

**EL BIREH, RAMALLAH UNDER CURFEW
AFTER SLAYING OF JEWISH SETTLER**
By Gil Sedan

JERUSALEM, April 1 (JTA) -- A curfew remained in effect in the center of Ramallah and the adjacent town of El Bireh on the West Bank today following the fatal shooting of a Jewish settler, Avraham Nablunik, in the Ramallah marketplace yesterday. The army said the curfew will remain in force at least until Wednesday afternoon.

Nablunik, a resident of Hadasha, a Jewish settlement just north of Jerusalem, was the second Israeli to be murdered in the Ramallah marketplace since February 4 when a soldier was gunned down in almost the same spot, near the central bus station. Jewish settlers throughout the territory reacted with fury.

One response by the Council of Jewish Settlements was to establish an unauthorized -- and therefore illegal -- new settlement close to Ramallah. Tractors began leveling the ground this morning while volunteers hammered poles into the ground. There was no immediate intervention by the Israel Defense Force.

Rabin Calls Murder Despicable Crime

Defense Minister Yitzhak Rabin called Nablunik's murder a despicable crime and promised that the authorities would bend every effort to find and punish the killers. The military commander on the West Bank told reporters the security forces would do everything possible to protect Israeli citizens in the territories but warned that it was impossible to guard every individual.

The Council of Jewish Settlements, meanwhile, called for the establishment of a dozen new settlements in the territory in response to the killing. It demanded the immediate arrest of what it claimed were dozens of Palestine Liberation Organization sympathizers in Ramallah and El Bireh and the permanent closure of Bir Zeit University just north of Ramallah, long a center of Palestinian nationalism. The Council charged that the university teaches the ideology which led to yesterday's murder. The campus has already been closed down for a month because of an anti-Israel exhibit.

Murder Follows Land Day Rallies

According to local accounts, Nablunik was shot at close range, in the head, in the middle of the teeming market place. Although armed, he had no time to draw his weapon. The killer escaped in the crowd. Nablunik was employed by the El Bireh municipality which is run by the IDF.

The murder was the only serious incident of violence in the wake of Land Day which is marked each year on March 30 by Palestinian Arabs in Israel and the occupied territories to protest the confiscation of Arab lands in Galilee more than a decade ago.

Three Land Day rallies held by Israeli Arabs in Galilee and the Negev were peaceful despite some strong rhetoric. Tensions ran higher on the West Bank, and in East Jerusalem where a general strike was 100 percent effective. Two Arab youths were slightly wounded in the Dohaisha refugee camp when Israeli soldiers opened fire after a

stone-throwing melee. Police fired into the air after rocks were hurled at the police station in Manger Square in Bethlehem. There were no injuries. A Jewish woman was slightly injured by flying glass when a rock smashed the windshield of her car in Kalkilya.

NEW ECONOMIC PACKAGE GOES INTO EFFECT
By David Landau

JERUSALEM, April 1 (JTA) -- The prices of hundreds of goods and services went up by 10-15 percent as of midnight last night as the Treasury introduced a new economic package deal approved last week by the government, business and the Histadrut.

The new plan was put into effect immediately at the insistence of Finance Minister Yitzhak Modai and the Employers Association, despite strong opposition from many ministers and labor who argued that consumers should not be faced with higher prices barely a week before the start of the Passover holidays.

But Modai and his aides insisted that the Treasury could no longer sustain its subsidies of foodstuffs and other items in face of a rapidly declining Shekel. The Employers Association threatened yesterday to pull out of the deal if there was any delay in implementing the price hikes. They said they had agreed to the package with the understanding that the first round of price increases would become effective immediately. A week ago, the government hiked the price of petrol and other fuels by 13 percent.

New Package Calls For Price Increases

The package deal calls for price rises now, a two-month freeze at the new level, to be followed by a second round of increases and another freeze. It replaces the wage-price freeze package instituted last January which had only limited success. Subsidies continued to drain the Treasury and inflation soared by 13.5 percent in February compared to only a five percent rise the previous month. The new package has been called -- euphemistically -- a "reinterpretation" of the one it replaced.

Modai was determined to ignore the protests by Histadrut and many of his fellow ministers to hold the price rises in abeyance until after Passover. Deputy Premier David Levy spoke of "streams of housewives" jamming supermarkets Saturday night to make their holiday purchase before the new prices took effect.

