

75th ANNIVERSARY YEAR

WEDNESDAY, SEPTEMBER 23, 1992

VOL. 70, NO. 183

**MISSING ISRAELI BELIEVED ALIVE,  
LEBANESE NEGOTIATORS TELL ISRAEL**  
JTA Staff Report

WASHINGTON, Sept. 22 (JTA) -- The Lebanese government has reason to believe that missing Israeli air force navigator Ron Arad is still alive, Israeli officials have been told.

Israeli Foreign Minister Shimon Peres announced the news Monday at a briefing in New York with members of the Jewish press. And further details were provided here Tuesday by Uri Lubrani, co-chairman of the Israeli team conducting peace talks with Lebanon.

Lubrani, who served last year as Israel's chief hostage negotiator, told reporters that Israel had asked the Lebanese delegation to do whatever it could on a humanitarian basis to find out about the fate of Arad, whose airplane was shot down over Lebanon in 1986.

As a result, he said, the Israelis had "received a reply that the Lebanese government has reason to believe that navigator Arad is alive."

He said the Lebanese delegation had assured the Israelis that it "will do whatever it can to pursue the matter to the best of its ability."

Asked by reporters if the Israelis had received any information about Arad's whereabouts, Lubrani said, "I don't think they have any knowledge of who is holding him."

When asked a similar question in New York on Monday, Foreign Minister Peres said that "the Syrians deny they are connected in any way with the fate of Ron Arad."

He later added: "I would see an Iranian finger in the story, but I don't have evidence to support it."

**Will Press Case At U.N.**

Peres indicated he would raise the Arad case on Wednesday in a meeting with U.N. Secretary-General Boutros Boutros-Ghali, who has pledged to do what he could to win the missing Israeli airman's freedom.

Similarly, Israeli Prime Minister Yitzhak Rabin raised the case with the secretary-general last month, and brought Arad's wife, Tami, with him to the meeting.

Last year, Boutros-Ghali's predecessor, Javier Perez de Cuellar, and a top aide, Giandomenico Picco, were involved in negotiations with Israel, Iran, Syria and Lebanon that resulted in the release of all American and British hostages in Lebanon.

Israel also received information about the fate of some of its soldiers missing in Lebanon, as well as some of the remains of those who allegedly died in captivity.

But there was no definitive word on the fate of Arad, who is thought to be the only Israeli with any likelihood of still being alive.

And since the last American hostage, Terry Anderson, was released, there has been no progress on the issue.

Israeli sources here say there is good reason to believe Arad is still alive. But they cautioned against placing too much stock in the latest Lebanese report, saying they did not know whether the government in Beirut had made a serious inquiry into the case.

**PALESTINIANS WITHDRAW THEIR DEMAND  
THAT ISRAEL COMMIT TO GIVING UP LAND**  
By Cynthia Mann  
States News Service

WASHINGTON, Sept. 22 (JTA) -- The Palestinian delegation at the Middle East peace talks has backed away from last week's tough talk, which had threatened to produce an impasse in the negotiations with Israel.

Meanwhile, the Syrians and the Israelis are working toward completing a joint agreement of principles before the current round of talks ends Thursday.

The head of the Israeli team negotiating with Syria said after Tuesday's session that there were some points of "potential promise" in discussions that "organically" linked questions of peace to those of "territorial dimension."

The description was a marked improvement over last week, which saw setbacks over Syria's unmet demand that Israel spell out its willingness to withdraw from the Golan Heights. Israel had said it first wanted to see what kind of peace Syria is prepared to offer.

But in Jerusalem, Israeli Prime Minister Yitzhak Rabin said Tuesday that the talks with Syria would achieve little unless they were held at a higher level.

"I believe that large-scale decisions would be difficult to achieve at the current level" of talks, Rabin told the Knesset Foreign Affairs and Defense Committee.

"If the process continues, it will have to be at other levels."

His cryptic comment fueled recent speculation about a possible summit meeting between the Israeli prime minister and Syrian President Hafez Assad, though both Israeli and American officials here have denied that any such plans are in the works.

