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SHAMIR QUALIFIES HIS OPPOSITION TO INTERNATIONAL CONFERENCE FOR ACHIEVING PEACE IN THE MIDDLE EAST By David Kantor

BONN, Dec. 4 (JTA)-- Israeli Premier Yitzhak Shamir qualified his long-standing opposition to an international conference for Middle East peace in a wide-ranging interview published in the West German daily, Die Welt, Thursday.

He also repeated Israel's strong denial that it was in any way involved with or knowledgeable of the transfer of funds paid by Iran for American weapons to the Contra rebels seeking to overthrow the Sandinista government of Nicaragua.

With respect to an international conference to resolve the Arab-Israeli conflict, Shamir told Die Welt, "I do not think that such a conference would contribute anything to peace in our region." He added, however, "Under certain circumstances I do not oppose such a conference."

He explained that if it took place "after we had reached an understanding with one neighbor or another, then, an international conference could maybe be helpful in confirming the areas of understanding or providing guarantees."

Shamir denied reports that Israel and the Soviet Union were engaged in direct contacts aimed at improving their relations. He insisted there has been no follow-up of the brief, unsuccessful meeting between Israeli and Soviet representatives in Helsinki last August.

Again Denies Contras Connection

With respect to widespread reports that Israel provided arms to Reagan Administration-backed regimes in Latin America, Shamir said weapons were supplied to some countries in the region, but only to legitimate governments, not to private groups such as the Reagan-supported Contras.

He defended Israel's shipment of arms to Iran as a favor to the U.S. "With the United States, we have a strategic cooperation agreement and when they ask us for help we are ready to assist," he said.

Shamir said he knew nothing of an alleged request by Iraq to buy arms in Israel or of a request by Iran to blockade the Gulf of Aqaba to prevent arms from reaching Iraq from Jordan.

AIPAC DIRECTOR URGES THE U.S. AND ISRAEL TO 'COME CLEAN' ABOUT THE IRAN ARMS SALE-CONTRAS CONNECTION By Winston Pickett

(Staff Writer, Northern California Jewish Bulletin)

SAN FRANCISCO, Dec. 4 (JTA) -- Tom Dine, the director of the American Israel Public Affairs Committee, urged Israeli and American leaders to "come clean" in divulging every possible detail about the controversial arms sales to Iran and the U.S.-supported Contra rebels fighting to overthrow the Sandinista government in Nicaragua.

Speaking to supporters of AIPAC during a fund-raising swing through northern California, Dine stated that it is in the best interest of

U.S.-Israel relations to answer the questions that Jews and non-Jews alike have begun to pose.

"Did Israel sell arms to the Contras with the authority of the President of the United States?" Dine asked during one talk to 600 AIPAC supporters at the Fairmont Hotel in San Francisco Tuesday. "Did it circumvent American law or manipulate American foreign policy? By selling arms to Iran, has Israel helped Iran's leader, Ayatollah Khomeini, spread his Islamic revolution? These are serious questions, and ones which require serious answers."

But Dine, who stated that "the truth hurts, but is better to get it out in the short run," said he is confident that Israel's Knesset will get to the bottom of that country's involvement. "With an unfettered press and a parliamentary system, the truth will ultimately win out," he said.

A Tangled Web Of Interests

Regarding U.S. actions, Dine said he hopes a bipartisan Congressional committee soon will be formed. Describing the Reagan Administration's involvement as "the most tangled web of national and global interests I've seen in my 20 years on Capitol Hill," the former Congressional aide said he is most concerned with how the crisis will affect the conduct of foreign policy.

Furthermore, he noted, "in the disarray, some people close to the President are dividing administration members into loyalists and those 'who are disloyal to the President, and this is extremely unfortunate.'"

The main problem with this "siege mentality," Dine said, is that one of the major architects of the U.S.-Israel policy, Secretary of State George Shultz, who "has been critical in advancing U.S.-Israel relations in the last two years," may be forced to resign.

Possible Consequences Of Cabinet Shakeup

Dine speculated about the consequences of a prospective Cabinet shakeup. He noted that with Vice Admiral John Poindexter fired as the National Security Council (NSC) chief, and with the appointment Tuesday of Frank Carlucci as the new NSC chief, "we may be seeing a lightly pro-Arab tilt in the offing."

