U.S. arms stockpile in Europe could fuel a new Middle East arms race.

The concern is that the transfer to Egypt of the M60-A1 tanks, which were to be destroyed next year under the Conventional Arms Control Agreement, could set a precedent for the Soviet Union and the Western Europeans to sell more weapons to the Arab countries.

The Soviet Union is required to destroy three or four times as many weapons as the United States. The fear, a Capitol Hill source said Thursday, is that the Soviets could decide instead to provide the weapons to such Arab countries as Syria or Libya.

The Soviet tanks being destroyed are much more sophisticated than the tanks the Soviets have given the Arab countries up to now, the source said.

The U.S. offer of the M60-A1 tanks, which are being replaced in Europe by M1 Abrams tanks, was announced Wednesday by State Department spokeswoman Margaret Tutwiler. She said the outmoded tanks are being offered to NATO allies and other friends of the United States.

"As a major non-NATO ally, Egypt is a leading candidate to receive a substantial portion of these tanks," Tutwiler said. She said the tanks would replace Soviet-made tanks in the Egyptian stockpile and therefore would not increase the number of tanks Egypt has.

Will Improve Egypt's Capability

Israel has also been offered the M60-A1 tanks, but has "declined," Tutwiler added. She said Israel is "fully aware of our intentions to provide these tanks to Egypt."

According to the Capitol Hill source, Israel rejected the tanks, because under its restricted military budget, it did not have the funds to store them.

The tanks are being offered free of charge, except for transportation costs, the source said.

Israel usually does not oppose arms sales to Egypt, because, unlike other Arab countries, Cairo has signed a peace agreement with Jerusalem.

But the source expressed concern about the "tremendous" number of tanks being offered Egypt. While the tanks will not increase the size of the Egyptian stockpile, they will qualitatively improve Egypt's military capacity, he said.

NEW CASUALTIES IN SECURITY ZONE

By Hugh Orgel

JERUSALEM Feb. 22 (JTA) -- Two Amal militiamen were killed and three soldiers of the United Nations peacekeeping forces in Lebanon were wounded in a gunbattle in the southern Lebanon security zone Wednesday.

It was the second incident this week in which casualties were sustained by a unit of the United Nations Interim Force in Lebanon.

The clash occurred near Hadatha village, at the western end of the zone.

Two soldiers of UNIFIL's Nepalese contingent were killed Monday and six were wounded when a UNIFIL observation post came under fire from the Israeli-backed South Lebanon Army.

EL AL, EAST GERMAN AIRLINE SIGN ACCORD

By David Kantor

EAST BERLIN, Feb. 22 (JTA) -- An interline agreement between El Al and the East German national airline, Interflug, was announced here Wednesday.

According to the East German news agency ADN, the agreement provides for the interchange of tickets between the two state-owned carriers.

El Al is interested in operating direct flights to and from East Berlin's Schoenefeld Airport, but no agreement has been reached, the news agency reported.

Western air lines in general have taken notice of the increased traffic to East Berlin since the Berlin Wall was symbolically demolished in November.

So far they have not had to contend with competition from West Germany's airline, Lufthansa, which was not allowed to fly into Berlin because of the city's special status.

AUSTRALIA, USSR INK ACCORD ON VISITS

By Jeremy Jones

SYDNEY, Feb. 22 (JTA) -- A "Human Contacts Agreement" just signed by the Australian and Soviet governments has gotten a warm welcome from the Jewish community here, particularly the 5,000 Jewish refugees from the Soviet Union living in Australia.

The agreement allows Australian citizens born in the Soviet Union to return there on visits, under the protection of the Australian government.

It was signed in Canberra by Gareth Evans, Australia's minister for foreign affairs and trade, and his Soviet counterpart, Igor Rogachev.

Australian government sources said its purpose is to encourage contacts between individuals, groups and religious bodies.

The agreement includes a provision for annual consultations to monitor implementation. This places the laws and standards of the Soviet Union under regular scrutiny by the Australian government.

Mark Leibler, president of the Zionist Federation of Australia, said the agreement had "momentous importance" because it allows Soviet Jews in Australia to safely visit loved ones in the Soviet Union.

HOLOCAUST THEME OF BERLIN PRIZE FILMS

By David Kantor

WEST BERLIN, Feb. 22 (JTA) -- Two films with strong allusions to the Nazi era won coveted prizes Tuesday at the Berlin International Film Festival.

The films -- one American, the other West German -- won the first and second prizes respectively at this festival, the first since the Berlin Wall was built 28 years ago to be held citywide, accessible to East and West Berliners.

The top prize, the Golden Bear, went to the American production, "Music Box," which is about a daughter's legal defense of her father, a Nazi war criminal.

The runner-up Silver Bear was won by the West German film "The Nasty Girl," which deals with the way people repress memories of the Nazi period.

Both films had been praised by critics for their artistic and political values.