**Reconsidered Over The Weekend**

Rabin also said he did not rule out an eventual political arrangement between Israel and the Palestinians, following an interim period of autonomy in the administered territories.

Here in Washington, Israeli negotiators were caught off guard last week when the Palestinian delegates suddenly introduced a new condition for negotiations: that Israel commit itself to the withdrawal from the territories in accordance with U.N. Security Council Resolution 242.

But spokeswoman Hanan Ashrawi said Monday the Palestinians had reconsidered over the weekend and, in the interest of making progress, would set aside the demand.

The Israelis maintain that a discussion of territorial withdrawal does not apply to the negotiation of a Palestinian interim self-governing authority, according to the letter of invitation to the negotiations issued last fall by the co-sponsors, the United States and what was then the Soviet Union.

That letter, they say, represents the only binding terms of reference for the talks.

Ashrawi said the Palestinians instead presented to the Israelis an outline of their principles "as extracted from the letter of invitation," to demonstrate their commitment to the peace

process. That included their belief that 242 applies to the talks.

But to avoid what she called a continued "tug of war," the Palestinians also presented to the Israelis a few items common to both of their agendas and have agreed to accept a discussion of each subject "separately and on the basis of their merits."

The items include the goals and objectives of the talks, the concept of an interim self-governing authority, and Palestinian elections.

#### Some Progress With Lebanon

Ashrawi said the Israeli response to the Palestinian paper was "entirely unsatisfactory." She said the Israelis were "quite entrenched" in their views.

Nasser Atta, press attache to the Palestinian delegation, said Tuesday that not enough had been achieved in this round. But he said the delegation is hopeful that persistence will lead to progress.

The Israelis, as is their custom, had little to say for the record about the Palestinian talks beyond describing them.

Delegation spokesman Yossi Gal said that since Sept. 17, the sessions were being divided into two parts: the first a full plenary session that saw a formal exchange of views on various proposals, and the second a less formal session that was broken up into small groups.

Elyakim Rubinstein, head of the Israeli team negotiating with the Palestinians, said Tuesday that the practice of breaking into smaller groups was "useful in exploring ideas and trying to make progress."

The Israelis have asked for a resumption of the talks on Oct. 21, after the Jewish holidays, in order to keep the current momentum. The Arabs say they are eager to resume before November's U.S. presidential election, but no firm date has been set.

Despite the emphasis on the talks with the Syrians and the Palestinians, Gal said the Israelis are eager to see progress in all the rounds.

On Tuesday, the Israeli team negotiating with Lebanon reported that there had been some progress since the round began, with discussion started on establishing a joint military negotiating group.

But Yosef Hadass, co-chairman of the Israeli team, cautioned that progress would be slow.

In "such negotiations after 44 years of war, it's not a question of a magic stick to solve problems," he said. "We've got to air our differences, and we are trying to do it (to) our best ability."

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

#### **IDF KILLS 3 TERRORISTS IN LEBANON**

**By Hugh Orgel**

TEL AVIV, Sept. 22 (JTA) -- Three terrorists were killed and an Israeli soldier slightly wounded Monday night in a clash near the ruins of the Beaufort Castle in southern Lebanon.

As Israel Defense Force artillery continued Tuesday to shell the area, Israeli troops searched for traces of the gang.

The soldiers participating in the action were praised by the regional commander, Maj. Gen. Yitzhak Mordechai, saying they had prevented a serious attack against Israeli installations.

The soldier who was wounded returned to his duties after receiving first aid.

#### **ISRAELI BORDER POLICEMAN KILLED WHILE CHECKING GUNMAN'S IDENTITY**

**By David Landau**

JERUSALEM, Sept. 22 (JTA) -- Israeli army and police units threw a massive dragnet around the Jerusalem area this week following the terrorist killing of a border policeman.

Staff Sgt. Avinoam Peretz, 23, of Migdal Haemek, was shot in the stomach Tuesday morning in East Jerusalem by a young Palestinian in military-style clothes whose identity card he was checking.