Carlucci, who worked for Defense Secretary Caspar Weinberger during the Nixon Administration and early in the Reagan Administration, was a "strong supporter of arms sales, especially AWACS, to Saudi Arabia," Dine explained.

In the event that Shultz is forced to resign, Dine said, Weinberger, a strong supporter of arms sales to the Saudis, may become a major foreign policymaker, possibly even Secretary of State. "No matter how pro-Israel Reagan is, the President has to have people in the State Department whose support of Israel is unfaltering," Dine declared.

Referring to last year's \$3 billion foreign aid package, to the Free Trade Agreement of 1984, and to the "strategic cooperation" that now exists between the United States and Israel, Dine stated that it has been nothing short of "amazing, in a time of budget deficits, what the Reagan Administration has done to be supportive towards Israel in terms of military and economic assistance. "Clearly, this whole affair is potentially tragic

when you consider the extent of the bilateral relations between Israel and the United States that have been nurtured over the years."

It is precisely the unprecedented cooperation between the two countries that may be endangered by the unfolding controversy of arms sales to Iran and diverted funds to the Nicaraguan rebels, Dine said while noting that Congress will be acting on foreign aid appropriations as early as March. "It's critical that both the U.S. and Israel clear the air now before foreign and military aid comes up for a vote," he said.

DELEGATION FROM NICARAGUA CANCELS SCHEDULED VISIT TO ISRAEL

TEL AVIV, Dec. 4 (JTA) -- A delegation from the Nicaraguan Ministry of Agriculture which was to have visited Israel next month at the invitation of Mapam has indicated it will cancel the trip. It would have been the first official delegation from that Central American country to visit Israel since the Sandinista government came to power in 1979.

The apparent cancellation follows widespread reports that Israel was instrumental in transferring money paid by Iran for American weapons to the Reagan Administration-backed Contra rebels seeking to overthrow the Sandinista government.

Israel's involvement in that transaction was alleged by U.S. Attorney General Edwin Meese at a White House press conference November 25. Israel has vigorously denied that it was ever aware of the transfer.

HIGH COURT RULING ON USE OF THE WORD CONVERT ON I.D. CARDS TO BE APPEALED

By David Landau

JERUSALEM, Dec. 4 (JTA)-- Interior Minister Yitzhak Peretz, who must comply with a Supreme Court ruling to issue a Jewish identification card to a woman converted by a Reform rabbi, or resign, said Thursday that he would appeal the high court's decision in the case.

A three-justice panel, headed by Supreme Court President Meir Shamgar ruled unanimously Tuesday that the Interior Ministry may not inscribe the word "converted" on the ID card of a convert to Judaism. It acted in the case of Shoshana Miller, who was converted to Judaism in 1982 by Rabbi David Klein, a Reform rabbi in Colorado Springs, Colo. Miller immigrated to Israel in 1985, claiming the automatic citizenship granted every Jew.

Peretz, who heads the Orthodox Shas Party, said in an interview that he would seek a rehearing of the case before a panel of five justices. The Supreme Court usually agrees to a rehearing on issues considered to be of major public interest. Peretz said this issue has "major ramifications."

He himself has come under attack from other Orthodox rabbis for granting Miller Jewish status on her ID card, even with the qualification "converted." Justice Menahem Eylon, a member of the panel, stated in an addendum to its decision that the qualifying "converted" was contrary to halacha. Many Orthodox rabbis agree with him on that point but refuse to countenance Jewish status for a person converted by a non-Orthodox rabbi.

Peretz blasted the American Reform rabbi who converted Miller for "misleading" her. "I believe she came with a pure heart and a willing

soul to link her life to that of the Jewish people" but "Reform rabbis plunged her into difficulties by converting her un-halachically," Peretz said. "They would have done her a kindness had they directed her to go to a Rabbinical Court."

As a result of being "led astray," and given the publicity surrounding the case, Miller will never be able to marry in Israel or in an Orthodox synagogue abroad, Peretz said. He said that he would argue at a re-hearing that allowing non-halachic converts to register as Jews in Israel would amend the standing law on marriage and divorce which gives Orthodox rabbinical courts exclusive jurisdiction.