The new package deal was adopted in the course of a grueling debate in the Knesset over the new national budget which began last Tuesday and ended in the early hours of Friday morning. The bleary-eyed lawmakers finally agreed to a budget of 20.2 trillion Shekels (about \$23 billion), for the 1985-86 fiscal year which starts today.

The debate, which kept the Knesset in session three days beyond its scheduled adjournment for spring recess, was marked by acrimonious wrangling with the various Orthodox parties over allocations for their religious institutions. The Labor Ministry also demanded increased funds for Kupat Holim, the Histadrut sick fund.

**TWO MORE JEWISH RESIDENTS ARE
ABDUCTED IN BEIRUT, REPORT SAYS**
By Hugh Orgel

TEL AVIV, April 1 (JTA) -- Two more Jewish residents of Beirut have been kidnapped, bringing the

number of Jewish residents abducted in the past few days to five, according to reports from the Lebanese capital today.

Dr. Isaac Sasson, head of the small Jewish community in Beirut, which totals less than 100 persons, and an 80-year-old man identified as Clemence Dana, were picked up in the street and dragged into waiting cars.

Reports from Beirut over the weekend said three Jewish residents had been kidnapped. They were identified as Haim Cohen, 39, Elie Spour, 68, and Elie Hallak, whose age was not given.

Last year, two members of the Beirut Jewish community were kidnapped. The body of Raul Sobhi Mizrahi, a prominent Lebanese Jew, was found on the seashore south of Beirut. Nothing has been heard of Selim Jammous, described as a leader of the west Beirut Jewish community.

Few Jews who had been living in predominantly Moslem west Beirut are reported to be moving to what they regard as the "relative safety" of predominantly Christian east Beirut.

Meanwhile, in south Lebanon, there were four attacks against the Israel Defense Force and the South Lebanon Army. No casualties were reported.

SHIITE LEADER PROMISES CONTINUED ATTACKS ON IDF IN SOUTH LEBANON

By David Kantor

BONN, April 1 (JTA) — Mohammed Hussein Fadallah, leader of an extremist Shiite Moslem group in Lebanon insists that Israel has no right to exist, according to an interview published in Der Spiegel today.

Fadallah heads "Hisballah" (Party of God) which is believed responsible for suicide attacks on American and French troops in Lebanon as well as on the Israel Defense Force. He said his group will continue to attack the IDF to force it to leave every inch of Lebanese soil. But he would not say specifically that the attacks would continue across the border after Israeli forces have left Lebanon.

Questioned in that connection, Fadallah said Israel's very existence is illegitimate because the Israelis took the land of the Palestinians. "Even if the Jews suddenly would become Moslems, we will demand that they leave the land of Palestine that they have usurped," he said.

Asked if Lebanese Shiites would be ready to come to terms with Israel if the Palestine Liberation Organization did, Fadallah claimed the PLO had no right to sign a treaty that would renounce the right of the Palestinians to return to their land.

He said his community could not accept a peace treaty between a Moslem state and Israel because it does not accept Israel as a legitimate political entity. Fadallah's influence in Lebanese politics has been steadily increasing in recent months, Der Spiegel noted.

EEC BACKS RECENT MIDEAST PEACE MOVES

BRUSSELS, April 1 (JTA) — The leaders of the 10 member states of the European Economic Community (EEC) have strongly endorsed the proposals by President Hosni Mubarak of Egypt and the negotiating approach agreed to last February 11 by King Hussein of Jordan and Palestine Liberation Organization chief Yasir Arafat as important initiatives for a peaceful solution of the Middle East conflict which are worth encouraging.

The declaration issued here Saturday, at the end of a two-day EEC summit conference, stated that

the member states reaffirm their conviction that a just and lasting solution of the Arab-Israeli conflict requires the participation and the concrete support of all of the interested parties, including the PLO.

The declaration called for peace negotiations under the auspices of an international conference in which the permanent members of the United Nations Security Council would participate together with all parties involved in the conflict. Within that framework, the PLO would be part of a joint Jordanian-Palestinian delegation, as Mubarak has suggested. That approach has been flatly rejected by Israel which refuses to have any contact with the PLO and insists on direct negotiations with Jordan.

Israel is strongly opposed in principle to an international conference which would bring the Soviet Union into the negotiating process. The U.S. supports the Israeli position with respect both to the USSR and the PLO.