The killer himself was quickly caught. But one or possibly two accomplices escaped by car, eyewitnesses said. Police said they knew the identities of the man or men they were pursuing.

The incident was one of the most serious in the capital for a long time, Jerusalem police chief Haim Albaldes said. It occurred in broad daylight on the main road leading into the city's northern suburbs of Shuafat and French Hill, a major thoroughfare used by both Jews and Arabs.

The assailant, moreover, wore a quasi-military uniform and apparently carried his weapon, a snub-barrelled M-16 issued by the Israel Defense Force, quite openly.

The victim, an instructor at the border police academy in the capital, spotted the man and tapped him from behind to ask for his identification. Instead, the man whirled around and fired a round of bullets.

He then fled and attempted to commandeer a passing taxi, taking its occupants hostage. But a border police unit was able to overpower him without further shots being fired.

The Islamic fundamentalist movement Hamas took credit for the killing.

Prime Minister Yitzhak Rabin condemned the "bestial act" and vowed tough and vigorous efforts to fight terror.

Israeli Police Chief Ya'acov Terner said Monday night that the murderer and his accomplice planned an attack on a nearby road-shelter where soldiers wait for lifts. He indicated there were two men involved in the plot, both of them long sought by the police and the General Security Service, or Shin Bet.

The murderer himself is from the West Bank town of Jenin.

#### **AUSTRALIA MAY DEPORT ISRAELI COUPLE**

**By Jeremy Jones**

SYDNEY, Australia, Sept. 22 (JTA) -- Two Israelis who claimed they "risked their lives" every time they left their home in the West Bank settlement of Kiryat Arba have been denied refugee status in Australia.

Ayala and Yehuda Dror now face deportation from Australia, as their tourist visas have expired.

The Drors, both 27, applied to the Department of Immigration, one day prior to the expiration of their tourist visas, claiming they were living in constant fear of their Arab neighbors.

The application is understood to be the first of its type, although asylum has been given to refugees from Western democracies on various grounds, including the inability of governments to protect their citizens effectively.

Privately, Jewish leaders agreed with the Australian decision to reject the Drors' application, arguing that it is not reasonable to imply that the Israeli army is incapable of defending Israeli citizens.

## E.C. TO LAUNCH TALKS AIMED AT UPGRADING ISRAEL'S STATUS

By Larry Yudelson

UNITED NATIONS, Sept. 22 (JTA) -- The European Community has agreed to launch a series of talks aimed at upgrading its relationship with Israel.

This promise was won by Israeli Foreign Minister Shimon Peres on Monday, after a first-ever meeting between a high-ranking Israeli official and the 12 E.C. foreign ministers.

It was the biggest breakthrough to emerge so far from the flurry of meetings that Peres has been holding with international diplomats in recent weeks.

The discussions regarding Israel's status with the Common Market would be the first such review since 1975, when the E.C. and Israel signed a free-trade agreement. Subsequent requests by Israel for closer links with the E.C. have, until now, been rebuffed.

And while Peres did not receive a direct reply to his request that Israel be admitted to the Western European and Others bloc at the United Nations, there was a sense that the request would be seriously, and favorably, considered.

Admission to the bloc would, among other things, enable Israel to campaign for a seat in the U.N. Security Council.

Improved ties with the E.C. hold out the promise of many benefits for Israel, diplomatically and economically. The improved prospects were exciting enough for Israeli officials this week to point publicly to this diplomatic advance as the first concrete dividend from Israel's new positions on the peace talks.

The talks with the E.C. are set to begin almost immediately between lower-level officials, with Peres and his senior counterparts expected to join in within weeks.

While Israel does not expect to become a full member of the E.C., Peres said he told acting U.S. Secretary of State Lawrence Eagleburger that it aspired to a status similar to that given the six European Free Trade Association countries.

Those countries, which have close economic ties with the E.C., will not be a party to the political and monetary agreements envisioned in the proposed European unity treaty.

### A 'Practical Role' For Europe

Israel has also expressed a willingness to allow the Europeans a greater role in the peace process.

