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RABIN GIVES LIKUD ANOTHER WEEK TO DECIDE ON U.S. PEACE PROPOSAL By David Landau

JERUSALEM, March 4 (JTA) -- Prime Minister Yitzhak Shamir and his Likud bloc, under intense pressure to back an American compromise formula for Israeli-Palestinian talks, got something of a reprieve from the Labor Party on Sunday

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Defense Minister Yitzhak Rabin, who last month gave Likud a two-week deadline to accept the American proposal or face a collapse of the unity government, told reporters that if Shamir needed another week to decide, he would have no objection.

He spoke after the so-called "Forum of Four." Israel's top four Cabinet ministers, met Sunday afternoon to consider the American proposal. Taking part in the closed-door session were Shamir; his close ally, Foreign Minister Moshe Arens; Vice Premier Shimon Peres, who heads the Labor Party; and Rabin.

By contrast, Peres told reporters that there is "nothing that justifies a postponement" of an Israeli decision on the American proposal.

But it appears that Rabin's views prevailed. Political observers stress that without his support. Labor's threat to form a narrow government with the religious parties and the left wing lacks credibility.

Although it was Rabin who handed Likud the original ultimatum, the defense minister made clear to reporters Sunday that he thinks it would be "better for the sake of peace" that the present government continue.

#### Final Proposal From Baker

The issue threatening the survival of the government is whether Israel is prepared to enter preliminary talks with a Palestinian delegation that would include Palestinians living outside the administered territories.

Secretary of State James Baker informed Arens on Feb. 23 that he needed a "very quick" response from Israel or he would turn away from the Middle East conflict. He has now sent Shamir what is probably his final proposal, in the form of two questions.

Israel is being asked if it will agree to the selection of Palestinian delegates from among candidates who are formally residents of the territories.

A supplementary question makes it clear that these candidates would include persons deported from the territories but later readmitted by Israel, as well as persons who live and work in East Jerusalem but also maintain residences in the territories.

The idea is that Israel can claim it is only negotiating with residents of the West Bank and Gaza Strip, while the Palestinians can claim the delegation also includes representatives of East Jerusalem and the "Palestinian diaspora."

Although Rabin has given Shamir additional time to decide, he backed Peres and other Laborites in rejecting a Likud offer to accept the American compromise in "return" for Labor's pledge to desist from efforts to form an alternative government.

Whatever Shamir's views are on the latest proposal, he must contend with Likud hard-liners, led by Deputy Premier David Levy and by Ariel Sharon, who resigned Feb. 19 from the Cabinet.

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Levy accused Shamir and his supporters of backing a "fake" formula, worded so as to conceal major concessions by Israel.

He spoke Saturday night after a conclave of Likud ministers at Shamir's home, which ended inconclusively and was to resume Monday.

Levy, Sharon and a few others who opposed Shamir's peace initiative from the outset want to take the decision out of ministerial hands and put it to the party's Knesset faction or its rank and file, represented by the 2,600-member Central Committee, which is chaired by Sharon.

#### U.S. NOW SAYS IT'S PREPARED TO BACK HOUSING LOAN GUARANTEES FOR ISRAEL By Howard Rosenberg

WASHINGTON, March 4 (JTA) -- The Bush administration has agreed to provide Israel with \$400 million in housing loan guarantees, as long as the money is not used to build housing for Soviet immigrants in the West Bank or Gaza Strip.

That condition is softer than one Secretary of State James Baker stated last Thursday, when he told a congressional panel that Israel might not receive the loan guarantees unless it agreed not to increase the number of settlements in the administered territories or expand the size of existing ones.

"I don't think it's unreasonable for us to ask for some assurances that these funds will not be used to create new settlements or expand old settlements in the occupied territories," Baker was quoted as telling the House Appropriations subcommittee on foreign operations.

His comments reportedly stunned officials in Israel, who interpreted the remarks as forcing Israel to choose between curtailing settlement of the territories and receiving U.S. funds to build housing for Soviet Jews.

The remarks also disturbed American Jewish leaders. In New York, Sidney Silverman, national president of the Zionist Organization of America, wrote a letter to President Bush on Friday. saying, "To infer that financial support would be forthcoming, providing Israel stops Jewish settlements, is a policy which we find extremely disouieting."

