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# **HUNGARY TELLS SOVIET UNION NOT TO BRING JEWS TO BUDAPEST**

**By Allison Kaplan**

NEW YORK, March 22 (JTA) -- Because of the terrorist threats received last week, Hungary told the Soviet Union on Thursday not to fly Soviet Jewish emigres to Budapest anymore, a day after it suspended its own national airline's charter flights to Israel.

Hungary's national airline, Malev, asked the Soviet carrier Aeroflot to stop flying Soviet emigres to Budapest, where they transfer for flights to Tel Aviv. The route had been responsible for bringing thousands of Soviets to Israel.

The Soviet Union distanced itself from the Hungarian move in a statement released Thursday evening.

"The termination of the Moscow-Budapest charter flights, which were carried out by the Hungarian airline Malev to carry Soviet emigrants to Israel, is not related in any way whatever to actions by the Soviet side," the statement said.

On Wednesday, it had been widely believed that only those special charter flights which had been stepping up the pace of immigration had been terminated, and that the transport of Soviet Jews on regularly scheduled tourist flights would continue.

## **Two Flights A Week**

Malev runs two scheduled tourist flights each week to Israel, on which more than half of the passengers have usually been Soviet Jewish immigrants.

But after the request to Aeroflot on Thursday to cease bringing Soviet Jewish emigres to Budapest, it became unclear whether the Hungarians would even allow Soviet Jewish emigres to board regularly scheduled commercial flights to Israel. It also appeared doubtful whether El Al charters would be permitted to use the Budapest airport.

The Hungarians cited threats of terrorism made last week by Islamic Jihad as the reason for their decision.

Budapest became a crucial transit point for Soviet Jews several weeks ago, when special charter flights by Malev between Moscow and Israel via Budapest began.

These charter runs were paid for by the Jewish Agency in American dollars, according to a source in the Soviet Jewry movement.

The Israeli government and the Jewish Agency had been concentrating their efforts on opening a number of alternative European transit points ever since the Soviet Union nixed an agreement for transporting Soviet Jewish immigrants directly between Moscow and Tel Aviv.

The payment in hard currency has been the main incentive for the cash-strapped Eastern European countries to agree to transport the Soviet Jewish immigrants.

A delegation of American Jewish leaders--including Shoshana Cardin, chairwoman of the National Conference on Soviet Jewry and Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations -- met with representatives at both the Hungarian and Soviet embassies Thursday to

register their concern.

The group afterward called on the Hungarian government to rescind its decision to cancel flights.

The group said in a statement that the Hungarian action "affects many thousands of Jews who have given up apartments and possessions in anticipation of emigrating immediately, and are left in limbo. Further, this suspension of flights will undoubtedly have a very negative impact on many other Jews now in the process of leaving the Soviet Union."

The American Jewish Committee also protested the Hungary's decision Thursday, and asked it not to give in to terrorist threats or Arab pressure.

"We call on the Hungarian government not to yield to such blatant political blackmail and to reverse their action without delay," said a statement released by AJCommittee.

AJCommittee also requested "other governments and airlines to assist in any way possible to speed up the legal emigration of the thousands of Soviet Jews waiting for available seats."

In Jerusalem, Jewish Agency officials stressed Thursday that the key factor in determining the flow of Soviet Jewish immigration was not the availability of transportation, but the Soviet authorities' processing of would-be immigrants.

The officials said that a large number of Jews are ready to leave for Israel by any of a number of routes, but the paperwork involved in making travel arrangements is often time-consuming.

There was no confirmation from these officials of Israeli media reports that Soviet authorities were deliberately slowing the pace of the exodus, in response to Arab political pressure.

The Soviet Foreign Ministry strongly denied such reports.

*(JTA correspondent David Landau in Jerusalem contributed to this report.)*

# **MOSCOW FILM FESTIVAL GETS OK AFTER OFFICIALS REVERSE NYET**

**By Tom Tugend**

LOS ANGELES, March 22 (JTA) -- In a dramatic turnabout worthy of a Hollywood cliff-hanger, the Jewish Film Festival in Moscow will go on as scheduled, after municipal authorities reversed their earlier decision to cancel the event.