"Europe should have a practical role, not just a rhetorical role, in the peace talks," Peres told reporters.

He said he spoke with the Europeans, and with Eagleburger on Tuesday, about "breathing life" into the multilateral talks, in which the Europeans participate. He said he discussed the possibility of European funding for a proposed Middle East development bank.

Peres said his desire for a stronger European presence in the peace talks was well received by Eagleburger. This, said an Israeli official, was a departure from the previous American attitude of coolness toward the European presence, an attitude held as well by Israel's previous government.

Asked whether he thought Israel would be able to stop the annual flow of anti-Israel resolutions at the United Nations, Peres replied, "You can't change everything."

"I'm more interested in peace, in how to

build a new Middle East, than to change U.N. resolutions. I want to spend the energy there."

Eagleburger also reiterated American support for the Israeli drive to join the Western European bloc at the United Nations.

Last week, Assistant Secretary of State John Bolton told the Conference of Presidents of Major American Jewish Organizations that the United States is working with members of the bloc who are sympathetic to Israel's position to press for Israel's acceptance on a temporary basis.

"Israel is the only member nation of the U.N. that has not been accepted by a regional body," said Bolton, who heads the State Department's Bureau of International Organization Affairs.

The Arab members of the Asian bloc have prevented Israel's membership there.

### Fear Of Arab Reaction

European resistance to Israel's request reflects both fear in some quarters of Arab reaction, and the reluctance of states to dilute their influence in the bloc by allowing new members.

Also, until this year, Israel has not pushed the issue, both because the blocs are not part of the formal structure of the United Nations and because until very recently, Israel was shunned as a pariah by most member states.

Beyond the practical value of the move, Deputy Foreign Minister Yossi Beilin last week told the World Jewish Congress that Israel's acceptance into the regional bloc would demonstrate to the Israeli public that the United Nations, like the rest of the world, has changed its attitudes toward the Jewish state.

Beilin also last week was told by Conference of Presidents Chairman Shoshana Cardin that the conference and its member organizations would press Israel's case with friendly governments.

Delegations from the conference are meeting with various visiting foreign ministers and U.N. delegations to urge them to act on this promptly.

### ANOTHER JEWISH CEMETERY HIT IN FRANCE

By Michel Di Paz

PARIS, Sept. 22 (JTA) -- The Jewish cemetery of Merlebach, in eastern France, was desecrated Sunday night.

Seven graves were daubed with swastikas and inscriptions in German reading "Death to the Jews."

After a short investigation, the local police arrested two 17-year-olds, who admitted they were the perpetrators.

The two reportedly said they acted under the influence of the racial violence in Germany.

It was the fourth cemetery vandalism reported in France in recent weeks.

Last week, a Jewish cemetery in Lyon was desecrated. Two weeks earlier, the cemetery of Herlishheim, in Alsace, was vandalized, many of its headstones broken. The investigation into that desecration is still under way.

In another incident, the synagogue of Saint-Avoid, in the same region, was torched. The culprit, described by the police as an "outcast," was arrested a few hours after the arson attack.

Because of Rosh Hashanah, the JTA Daily News Bulletin will not be published on Tuesday and Wednesday, Sept. 29 and 30.

## REFUGEE FUNDING LIKELY TO BE CUT, PLACING ADDED BURDEN ON FEDERATIONS

By Cynthia Mann  
States News Service

WASHINGTON, Sept. 22 (JTA) -- Congress is in the process of setting next year's funding level for refugee resettlement programs in this country, and the outlook is grim.

Indeed, Jewish groups working on behalf of refugees from the former Soviet Union and other countries say that as the federal budget tightens and the social climate becomes increasingly hostile to foreigners, the future of the programs hangs in the balance.

They say the fiscal pressures could shift the burden of resettling Jewish refugees to already-strapped local Jewish federations and, in the worst case, could result in a reduction in the number of refugees admitted to the United States.

That, they say, would violate the program's guiding principle that resettlement should be based on humanitarian and not financial considerations.

Funding cuts could also trigger a major restructuring of the refugee resettlement program by eliminating the role of the states in providing Medicaid and federal cash assistance, which would be funneled directly to voluntary agencies.