EEC Seeks To Encourage Peace Advocates

Prime Minister Bettino Craxi of Italy, who currently holds the rotating presidency of the EEC, told a press conference after the summit meeting that it is Europe's desire to encourage those who advocate a peaceful solution which respects the rights of all parties concerned. He said the 10 heads of state and heads of government who participated in the summit believe that no efforts should be spared to maintain and re-enforce the current movement in the peace process or to facilitate a dialogue between all parties to the conflict.

The EEC declaration acknowledged that the latest initiatives face some difficulties but said their direction is the right one and represents a glimmer of hope which must not be missed. Craxi said the EEC states, in their contacts with all parties concerned, would strive to close the gap between conflicting positions.

According to political observers, the latest EEC declaration was the clearest assertion to date that the Hussein-Arafat agreement is a good basis for negotiating a Middle East peace settlement. The declaration expressed appreciation to Mubarak for what it called his important initiatives.

MARC CHAGALL BURIED IN SOUTH OF FRANCE IN NON-RELIGIOUS SERVICE

By Edwin Eytan

PARIS, April 1 (JTA) — Marc Chagall, the Russian-born Jewish painter, many of whose masterpieces were on Jewish themes, was buried today at Saint Paul De Vence, the village in the south of France where he lived and worked for the past 20 years. He died last Thursday at the age of 97.

There were no religious rites. Chagall's widow, Valentina Brodsky, said the artist had specifically requested that there be no religious service at his burial. A family member recited the Kaddish but without the required minyan.

The funeral was attended by a handful of family members and close friends and by diplomats of three nations. Two representatives of the Soviet Embassy in Paris were present as were French Foreign Minister Roland Dumas, Minister of Culture Jack Lang and Israel's Ambassador to France, Ovadia Soffer.

BONN (JTA) — Marc Scheps, Director of the Tel Aviv Museum, has become the first Israeli to receive the Goethe Medal, the only official decoration of the West German Federal Republic in the field of cultural exchange. The award was made in recognition of Scheps' long standing contributions toward German-Israeli cultural relations.

STATE DEPT. SAYS WEST BANK CAN STILL BE RETURNED TO ARABS DESPITE FINDINGS IN SURVEY BY BENVENISTI

By David Friedman

WASHINGTON, April 1 (JTA) -- The State Department rejected today a contention that a report issued in Israel showing that the Israeli government now controls 52 percent of the land on the West Bank, means that the area can never be returned to the Arabs.

"As we have said on many occasions, we regard settlement activity in the occupied territories as an obstacle to the peace process," Department spokesman Bernard Kalb said. "We do not, however, share the view that activities on the ground rule out the possibility of a negotiated settlement."

Kalb's remarks came after he refused to comment on a report released in Jerusalem yesterday by the West Bank Data Base Project headed by Meron Benvenisti, a former Deputy Mayor of Jerusalem. The study called "Land Alienation on the West Bank: A Legal and Spatial Analysis" charges that the Israeli government has taken control of more than half of the land through questionable legal means which has resulted in leaving Jewish settlers with all of the area available for growth on the West Bank. The West Bank Data Base Project is funded by grants from the Ford and Rockefeller foundations.

Benvenisti was quoted as saying that the data in the report reveals that Israel's control of the West Bank has gone beyond the point where it can ever be returned to Arab sovereignty.

State Dept. Will Study Report

Kalb said the State Department has not yet seen the report but "we look forward to the opportunity to study the report in detail." He noted that "the facts brought out by the studies, such as the 1984 report by the West Bank Data Base Project, point to the urgency of achieving a negotiated resolution of the Arab-Israeli conflict based on Israel's return of territory in exchange for a just and durable peace. To this end, we remain committed to the positions set forth in the President's September 1, 1982 peace initiative."

Benvenisti's 1984 report was a detailed study of Israel's policies on the West Bank which predicted the conclusions of the study released yesterday.

STRIKING EMPLOYEES OF MAGEN DAVID ADOM EFFECTIVELY SHUT DOWN SERVICES

By Hugh Orgel

TEL AVIV, April 1 (JTA) -- Employees of the Magen David Adom (MDA) today began a work stoppage protesting that their salaries had not been paid. The strike effectively shut down all services of Israel's first aid society.

The employees rejected a last minute appeal from the Health Ministry to call off the strike, saying that the employees' salaries would be paid into their bank accounts later in the week. The workers, however, contend that they no longer believed the promises of the Ministry, and said that payment at the end of the week would be too late for them to make their pre-Passover purchases.