On Friday afternoon, State Department spokeswoman Margaret Tutwiler announced that Baker had telephoned Israeli Prime Minister Yitzhak Shamir and told him the United States would support the loan guarantees, provided it received assurances that none of the money would be used in the West Bank or Gaza Strip.

Similar conditions are placed on all U.S. aid

On Feb. 8, Sens. Patrick Leahy (D-Vt.) and Robert Kasten (R-Wis.), chairman and ranking Republican on the Senate Appropriations subcommittee on foreign operations, introduced a bill that would provide guarantees for \$400 million of housing loans, but no action has been taken on the measure.

An official of a Jewish agency that assists Soviet Jews said the senators hope to attach the amendment to 1990 supplemental appropriations bills for Soviet refugees and Panama. The activist said those bills are not expected to be voted on by the Senate until late April.

#### U.S. Condemns Arab Campaign

In her remarks Friday, Tutwiler said, "We draw a very clear distinction between the absorption of Soviet Jews into Israel and their settlement in the territories."

She said Baker "made clear" to Shamir that "we strongly support the emigration of Soviet Jews to Israel."

"We will do all to promote and facilitate the exit of Soviet Jews wishing to emigrate to Israel," Tutwiler added. "Their emigration to Israel

is something we welcome and support."

The State Department spokeswoman also took the opportunity to condemn attempts by Arab governments to curtail Soviet Jewish immigration to Israel, as Baker has done in recent congressional testimony.

"Efforts to stop such emigration, to mobilize international opinion to oppose such emigration, are wrong," Tutwiler said.

But at the same time, she said, the United States regards Jewish settlements "as an obstacle to peace."

# ISRAEL'S DECISION TO CENSOR REPORTS ABOUT SOVIET ALIYAH COMES UNDER FIRE By Gil Sedan and Hugh Orgel

JERUSALEM, March 4 (JTA) -- Israel's decision to censor news stories related to Soviet aliyah has angered journalists and put government officials on the defensive.

A flood of questions was raised after an Israel Defense Force spokesman announced Friday that stories filed by local and foreign news organizations about Jewish immigration from the Soviet Union would have to be submitted to the military censor before publication.

Reporters are demanding to know why censorship is being imposed now, after weeks of

free reporting of the subject.

Charges have been leveled and flashed around the world that Israel is trying to cover up the settlement of Soviet Jews in the West Bank and Gaza Strip.

Government officials insist the censorship is a security measure to protect the immigrants. They cite the Arab campaign to disrupt the movement and recent threats by the Palestine Liberation Organization

Yossi Olmert, director of the Government Press Office, and Prime Minister Yitzhak Shamir's media spokesman, Avi Pazner, stressed over the weekend that the censorship applies only to the number of immigrants and the routes they are traveling to Israel.

#### Leak On Ethiopian Airlifts Cited

On the other hand, the news media are free to print or broadcast stories about the reception the newcomers are getting when they arrive and how they are adjusting to life in Israel, the officials said.

Olmert explained Sunday to the Jewish Telegraphic Agency that the decision to impose secrecy on the routes and on numbers of immigrants was based on an ordinance dating back to Aug. 8, 1968. It permits the censorship of information on aliyah from certain sensitive areas, such as Iran and Syria.

"This was the case when the Ethiopians came on Operation Moses," Olmert said, adding, "We all remember how that information was released to the press prematurely and untimely."

Operation Moses is the name given to a series of clandestine airlifts in 1984 and 1985 that brought Ethiopian Jews to Israel by way of Sudan. The Sudanese government, which had cast a blind eye on the operation, forced its closure after the story was leaked to the news media.

Olmert said Jews still face difficulties trying to leave the Soviet Union. As a result of Arab threats against aliyah, it was decided to "lower the profile" by limiting discussion "of some aspects of the immigration problem," he said.

But Yossi Sarid, chairman of the Knesset Foreign Affairs and Defense Committee's subcommittee on censorship, believes the new regulation will do more harm than good.

It could be construed by those critical of Israel as a move to cover up what Israel wants to hide, such large-scale settlement of newcomers in the administered territories, said Sarid.