Yielding to heavy pressure from top Soviet and Communist Party officials, as well as the U.S. Embassy, Moscow Mayor Valery Saikin gave the festival the green light, the Los Angeles Times reported in a front-page story from its Moscow correspondent.

Earlier, the mayor and Moscow City Council had cited fears of anti-Semitic demonstrations and financial losses as their reasons for canceling or postponing the festival.

Deborah Kaufman, the American director of the festival and of similar festivals in Berkeley and San Francisco, called the reversal "quite dramatic -- we have gone from despair to full satisfaction, and that in 24 hours."

During the eight-day festival, opening Satur-

day evening, 29 feature films and documentaries on Jewish themes from the United States, Israel, Europe and South America will be screened at three large theaters in central Moscow. The opening and closing ceremonies will be held at the prestigious theater at the Rossiya Hotel, off Red Square.

Some 50,000 to 60,000 people are expected to attend, making the festival the largest Jewish cultural event in Soviet history.

The Los Angeles and San Francisco organizers had negotiated for eight months with Soviet authorities to put on the festival.

To get the festival back on track required heavy pressure on the entrenched municipal bureaucracy, the Times reported.

Rustam Ibragimbekov, president of the American-Soviet Film Initiative (ASK), a co-sponsor of the festival, sent a telegram to Saikin, in which he argued that "cancellation of a festival of Jewish films because reactionary anti-Semites might protest against it amounts to the surrender of the Soviet Union's capital city to the worst sort of element.

"And to say that we cannot have a Jewish film festival during elections" because "passions might be aroused makes us all anti-Semites, and that we must also reject."

The Soviet Foreign Ministry added its voice, warning that the image of the country as increasingly progressive and politically open would be seriously tarnished by the festival's cancellation.

Following strong protests from the U.S. Embassy, the Foreign Ministry also warned that cancellation could adversely affect future cultural exchanges with the United States and other Western nations.

Pressure also was exerted by leading members of the Supreme Soviet, the national legislature and the ideological department of the Communist Party's policy-making Central Committee.

The Times quotes one senior party official as saying, "Whatever the circumstances, the appearance of tolerating and accommodating anti-Semitism destroys whatever sympathy we have earned generally for Soviet policies.

"Sometimes, however, one of our officials has trouble understanding and asks, 'What is so special about a Jew?' That is sort of what happened with this festival."

#### **\$400 MILLION U.S. HOUSING LOAN STILL BEING DEBATED IN WASHINGTON** By Howard Rosenberg

WASHINGTON, March 22 (JTA) -- The U.S. government has yet to state publicly whether it supports a \$400 million housing loan guarantee to help Israel resettle Soviet Jewish immigrants, an Israeli Embassy official said Wednesday.

According to embassy spokeswoman Ruth Yaron, the Bush administration is still undecided.

The embassy was commenting on remarks made Tuesday by Deputy Secretary of State Lawrence Eagleburger, before the Senate Appropriations subcommittee on foreign operations.

Eagleburger said the United States is still seeking assurances from Israel on "the use of these funds."

U.S. policy forbids their use to help anyone in the Israeli-administered territories except the "indigenous Arab population."

Yaron said "we don't know" what assurances, if any, the administration would seek, but she expected to hear within a few weeks.

The United States and Israel have yet to discuss any specific language or text, she said.

Israel has indicated that it would not use the \$400 million to help build housing for Soviet emigres in the administered territories.

But a State Department source said Wednesday that it was unresolved whether the \$400 million in housing loans Israel would use within its pre-1967 borders would not free other resources to resettle Soviet Jews in the West Bank.

The Israeli Embassy official observed that the United States has not asked Israel specifically not to use its own funds to resettle the Soviet Jews in the territories.

#### **Strong Bipartisan Support**

The loan guarantee has strong bipartisan support in Congress. Sen. Robert Kasten (R-Wis.) one of the bill's two sponsors, vowed to an Orthodox Jewish audience Tuesday night that he would add language of the loan to a bill providing emergency aid to Panama and Nicaragua scheduled for next month.