The Council of Jewish Federations supports this plan, arguing that it would stretch fewer dollars further.

Both the Senate and House of Representatives have passed labor/health and human services appropriations bills for fiscal 1993, with money in them for refugee resettlement that is below the current funding level of \$410 million.

That money resettled 131,000 refugees this fiscal year, of which 61,000 were from the former Soviet Union. Of these, roughly 52,000 were Jews. In the coming year, 122,000 refugees are tentatively slated to be admitted, of whom 40,000 are expected to be Jews.

### 45 Percent Cut Initially Proposed

A House and Senate conference committee is expected to begin crafting a compromise next week between the House bill, which calls for a \$322 million appropriation, and the \$405 million called for in the Senate's.

While either appropriation level would force some cutbacks in resettlement programs, they are a big and welcome leap from the Bush administration budget submitted earlier this year, which refugee advocates fought fiercely.

The administration had appropriated \$227 million for resettlement, a 45 percent cut in the current funding, which is administered through the Department of Health and Human Service's Office of Refugee Resettlement.

"A 45 percent cut is like killing the program," said Mark Talisman, director of the Washington Action Office of the Council of Jewish Federations.

"We waited 15 to 20 years for the unfolding of events" in the former Soviet Union, he said. "And at the very moment we need the partnership" with the federal government, "to close it up is obscene."

Martin Wenick, executive vice president of HIAS, the Hebrew Immigrant Aid Society, agreed such a cut would have a dramatic impact.

"The services hitherto available (to provide) opportunities for people to establish themselves as self-supporting members of society won't be

there," he said. And in the long run, "that leaves them more dependent on the system."

Mark Handelman, executive vice president of New York Association for New Americans, or NYANA, the largest Jewish resettlement agency in the country, said in this scenario, Jewish federations would be forced to cut back sharply on their services.

He said they also might have to "dig into their own pockets" to compensate for the probable elimination of Medicaid that would result.

Indeed, with any of the projected cuts, "somebody has to make up for them, and in our case, it is usually the federations and the Jewish philanthropic pot," he said.

### Plan To Eliminate State Role

Both Talisman and Wenick say the \$405 million appropriation by the Senate would be palatable, even with its requirement that \$116 million not be dispersed until Sept. 30 of next year.

But they say the House appropriation of \$322 million would still leave a dysfunctional program under the current system.

One solution to a lower appropriation, proposed by the HHS refugee office and supported by CJF, is to revamp the system by eliminating the role the states now play in disbursing cash assistance and administering Medicaid.

The program currently calls for the State Department to provide financial support for the refugees for the first month, called reception and placement grants. Various voluntary agencies, which provide case management from the start, then help refugees get special cash assistance and Medicaid, which are administered by the states.

Jewish refugees are served through a special matching grant program created by the Office of Refugee Resettlement, in which \$1,000 is allocated for every refugee coming into this country through HIAS and resettled through the Council of Jewish Federations.

While this program is technically available to non-Jewish refugees, it is used primarily by Jews and offers a variety of support services, including English classes, vocational training and money for living expenses.

The CJF distributes the money to local federations based on the number of refugees in their communities, and the communities match the grant, dollar for dollar, in services or in cash. It lasts for three months.

Of the \$410 appropriation in fiscal 1992, \$39 million was for the matching grant program.

### A Veto Threat From Bush

In this program, the states provide Medicaid as well as cash assistance when the grant expires if the refugees have not found jobs.

But the Office of Refugee Resettlement has developed a new plan, which was adopted by the House and reserved as an option by the Senate. It calls for having the federations and other voluntary agencies assume this state function.

Preliminary estimates indicate eliminating the costs for state administration would stretch the dollars two more months.

Insiders say the congressional conference committee is likely to agree on some sum between the House and the Senate refugee appropriations.

But they caution that with a veto threat by President Bush looming over the massive appropriations bill, trimming it will be an agonizing process the lawmakers may not be able to conclude by the time they adjourn next week.