## ISSUE OF SOVIET ALIYAH UPSETS DELICATE ARAB-JEWISH RELATIONS By Gil Sedan

JERUSALEM, March 4 (JTA) -- Some Israeli Arabs have added their voices to the growing chorus of protest in the Arab world against the large-scale immigration of Soviet Jews to Israel.

But the Israeli Arab community as a whole seems divided.

The most vocal opposition to the Soviet aliyah was sounded last week by Sheik Raed Salah Mahajneh, a Moslem fundamentalist who became mayor of the town of Umm el-Fahm after its longtime Communist administration was ousted in the 1988 elections.

Mahajneh spoke at a rally in Haifa on Feb. 26 protesting the lack of government funding for financially destitute Arab municipalities. Soft-spoken but resolute, he warned that the massive immigration of Jews from the Soviet Union would be at the expense of the local Arab population.

Mahajneh backed away from his anti-aliyah position Saturday, telling a joint meeting of Arab mayors and Knesset members that he had spoken in Haifa out of frustration. He said he has nothing against aliyah, but just wants badly needed funds for Arab municipalities.

But a left-wing extremist Arab group has taken a tougher approach. Abna el-Balad, which rejects Israel's right to exist, has been trying to get 100,000 signatures on a petition to Soviet President Mikhail Gorbachev.

It says, among other things, that "immigration endangers the jobs of Arabs in Israel and their lands, which will be confiscated for the use of the immigrants."

So far, the petition drive has fallen short of its goal. But Knesset member Haggai Meirom of Labor calls it a "political petrol bomb" threatening Jewish-Arab coexistence in Galilee. He wants the police to take action against the group.

Abna el-Balad is a relatively marginal force in Israeli Arab society. But the issue is a highly sensitive one

The influx of Soviet Jews calls attention to the Law of Return, which grants automatic citizenship to all Jews. At the same time, Palestinian demands for the right of return to homes in Israel they left in 1948 and 1967 are rejected as a threat to Israel's very existence.

#### NCSJ NOW TAKING A HIGHER PROFILE ON ISSUE OF SOVIET ANTI-SEMITISM By David Friedman

WASHINGTON, March 4 (JTA) -- The National Conference on Soviet Jewry, which has taken a cautious approach to reports of rising anti-Semitism in the Soviet Union, is now urging the Soviet government to ensure the safety of the third largest Jewish community in the world.

"All we are asking the Soviet Union is to enforce their constitution and their laws to ensure the Jewish population is not subject to physical harm," Martin Wenick, the conference's executive director, said in an interview Friday.

The conference's constituent organizations decided at a meeting in Washington last week to heighten its profile on the issue, raising the matter publicly with people inside and outside the U.S. government.

The group issued a statement saying that the Feb. 28 meeting was held "to voice our concern over the rising tide of anti-Semitism in the Soviet Union, whose pernicious manifestation we perceive as a threat to the physical and emotional wellbeing of that nation's Jewish population of more than 1.5 million.

"Mindful of recent events in the Soviet Union, in which the Jewish community has been threatened by certain nationalist groups, we urge the Soviet authorities to take action, including enforcement of their own laws, to ensure the safety of the Jewish community," the conference said in the statement.

It also urged the Bush administration to continue raising the issue during high-level meetings with Soviet authorities.

"We ask that the Jewish communities of North America remain sensitive to the increasingly perilous situation of our brethern in the Soviet Union, and that they support all efforts to ensure their physical and emotional security," the statement continued.

#### No Threat In Baltic Regions

The conference also urged members of Congress, "other governmental bodies, leaders of the American business community and all other concerned parties to support our efforts on behalf of the security of the Soviet Jewish community, and raise this issue, which affects the daily lives" of Soviet Jews.

Wenick said that while there is no certainty that the lives of Soviet Jews are in danger, "they perceive a threat." Many are in a state of panic, he said.

He explained that Soviet Jews look at the increasing number of threats of anti-Semitic violence in the context of Russian history, with its sordid record of anti-Semitic pogroms.

The KGB recently stated it will not allow peroms against Jews. While Soviet Jews have taken some comfort from this, they are not convinced that the authorities have the capability to protect them. They point to the recent mass slaughter of Armenians in Azerbaijan.

The threat does not exist in every region of the Baltic republics feel safe, he said. The anti-lewish threats come from Russian nationalists, parts of the Ukraine and such republics as Azerbaijan, Turkmenistan and Moldavia.