Meanwhile, a senior U.S. Middle East expert said Wednesday that Jews "have the right to live in East and West" Jerusalem.

The statement, by Daniel Kurtzer, deputy assistant secretary of state for Near Eastern and South Asian affairs, appeared to clarify President Bush's statement about Jews having the right to live in East Jerusalem "in the context of a negotiated settlement."

Members of Congress and Jewish groups have been blasting the Bush administration in the last two weeks for raising questions about the settlement of Jews in East Jerusalem, which Israel considers part of its capital.

They have charged that the United States opposes the settlement of Jews in East Jerusalem.

But Kurtzer only criticized those Israeli settlements in "Judea, Samaria and Gaza," which he said should not be there "until we have a negotiated settlement. And it's on this position that we have differed with the official Israeli position for some 23 years."

Kurtzer, who was speaking to the Union of Orthodox Jewish Congregations of America, is himself an Orthodox Jew and a Yeshiva University graduate.

"Right now, Jews are living happily and successfully all over the city," he said.

#### **Status of Jerusalem Negotiable**

He contrasted that point with the U.S. position, that "at some point even the status of Jerusalem will be on the table. And Israel knows that."

On settlement activity, Kurtzer called on Israel to "try not to create, rather, the kind of situation which prevents negotiations from happening."

Kurtzer implored Israel to absorb Soviet Jews "in Tel Aviv, in Haifa, in Beersheba in the Galilee" and "decide for the time being not to decide about settlements."

Kurtzer rejected the notion that Bush's March 3 statement contributed to the collapse of Israel's coalition government. Bush's statement "has been a legitimate issue here, but I don't think a reasoned analysis would suggest it was in Israel," he said.

"We have assumed all along that at some point in this process, the Israeli people would need some time to debate the issues, and that's what we have now," he explained.

## TREASURY OFFICIALS FEAR FISCAL FUTURE IF PERES SUCCEEDS WITH LABOR COALITION

By Gil Sedan

JERUSALEM, March 22 (JTA) -- Senior Treasury officials are fearful that onerous financial burdens will be imposed on Israel's economy if Shimon Peres succeeds in forming a Labor-led coalition government.

They cite the commitments he will have to make to the pivotal religious parties for their support and obligations already undertaken to the Histadrut labor federation.

None of it is included in the budget for fiscal 1990-91, which begins April 1 and has yet to be approved by the Knesset.

Peres was assigned the coalition-building task by President Chaim Herzog on Tuesday evening. He has already won the support of the ultra-Orthodox Agudat Yisrael party, but at an estimated cost of \$100 million in promised government subsidies for its school system alone.

Ya'acov Lifshitz, director general of the Treasury, said he "assumed the new coalition agreement will include financial commitments to the religious parties."

But he hoped they would be within the framework of the general budget and on the account of other expenditures.

Peres, who was finance minister in the Likud-Labor coalition government ousted by a no-confidence vote in the Knesset on March 15, paid a high price to the Histadrut.

An unforeseen expenditure for which there is no budget is the cost of absorbing the tens of thousands of new immigrants, mainly from the Soviet Union, who are expected to pour into Israel this year.

Lifshitz said Wednesday that the state will need an additional \$500 million this year to cover absorption costs.

He said the Treasury does not intend to finance the costs of aliyah by imposing more taxes because that would be counterproductive.

## LABOR GOVERNMENT HOPES DIM AS RELIGIOUS PARTIES WON'T COMMIT

By Gil Sedan

JERUSALEM, March 22 (JTA) -- Prospects for a Labor-led coalition government appeared dim Thursday as two pivotal religious parties refused to commit themselves to Labor Party leader Shimon Peres.

The ultra-Orthodox Shas and Degel HaTorah remain loyal to Likud for the time being, notwithstanding their dovish positions on the peace issue, which brought down Yitzhak Shamir's Likud-led regime last week.

They met Thursday with a high-power team of Labor activists headed by Peres. Although the Laborites described the meeting as "good," the outcome was inconclusive.