TWO WEST BANK UNIVERSITY STUDENTS KILLED BY ISRAELI SOLDIERS AND POLICE IN THE ACT OF QUELLING A RIOT

By Hugh Orgel

TEL AVIV, Dec. 4 (JTA) -- Two 22-year-old students at Bir Zeit University in the West Bank were killed by Israeli soldiers and border police Thursday in an attempt to break up a riot in which a border policeman and an Israeli civilian were struck by rocks. Eleven students were injured.

Military sources said the soldiers fired into the air and then at the feet of the rioters who continued to hurl stones and bottles of gasoline. There were also riots Thursday in nearby Ramallah, north of Jerusalem. Local merchants observed a full commercial strike.

Unrest has been endemic at Bir Zeit. Disturbances escalated on November 29, the 39th anniversary of the United Nations General Assembly's decision to partition Palestine into Jewish and Arab states. They continued for several days, related apparently to the upsurge of fighting between Palestinians and the Amal Shiite militia in south Lebanon.

Thursday's outburst was seen as a reaction to Israeli intervention on the side of Amal. An Israel Navy gunboat shelled Palestinian positions near the Lebanese port of Sidon for two hours Thursday.

The students were apparently also incensed by Israel Defense Force roadblocks set up on the approaches to the campus during the past 10 days which made them late for classes.

Most Serious Rioting In The Campus Area

About 400 students stoned passing cars and burned tires in the road Thursday morning. Israeli authorities arrested Dr. Salah Jawad, a professor of history at the university for allegedly inciting the students. Jawad said he was in fact trying to calm them.

Israeli officers said the rioting was the most serious ever in the campus area. Soldiers used water cannon, tear gas and rubber bullets in a vain effort to disperse the rioters before they opened fire with live ammunition, an IDF spokesman said.

A university spokesman told a press conference in Jerusalem Thursday night that the unrest was due to the roadblocks. He complained that soldiers held up ambulances coming to the scene to transfer the dead and wounded to local hospitals. Student sources said the bodies of the two students fatally shot were hidden from the IDF to prevent their burial after dark. They said the IDF feared a new outburst if a funeral was held in daylight.

SPECIAL INTERVIEW 'IMPRESSIVE BOOST' IN U.S.-ISRAEL TRADE By Yitzhak Rabi

NEW YORK, Dec. 4 (JTA) -- Since Israel and the United States signed a mutual Free Trade Area (FTA) agreement on September 1, 1985, there has been "an impressive boost" in Israel's exports to the United States, according to a high-ranking Israeli representative here.

"We are very encouraged by the rise in Israeli exports to the U.S. in the last year," David Litvak, Israel's newly appointed Trade Commissioner to the U.S., said in an interview with the Jewish Telegraphic Agency.

"As a result of the FTA agreement, Israel has markedly increased its exports to the U.S., particularly in textiles and processed food products," Litvak noted. He pointed out that despite the devaluation of the dollar compared with the major European currencies, Israel's exports to America retained the monetary level of the previous year.

"In 1985, Israel exported to the U.S. goods and services in the sum of \$2.2 billion. For 1986, the total sum of Israel's exports to the U.S. will be about the same, despite the fact that we exported more goods to the U.S. The reason is the fact that the dollar was devalued by more than a third in the last 12 months in relation to the European currencies," Litvak explained.

The major items exported to the U.S. from Israel are diamonds, machinery, metal products, electronics, textiles, processed food and agriculture products, Litvak noted. Diamonds are so far the largest item on the Israeli export list, amounting to a third of the exports of the Jewish State to America.

Tripling Of Israeli Exports By 1995 Seen

Noting that Israel exports more to the U.S. than to the European Economic Community (EEC), Litvak said that by 1995, when the FTA agreement will mature and all tariffs and customs taxes on Israeli exports to the U.S. will be abolished, the Israeli exports to the U.S. will probably triple and reach the estimated sum of \$7 billion. Presently, Israel's total exports globally are about \$6 billion a year.

The FTA agreement also opened the Israeli market to American imports, Litvak pointed out. He said that last year Israel imported goods from the U.S. in the sum of \$1.7 billion. "For 1986, we expect a slight increase in the imports of American goods to Israel," he said, adding that Israel imports from the U.S. mostly machinery and electrical equipment, worth about \$600 million a year, and grains in the amount of \$325 million a year. In addition, Israel imports various equipment for its defense, he said.