Wenick also suggested the anti-Semitic campaign is part of the opposition to Soviet President Mikhail Gorbachev.

#### MOOD GROWING ON THE HILL TO LINK JACKSON-VANIK TO DIRECT FLIGHTS By Howard Rosenberg

. WASHINGTON, March 4 (JTA) -- Sentiment is building on Capitol Hill to deny a waiver of Jackson-Vanik Amendment trade sanctions against the Soviet Union unless it institutes direct flights between Moscow and Israel.

Sen. Arlen Specter (R-Pa.) has introduced a sense-of-the-Senate resolution stating that Congress should not approve a waiver of the trade sanctions until the direct flights begin.

The resolution also states that the Bush administration should not complete trade negotiations with the Soviet Union until it implements an agreement on the direct flights that was signed in December by the Soviet carrier Aeroflot and El Al Israel Airlines.

Rep. Tom Lantos (D-Calif.), meanwhile, is circulating a letter to his colleagues in the House of Representatives that says members of Congress are "appalled and dismayed" that the Soviets have not implemented the accord signed by Aeroftot and El Al.

Soviet rejection of recent appeals on the matter by President Bush and Secretary of State James Baker represent a "serious blow to our relationship." the letter states.

As of Friday, 150 House members had signed the letter, which Lantos plans to deliver personally to Yuri Dubinin, the Soviet ambassador to the United States.

Lantos warned last week that if direct flights are not begun, he will lead a congressional fight against a Jackson-Vanik waiver.

Under the Jackson-Vanik Amendment, the Soviet Union has been denied most-favored-nation trade privileges from the United States since 1975. The amendment says the sanctions can be waived for a trial period if the Soviet Union allows a sustained high level of emigration.

Many members of Congress, backed by Soviet Jewry groups, feel the Soviets have now met that test. But a waiver must win congressional approval and could not take effect, in any case, until the United States and the Soviet Union conclude talks on a trade agreement, expected to be signed by President Bush and Soviet President Mikhail Gorbachev at their June summit.

One Soviet Jewry activist termed Specter's resolution "very harsh" and said it and the Lantos letter indicate that congressional concern about direct flights has escalated since all 100 senators signed a letter to Baker on the subject last month.

Similarly strong sentiments reportedly were expressed last week at a House Ways and Means Committee hearing on U.S.-Soviet trade by Reps. Hank Brown (D-Colo.) and Sander Levin (D-Mich.).

### GALILEE WATER LEVEL LOWEST EVER By Hugh Orgel

TEL AVIV, March 4 (JTA) — The rains have been sparse this winter, with the result that the water level in the Sea of Galilee, Israel's natural reservoir, is at its lowest point ever for this time of year: 701 feet below sea level.

When summer comes, evaporation will reduce the level by another 5.61 feet.

Unless there is a great inflow over the next two months, water from the Sea of Galilee will not be pumped into the national water conduits for the first time since they were built.

#### BULGARIA MAY SOON RESTORE TIES WITH ISRAEL, SAYS WJC OFFICIAL By Susan Birnbaum

NEW YORK, March 4 (JTA) -- Bulgaria will soon re-establish full diplomatic relations with Israel, according to Elan Steinberg, executive director of the World Jewish Congress.

Steinberg said Bulgarian Foreign Ministry officials confirmed the information to WJC officials in Brussels on Friday. Arrangements are being made for Israeli Foreign Minister Moshe Arens to come to Sofia, the Bulgarian capital, for the ceremony, he said.

A spokesman for the Israeli Consulate in New York confirmed that there had been "some rumors" that Bulgaria is prepared to restore relations, but he said that nothing had been finalized. "It's a little bit premature," said the spokesman, Yuval Rotem.

Bulgaria broke off diplomatic relations with Israel in 1967, following the Six-Day War. Unlike in the cases of Poland and Hungary, which recently re-established ties with Israel severed at the same time, Bulgaria and Israel do not maintain interests sections in each other's countries, the lowest form of diplomatic representation.

But the two nations have exchanged trade representatives.

The Bulgarian officials assured the WJC delegation in Brussels on Friday that "they would move rapidly toward re-establishing full diplomatic relations with Israel, once internal political conditions in their country were settled," Steinberg said.