By the end of the day, Degel delegates announced there was no change in their support of Likud. Shas promised an answer soon.

Whether they will shift to Labor seems to depend increasingly on the decision of the aged Rabbi Eliezer Schach, leader of the Council of Torah Sages in Bnei Brak, who is the patron of both parties. Schach is something of an enigma, since his political views are considered left of Labor's.

Nevertheless, both Shas and Degel advised President Chaim Herzog this week to assign Likud

the task of forming the next government. Shas, though, did not mention Shamir by name.

It has been speculated that while Rabbi Schach dislikes Shamir's policies, he has personal objections to Peres as the next prime minister. In that case, he might change his mind if Labor selected somebody else -- possibly Yitzhak Rabin -- to form a government.

Rabin has been co-opted to the Labor negotiating team, which now includes Ya'acov Tsur and Moshe Shahal, both former ministers, and Yossi Beilin, who was deputy minister of finance in the former government.

Rabbi Arye Deri of Shas, who was minister of interior, denied Thursday that his party was split. Deri is known to favor an alliance with Labor.

The Shas team was planning a meeting Thursday night with its other spiritual leader, the former Sephardic chief rabbi, Ovadia Yosef.

Peres, meanwhile, got a green light from the Labor Party leadership to negotiate with individual Knesset members as well as factions.

They would include disaffected Likud members. Two names that cropped up were Zalman Shoval and Aharon Abuhatzaira, who defected from the National Religious Party in 1981 and formed the short-lived Tami party.

Apparently, Peres' efforts to induce Likud members to switch loyalty has fallen flat.

## TWO ARABS KILLED IN CLASH WITH IDF

By Gil Sedan

JERUSALEM, March 22 (JTA) -- Two young Arabs were killed Thursday and two were captured during a clash with Israel Defence Force soldiers in the Nablus casbah.

An Army spokesman said that as the soldiers came face to face with a group of young Arabs, one of them held a grenade in his hand, while another tried to attack the soldiers.

One of the dead men, who was reportedly a member of the local terrorist group known as the Black Panthers, had been sought for a long time on charges of having murdered seven local residents and attacking local Palestinians suspected of collaborating with the Israeli authorities.

The army conducted searches in the casbah following the clash, in which a 9mm pistol was found. A curfew was clamped on Nablus and the neighboring refugee camps.

## GUNMAN KILLED BY SLA IN LEBANON

By Hugh Orgel

TEL AVIV, March 22 (JTA) -- A gunman was killed in a clash with South Lebanon Army forces along the northern border of the southern Lebanon security zone Wednesday, the SLA reported.

The clash occurred in the eastern sector of the zone, south of Hounch village. The SLA troops suffered no casualties.

The troops, who work in cooperation with Israeli authorities, were on a routine patrol in the region when they encountered a squad of terrorists.

The SLA men opened fire, killing one of the gunmen. The other apparently managed to escape north of the zone.

It was not clear by today whether the terrorists belonged to a Palestinian or a Lebanese organization. A Kalachnikov assault rifle, ammunition and battle pouches were found alongside the gunman's body.

## JEWISH LEADERS' MEETING WITH PLO AIDE TRIGGERS A CONTROVERSY IN LOS ANGELES

By Tom Tugend

LOS ANGELES, March 22 (JTA) -- A secret meeting that a number of local Jewish leaders held with a top aide to Yasir Arafat has set off a heated controversy within the Jewish community here, followed by an attempt to establish guidelines for any such meetings in the future.

The emissary was Khalid al-Hassan, chairman of the foreign relations and parliamentary affairs committee of the Palestine National Council. Together with Arafat, he founded Al Fatah, the largest and most moderate faction of the Palestine Liberation Organization.

Hassan recently was described by The New York Times as Arafat's "trouble-shooter" and senior adviser.

Hassan's stay in the United States lasted several months. During that time, the PLO official took part in about half-a-dozen meetings with American Jews in at least three cities, including Philadelphia.

But aside from his meeting in Los Angeles, only one of Hassan's encounters with the American Jewish establishment was made public -- a meeting with Henry Siegman, executive director of the American Jewish Congress.