MDA management blamed the Finance and Health Ministries for not transferring in time allocations due to them. But Health Ministry officials countered, blaming the MDA leadership with mismanagement and saying that funds had been transferred but used by the management for purposes other than salaries. MDA management countered that they had to use available funds to pay for in-

surance on the ambulances, which would not be able to move on the roads without insurance. A senior MDA official in Jerusalem, asked how the first aid society would react to urgent calls for help, said they would return to work in the event of a terrorist attack, "but God help those in need of our services," he added.

Shortly after the strike began, an 11 year-old boy was knocked down by a car in a Jerusalem street and lay unconscious on the roadway, with head injuries. The MDA refused to send an ambulance to take him to the hospital, telling telephone callers that they should make "private arrangements" for a doctor to take him to a hospital in another vehicle.

REAGAN'S 'STAR WARS' DEFENSE PLAN IS DESCRIBED AS 'VITAL' TO ISRAEL

By David Friedman

WASHINGTON, April 1 (JTA) -- President Reagan's "Star Wars" defense plan is "vital" to the defense of Israel, a nuclear physicist who is an advisor to Reagan on the Strategic Defense Initiative (SDI), asserted here last night.

"With SDI, the deterrent force of the U.S. will keep Israel safe," Dr. Robert Jastrow of Dartmouth College, told some 160 persons attending the 7th annual dinner of the Jewish Institute for National Security Affairs (JINSA) at the Regent Hotel. "Soviet expansionism, particularly in the Middle East, will be substantially reduced."

Jastrow added that "Israel with its current defense system, could never achieve such a deterrent." Defense Secretary Caspar Weinberger, while in Europe last week for a NATO meeting, said Israel is one of the countries that would be asked to cooperate in the development of the SDI.

During the dinner, Rep. Jack Kemp (R. NY) was presented with JINSA's Henry M. Jackson Distinguished Service Award for his "outstanding defense of freedom and democracy and his commitment to the security of the U.S. and Israel."

Kemp called Israel "NATO's southern tier" and said both "America and Israel are critical to the free world." He stressed that it is important to remember that "Israel needs a strong America for it to survive but also that America cannot be strong without a strong Israel."

Sol Stern was re-elected president and Herbert Fierst was re-elected chairman of the board of JINSA which was founded in 1976 to explain the links between the U.S. national security and Israel's security.

CHARGES DISMISSED AGAINST 42 WHO PARTICIPATED IN SOVIET JEWRY RALLY

NEW YORK, April 1 (JTA) -- Declaring that "the court finds the policies of the Soviet Union to be an abomination," New York City Criminal Court judge Richard Carruthers dismissed today, "in the interests of justice," the first 42 participants in the March 5 "Operation Redemption" sit-in outside the Soviet Mission to the United Nations. The group included 33 rabbis. Nearly 200 persons were detained by police on that day. Operation Redemption is an on-going series of activities meant to bring about arrests of the protestors at Soviet offices to protest "the new spiritual genocide of Jews in Russia," according to its sponsors, the Student Struggle for Soviet Jewry and the Long Island Committee for Soviet Jewry.

Those arrested in "Operation Redemption" activities were charged with disorderly conduct. After arrests, protestors were taken to precinct stations, given summonses and released on their own recognizance.

FOCUS ON ISSUES

ISRAEL'S ROLE IN LEBANON IS THE SUBJECT OF ONGOING DISCOURSE
By Hugh Orgel

TEL AVIV, April 1 (JTA) -- The Israel Defense Force's withdrawal from south Lebanon, the dangers that cloud the immediate future, recriminations over the past and sharp criticism of Israel's war motives by an IDF commanding general dominated political discourse last week.

Gen. Ori Orr, commander of the northern front who is overseeing the IDF pull-out, told residents in the border town of Kiryat Shemona Thursday that Israel's motives when it invaded Lebanon in June, 1982 were badly flawed.

According to Orr, evicting the Syrians from that country or effecting a change of government in Beirut were not good enough reasons to go to war. Irresponsible wars should be avoided at all costs, he said, adding that "Only when we are out of Lebanon will we be able to judge if the other war aim of making life more secure in Galilee was indeed achieved."

But another senior military personality, former Defense Minister Ariel Sharon, a hero of the Yom Kippur War, continued to blame opponents of the war in Lebanon for the present situation there. Sharon, now Minister of Commerce and Industry, charged at a press conference in Haifa earlier in the week that the total destruction of the terrorist infrastructure could have been achieved but for political opposition at home.