He believes that ties will be re-established much sooner than the Bulgarian political landscape would indicate, perhaps "within weeks."

On a more somber note, Steinberg reported that there is little indication Yugoslavia will restore diplomatic relations with Israel in the near future. He cited the internal unrest that Yugoslavia is experiencing as a chief reason.

Steinberg said that the Serbian minister for external affairs had told him that "he was prepared immediately to open diplomatic relations with Israel, but the situation was complicated by the complex federated makeup of the country."

#### ANTI-SEMITIC BANNER AT MILAN GAME ACTIVATES ITALIAN HATE CRIMES LAW By Ruth E. Gruber

ROME, March 4 (JTA) -- An anti-Semitic banner displayed at a soccer match in Milan on Feb. 25 activated a new law aimed at preventing racism and violence at soccer games. Italian law-enforcement authorities say it is the first of what may be numerous applications of the decree.

The law was passed in December, because of increasing racist rowdyism by right-wing soccer fans. It was invoked for the first time on Feb. 27, when the authorities in Milan banned 55 hard-core Skinheads from attending soccer games there for one year.

Skinheads are shaven-headed young thugs, many of whom sport Nazi-like regalia and attack or harass Jews, blacks and other minorities.

"I am very worried about what I see in the stadium, a real escalation of incivility," said Arrigo Sacchi, coach of the Milan team, who was interviewed by the newspaper La Repubblica.

Sacchi, mindful of the fact that Italy will be hosting the World Cup soccer tournament on June 12, said he was shocked and outraged when an

anti-Semitic banner was draped over a girder high above the stadium during a match between Milan and Naples.

A man was photographed climbing the girders to hang it. According to La Repubblica, the banner hung for a long time at the stadium without anyone bothering to remove it.

The Milan team sharply condemned the "deplorable episode," which it blamed on "the incivility of a violent minority of the fans."

The Italian Jewish Youth Federation issued a statement, saying there was no place for racism at sporting events. It urged the authorities to exert pressure until the perpetrators are punished.

At least two motions were introduced in Parliament as a result of the episode. The governing body called on the interior and entertainment ministers to block "banners that exalt hatred, violence and racism" from sports stadiums.

It also asked that the soccer federation "introduce appropriate disciplinary measures that would require the club to immediately remove placards or banners that are offensive or incite to violence, even if it means delaying the start of the match."

# EX-PRESIDENT OF BRANDEIS AND WIFE REPORTED DEAD IN CAIRO HOTEL FIRE By Hugh Orgel

TEL AVIV, March 4 (JTA) -- Marver Bernstein, 70, the former president of Brandeis University, and his wife, Sheva, 68, are believed to be among those who died last Thursday in a fire at the Sheraton Hotel in the Cairo suburb of Heliopolis, according to an unconfirmed report published Sunday in the Israeli daily Ma'ariv.

According to the paper, the Bernsteins were reported missing and their passports were found near two unidentifiable bodies following the blaze. Previous accounts indicated at least one American had died in the fire, which took the lives of 16 people.

In New York, friends of the Bernstein family said Sunday that they had heard the account, and one said Sheva Bernstein's sister had been asked to provide Egyptian officials with the couple's dental records for the forensic investigation.

Sheva Bernstein's sister is the political writer Midge Decter, whose husband, Norman Podhoretz, is editor of Commentary magazine.

According to the Ma'ariv report, the Bernsteins, who kept a home in Jerusalem and one in the United States, flew to Cairo last week to join a tour of Egypt, with a visit to the Nabatean archeological remains in Petra, Jordan, organized by the Smithsonian Institution in Washington.

At a dinner in Jerusalem on the eve of their departure, the Bernsteins reportedly had brushed aside questions about their safety, following the recent attack on an Israeli tour bus in Egypt.

Professor Bernstein, who received his doctorate in political science at Minnesota University, served in several prestigious academic possts. He was dean of the Woodrow Wilson School of International Relations at Princeton. He served as president of Brandeis from 1972 to 1983.

Shortly after the establishment of the State of Israel in 1948, Bernstein was invited by the new government to advise it on the establishment of its public services and to draw up plans for the office of state comptroller.

Following his retirement on pension from Brandeis, Bernstein continued an academic association with Georgetown University in Washington.