A meeting scheduled to take place in San Francisco reportedly was canceled before it could take place.

The Los Angeles meeting was arranged in January through Stanley Sheinbaum, a longtime peace activist who was one of five U.S. Jews to meet with Arafat in Stockholm in December 1988.

"Hassan contacted me and asked me if I could arrange some meetings for him, without any publicity," said Sheinbaum. "I always feel that any discussion (with Palestinians) is good," he added.

### Jewish Leader Resigns In Protest

During Hassan's two-day visit, he attended a reception of about 60 people in Sheinbaum's house, then with a smaller group of 15 at lunch the following day.

Among those at the lunch meeting were prominent members of the board of directors of the Jewish Federation Council, including Marcia Volpert and Rabbi Harvey Fields, chairpersons respectively of the federation's Jewish Community Relations Committee and of its Commission on the Middle East.

Strongest condemnations of the meetings were leveled by two members of the Middle East commission, Rabbi Abraham Cooper, associate dean of the Simon Wiesenthal Center for Holocaust Studies, and Jonathan Mitchell.

In a letter of resignation to the commission, Cooper charged that "those in positions of communal trust have violated it in pursuit of private agendas."

Cooper had earlier threatened to quit if Volpert and Fields did not resign from the Federation Council.

At that time, he told the Jewish Telegraphic Agency, "If they (Volpert and Fields) don't go, I'll go."

"That leaders of the second largest Jewish community in the world would meet with a PLO representative is completely unacceptable," he said.

"Federation leaders can't meet with the PLO one day and next day tell us that the whole

community has to work together and raise huge dollars to help settle Soviet Jews in Israel. This can be incredibly damaging to Israel -- it's a great chutzpah."

Mitchell said that those who had met with Hassan had "violated the trust of the Jewish community."

In a statement by Fields, released this week, he stressed that he and others attended the meetings as private individuals and that none would have participated if they thought it might "create divisiveness within our community."

### NJCRC Opposes Such Meetings

Fields announced that the federation's Middle East commission met March 16 and had appointed a committee "to consider the fashioning of guidelines for meetings of Jewish Federation leadership with Palestinians."

"Through this means," he said, "a full and responsible discussion and resolution of this important matter will take place within our community."

The National Jewish Community Relations Advisory Council, an umbrella group of 13 national Jewish groups and 117 local community relations councils, discussed the issue of contacts with Palestinians last Friday at a meeting of its Israel Strategy Committee.

According to an official report on the closed-door session, the committee decided that members of local community relations councils "should not meet Palestinians convicted for crimes of violence or with officials of the PLO."

"The Jewish community relations field continues to view the PLO as an umbrella body of terrorist organizations committed to Israel's destruction," said the report, an excerpt of which was obtained by JTA.

During Hassan's visit to Los Angeles, he also met with staff members of the Rand Corporation, a think tank; editors of the Los Angeles Times; and a group of academicians.

Federation board members who attended the meeting with Hassan gave it mixed reviews. Dorothy Goren said she was disappointed that "we got the usual answers. I asked him about all the Arabs being killed by other Arabs, and he never gave me a straight answer."

Professor Gerald Bubis, a Peace Now activist who teaches at Hebrew Union College, saw some value in the meeting, as much for Jews who had never been face-to-face with a Palestinian as for the PLO leader's appraisal of the American Jewish community.

### 'McCarthyism' In Jewish Community

Bubis said he hopes that there are similar meetings in the future, if only to get an insight into the thinking on the other side. He attacked the demands for the resignations of Volpert and Fields from the Jewish Federation Council as examples of "McCarthyism in the Jewish community."

Hassan's main points, Bubis said, dealt with the question of who, if anyone, controls the intifada, the future of a "demilitarized" Palestinian state and such a state's necessary link with Israel or Jordan to be economically viable.

George Caplan and Wayne Feinstein, president and executive vice president respectively of the Jewish Federation Council, had been invited to the meeting, but declined.

(JTA staff writer Allison Kaplan in New York contributed to this report.)