The 37-year-old Litvak will be coordinating export and trade activities from the Israel Trade Center headquarters in New York and will oversee the activities of the Israel Trade Center regional offices in Chicago, Los Angeles, Houston and Philadelphia.

"The FTA agreement is a key factor in the increasing development of trade between the U.S. and Israel, offering long-term benefits to both nations. For Israel, it enables her to boost her exports and thus reduce her dependence on foreign aid," Litvak asserted. "For the U.S. it provides a duty-free gateway to Europe, by virtue of Israel's tariff-free pact with the EEC."

ISRAEL WILL AGREE TO COOPERATE WITH THE U.S. IN IRAN-CONTRAS DEAL PROBE By Gil Sedan

JERUSALEM, Dec. 4 (JTA) -- The government announced Thursday that Israel will agree to any American request to cooperate in current and future investigations into the shipment of U.S. arms to Iran and the diversion of the sale proceeds to the Contra rebels in Nicaragua.

The decision was made at a meeting Wednesday between Premier Yitzhak Shamir, Vice Premier and Foreign Minister Shimon Peres and Defense Minister Yitzhak Rabin. There has been no official request from Washington for Israeli cooperation in the probes but such requests are anticipated.

Israel is expected to give American investigators access to those officials involved in the arms deal which Israel has admitted undertaking at the specific request of the Reagan Administration. Israel has denied any involvement in or knowledge of the transfer of monies to the Contras.

Israel cooperated with the U.S. in the case of Jonathan Pollard, the civilian U.S. Navy analyst convicted last year of spying for Israel. That case was cited as the precedent for future cooperation in the Iran arms affair.

Reporters who asked if the government would allow Shamir, Peres and Rabin to be questioned by American investigators were told that it was a "hypothetical" question.

MERCEDES CAR FIRM ADMITS IT EMPLOYED SLAVE LABORERS DURING THE NAZI ERA By David Kantor

BONN, Dec. 4 (JTA) -- The Daimler-Benz Corp., manufacturer of the prestigious Mercedes-Benz car, formally acknowledged that it employed thousands of slave laborers during the Nazi era in a report prepared for it by an historian, Prof. Hans Pohl, just released here.

The report, however, makes no reference to possible reparations for the surviving slave laborers or their families. According to the report, some 5,000 slave laborers were employed by Daimler-Benz in 1941 and the number rose to 18,000 in 1943, most of them recruited from among concentration camp inmates, including large numbers of Jews.

The slave laborers received no compensation whatever and, near the end of the war, were so badly treated that they could not work.

The company ordered the report last year after it was criticized for the way it handled claims by former slave laborers. Daimler-Benz rejected them initially on grounds that they had neither legal nor moral standing. But later it signaled readiness to discuss the matter with Jewish and other organizations representing former slave laborers.

JERUSALEM (JTA) -- Minister-Without-Portfolio Moshe Arens indicated Wednesday that Israel's Arab citizens should be allowed eventually to serve in the country's armed forces. He told a press conference it was difficult to envisage the ultimate complete integration of the Arab population into Israeli society without their participation in the country's defense.

CONSERVATIVE, REFORM JUDAISM MOVEMENTS IN U.S. HAIL ISRAELI HIGH COURT RULING ON CONVERTS; ORTHODOX SAY THEY LOST A BATTLE, NOT THE FIGHT

By Margie Olster

NEW YORK, Dec. 4 (JTA) -- The Conservative and Reform Judaism movements of America have hailed as a victory for pluralism the Israeli Supreme Court decision barring the label of a convert on identity cards, but the Orthodox say they have merely lost the battle, not the fight. The Israeli Supreme Court ruled Tuesday that the Interior Ministry may not inscribe the word "converted" on the identification card of any person converted to Judaism. The landmark ruling is just one small step towards resolving a bitter and emotional conflict between Jewish religious factions over the question of "Who is a Jew?"

The Orthodox establishment has contended for years that Reform and Conservative conversions are not acceptable. The Orthodox in the Knesset have tried repeatedly to introduce an amendment to the legal definition of a Jew, a child of a Jewish mother or a convert, which would stipulate "converted according to halacha."

The Orthodox first introduced the amendment in 1970 and many times since. Under the Israeli Law of Return, passed in 1950, all Jews are eligible automatically for Israeli citizenship.