"They didn't let me finish the job there," Sharon declared. He singled out for blame the Peace Now movement and Parents Against Silence as groups that opposed the war in Lebanon and are now, he alleged, using war casualties for political gains.

Sharon launched a personal attack on Labor MK Abba Eban, chairman of the Knesset's Foreign Affairs and Security Committee who was a leading opponent of Sharon's war policies. He categorized Eban as a "leftwing politician" who "never fought here and has always sought personal gain from tragedies."

The former defense chief called for a commission of inquiry to look into home front opposition to the war when the IDF was fighting in Lebanon. It was a commission of inquiry, the Kahan Commission, which found Sharon indirectly responsible for the Sabra and Shatila refugee camps massacres in 1982, forcing him to resign as Defense Minister early in 1983.

The pace of the IDF's withdrawal from south Lebanon was discussed by Premier Shimon Peres, speaking to high school students in Upper Nazareth last week. He said Israeli soldiers would be out of Lebanon "far quicker than many people think" because "we are dealing with matters of life and death, both as regards our own soldiers and as regards the residents of Galilee."

Although no one has given a deadline for completion of the withdrawal, Gen. Orr said it could be completed by the beginning of June. He stressed that the withdrawal was being conducted in orderly fashion.

Equipment and structures are being dismantled and transported back to Israel, not being destroyed or left behind "as if we were leaving as a defeated army. We are marching out with heads held high, we are leaving like an army that has itself decided it has no business being there," Orr said.

He made the point that one reason why the IDF's withdrawal can be speeded up is an assessment that

Shiite terrorism will not spill over the border into Israel after Israeli troops have left. But Defense Minister Yitzhak Rabin, addressing the Foreign Affairs and Security Committee during the week, said Lebanon today is a more serious focal point of terrorism than it was before the war. He warned there was no certainty that the Palestine Liberation Organization would not return there to join Shiite terrorists against Israel.

Orr, too, acknowledged that "there are Palestinians in Beirut, Tyre and Sidon and it is likely that they will attempt to attack us from there." He said the IDF would do everything in its power to ensure that the PLO artillery infrastructure that existed in Lebanon before 1982 will not be rebuilt.

But he repeated a warning he has given several times in recent months -- that the residents of Galilee towns cannot expect that no Katyusha rockets will ever again fall on them. That would be unrealistic, he said.

Peres told his audience that the IDF, in its phased withdrawal from Lebanon "pays due attention to each step, to prevent slaughter and murder, without weakening the security of the Galilee."

He observed that if the three billion dollars spent on the war in Lebanon had been spent on the development of Galilee, "everybody would have supported that, both those who were in favor of the war and those who opposed it."

DRIVE WILL BE LAUNCHED TO EXPAND TRADE BETWEEN JAPAN AND ISRAEL

NEW YORK, April 1 (JTA) -- An organization combatting the Arab boycott of Israel will launch a drive to expand trade relations between Japan and Israel which have suffered because of "widespread compliance by Japanese companies with the dictates of the Arab boycott."

Kenneth Bialkin, chairman of the International Steering Committee on Freedom of Trade with Israel, announced the undertaking in London last week. He said it would seek to eliminate Arab-induced trade obstacles imposed by Tokyo. The Steering Committee is composed of Jewish organizations such as the American Jewish Committee, the American Jewish Congress and the Anti-Defamation League of B'nai B'rith -- of which Bialkin is chairman -- and binational Chambers of Commerce in 17 countries, including the U.S., Britain, France, Belgium, Holland, West Germany and Israel.

Bialkin, who is also chairman of the Conference of Presidents of Major American Jewish Organizations, maintained that Japanese compliance with the Arab boycott, at a time when its effects are on the decline in most countries, is detrimental to Japan as well as to Israel.

He noted that Japanese companies presently refrain from selling consumer items such as automobiles to Israel and that Japanese imports of Israeli goods "are regrettably very small." Japan is losing out on a lucrative market, Bialkin said, noting that Israel is rapidly becoming a major manufacturer in high technology industries.

He announced, at a meeting of the Steering Committee in London, that it would form a subcommittee to consult with American, European, Israeli and Japanese businessmen and consider a visit to Japan to meet key government officials to work out plans to encourage trade and investments between Japan and Israel.

BONN (JTA) -- The town council of Reutlingen has announced a competition among local high school students to design a tablet commemorating Jewish victims of Nazism in Reutlingen.