Larger Issues Await Resolution

Although the Supreme Court decision on the case of Shoshana Miller, a woman converted in 1982 by a Reform rabbi in Colorado, has encouraged the Reform and Conservative leaders, they admit that the larger issues of tolerance and religious pluralism remain to be resolved.

Miller moved to Israel three years after her conversion and applied for citizenship. The Interior Ministry refused to register her as a Jew but after she took her case to the Supreme Court, the Ministry agreed to register her as a convert.

Although this label on an identity card ostensibly contradicts a Jewish law which forbids distinguishing a convert from other Jews, the Orthodox would require it because in their view, persons converted by Reform or Conservative rabbis are not really Jews and shouldn't be granted automatic citizenship.

No Compromise On Identity

"When it comes to identity, there is no compromise," said Rabbi Moshe Sherer, President of Agudath Israel of America. "It is not a business deal which can be settled by everyone giving up some points. It goes to the very heart of Jewish survival," he said.

Sherer said the issue of "Who is a Jew" is potentially one of the most divisive. "The issue will not die because at stake is a question as to whether the Jewish people should be split into two groups, which could not intermarry. This is a very possible result.

"This could happen if Reform rabbis, who include men and women who are admitted atheists and perform intermarriages, would eventually transplant this chaos to the Holy Land," Sherer said. Sherer said the Conservative movement has damaged itself by aligning with the Reform on this issue. But, in Sherer's view, a Conservative conversion is not acceptable either although performed according to halacha, because Conservative rabbis do not ascribe to the Orthodox

belief that Torah was divinely revealed to Moses at Mount Sinai. "The conservatives have tampered with halacha -- a Cohen can marry a divorcee, they allow driving to the synagogue on the Sabbath -- they have made it a religion of convenience," Sherer said.

Issue Of Who Is A Rabbi

Rabbi Benjamin Kreitman, executive vice-president of the United Synagogue of America, Conservative, said the Orthodox objections center on the question of who is really a rabbi. "From our point of view, there should be an acceptance of the pluralistic standard; we accept one another's converts."

Traditionally, the Chief Rabbinate of Israel was the key decision maker on acceptability of conversions, Kreitman said. Some of the cases, like Miller's, have gone to the courts. Others have been required to submit to "blitz" conversions, a one day quickie conversion which usually requires the woman to go to the mikvah and the man to let a drop of blood as a symbolic circumcision. Many of the Falashas were required to have this type of conversion, and objected to it as a humiliation.

Kreitman proposed as one solution a joint Bet Din (Rabbinical Court) with Reform, Conservative and Orthodox Rabbis which would decide collectively on the standards of an acceptable conversion.

Kreitman said the Reform movement should compromise on conversions and "conform to proper standards acceptable by halacha." However, he said, "we want to see some opening up of the Israeli society ... To identify any person as a convert is an abomination; if they do not want to accept the conversion that's a different story."

Fears Administrative Contravention

Rabbi Alexander Schindler, president of the Union of American Hebrew Congregations, Reform, said although he is "exceedingly pleased" with the ruling, he fears that "those responsible for carrying out the law will find some way of contravening it administratively." He said even if the ruling led to the withdrawal of religious parties from the unity government, it would not hurt the government.

"The bulk of the Orthodox community does not want to change the Law of Return -- it comes mostly from Lubavitchers," he said.

Rabbi Charles Kroloff, president of the Association of Reform Zionists (ARZA), called the ruling "a giant step forward for religious pluralism in Israel" and "a victory for the democratic spirit of the State of Israel." ARZA financed Miller's lawsuit. "The current religious tensions in Israel can be alleviated if all parties will utilize the legal process and accept the judgement of Israel's highest court," Kroloff said.

GERMANY SEEKING SAUDI ARMS DEAL

BONN, Dec. 4 (JTA) -- West Germany is actively soliciting Saudi Arabia to buy arms here and is likely to sell the Saudis eight modern submarines in the near future. According to government spokesman Friedhelm Ost, a West German shipyard has already offered the under-seas craft to the Saudis. Ost said, however, that the stage has not been reached where the government will have to approve the sale. That decision will be made if the Saudis decide to accept the multi-billion Mark deal, he said.