DAILY NEWS BULLETIN

PUBLISHED BY JEWISH TELEGRAPHIC AGENCY · 165 WEST 48TH STREET · NEW YORK, NY 10038-2574 · (212) 575-9370

VOL. 66 - 71st YEAR

WEDNESDAY, MARCH 9, 1988

NO. 46

SHAMIR TO PRESENT ALTERNATIVE PEACE PLAN NEXT WEEK IN U.S. By Hugh Orgel

TEL AVIV, March 8 (JTA) -- Premier Yitzhas Shamir will present his own counterproposals to the American peace plan when he meets with Reagan administration officials in Washington next week. But they will not carry the Israeli government's stamp of approval.

Shamir said Tuesday that he will put his ideas to the Inner Cabinet Wednesday, but will not allow a vote. The Inner Cabinet, the government's top policy-making body, consists of five Labor and five Likud senior ministers.

Shamir apparently fears a vote at this time would result in stalemate, which could force him to cancel his Washington trip. He could hardly argue persuasively with the Americans for proposals over which his own government is deadlocked.

But Housing Minister David Levy, a powerful voice in the Herut faction of Likud, told Israel Radio Tuesday that he will demand a vote when the Inner Cabinet convenes. He said there was no point in the premier going to Washington without a full and direct mandate from the government.

Shamir's aides, nevertheless, were busy putting the finishing touches on the proposals that Shamir intends to present in Washington as alternatives to the American peace plan he received from Secretary of State George Shultz last Friday.

Shultz asked that Israel give a "clear response" to the plan by March 15. Shamir will be in Washington beginning March 14 and is scheduled to meet with President Reagan on March 16.

The Shultz plan calls for a greatly accelerated timetable for Arab-Israeli peace negotiations, to be preceded as early as next month by the opening of an international conference under United Nations auspices. Implicit in the plan is the principle of trading territory for peace.

Shamir and his Likud faction are on record as rejecting that concept, as well as the idea of convening an international conference. It is not known what alternatives Shamir intends to offer.

Strategic Cooperation Guarantee

His aides said Tuesday that he will insist on a binding commitment from the Reagan administration that the present strategic cooperation agreement between Israel and the United States will continue in force after a new administration takes over in Washinston next year.

Shamir wants to institutionalize that agreement so that it becomes a permanent feature of U.S.-Israeli relations, regardless of what administration is in power and irrespective of differences between Israel and the United States on the peace process.

Shamir already is under heavy pressure from the Reagan administration and Congress to accept Shultz's peace package. On Monday, the White House welcomed a letter 30 senators sent last week to Shultz implying that the Israeli premier was obstructing the Middle East peace effort by opposing Shultz's land-for-peace formula. The letter was signed by many of Israel's staunchest supporters in the Senate.

Shamir referred to the Shultz proposals in

an address to the annual conference of the World Movement for Progressive Judaism here Monday night.

He said the American administration was fully aware that Israel wants peace and wants to negotiate with the Arabs. "The basic policy of our government of national unity reaffirms the commitment to the Camp David accords that offer the Arabs self-rule and autonomy," Shamir said.

But Shamir went on to say that there are "some aspects of the Shultz proposal with which we do not agree, and we have said so, in all frankness and honesty. We did not, and shall not, mislead our American friends."

He said his talks in Washington next week would be a continuation of his discussions with Shultz, who visited Israel twice in the last two weeks.

"In my meetings with the president, with the vice president, with the secretary (of state) and others, we shall submit our views again regard to some troubling questions and proposals which require the most careful consideration," the prime minister said.

SOLDIERS PUNISHED FOR FAILING TO PREVENT TERRORIST ASSAULT By Hugh Orgel

TEL AVIV, March 8 (JTA) — Four junior officers of the Israel Defense Force were sentenced to 35 days in military prison Monday, hours after they encountered three heavily armed terrorists on a Negev road who seized their cand went on to hijack a bus, resulting in the deaths of three Israeli civilians and the wounding of 10 others.

The swift justice was meted out by the commander of the officers training school at Mitzpe Ramon, in the Negev, where the officers were billeted. They were punished for disobedience of standing orders to carry weapons at all times.

The officers, who have not been identified, were unarmed and wore civilian clothes on the way to a sports event, when their Renault military car was halted by the terrorists. Had they been armed, they would have been expected to fight the terrorists, possibly averting the hijack and the subsequent casualties. Unable to defend themselves, they fled the scene.

The training school commander stressed Tuesday that he repeated his orders daily, to all officers and trainees at the school, to carry weapons at all times. "Even if one of my officers is on leave in Tel Aviv, say, I expect him to be able to take part in an anti-terrorist or other military operation at any and all times if he encounters such a situation," the commander was quoted as saying.

Maariv reported Tuesday that the terrorista are believed to have infiltrated Israel from Egypt in the area of Mount Horesha, southwest of Mitzpe Ramon. Another terrorist gang infiltrated in the same area a month ago, but was swiftly apprehended.

The two incidents indicated a failure on the part of Egypt to catch terrorist infiltrators before they reach the Israeli border.

But Israel's warning system also failed

Monday. There is no electronic border fence in the Mount Horesha area and stormy weather apparently erased the terrorists' footprints, which might have been spotted by Israeli border patrols.

Assurances From Egypt

Maariv writer Sheffi Gabai quoted Arab sources as saying that Egypt has assured Israel it is doing all it can to prevent terrorist infiltration. However, since Cairo re-established relations with the Palestine Liberation Organization, the PLO, assisted by some Egyptians and Palestinians living in Cairo and northern Sinai, has been building up forces for attacks on Israel, Gabai reported.

Israeli commentators attributed the bus hijacking and other recent escalations of terrorist activity in Israel to efforts by the PLO leadership to sabotage the Middle East peace process.

The bus was hijacked on the Beersheba-Dimona road. It was carrying employees of the Dimona nuclear facility, mostly women, to their jobs. While most of the 50 passengers managed to escape when the bus was halted, about a dozen remained aboard.

The only male passenger was reportedly shot to death by the terrorists while IDF officers were bargaining with them to gain time for border police to assemble to storm the bus.

Two women passengers were killed and nine were wounded when an elite unit of border police, specially trained in counterterrorist tactics. stormed the bus and killed the terrorists in an operation that lasted less than a minute.

It remained unclear Tuesday whether all of the casualties were the result of terrorist gunfire. Gen. Dan Shomron, the IDF chief of staff, said in Tel Aviv Tuesday that it was difficult to determine if any of the dead or injured were shot by Israeli forces. But he said there was a "high degree of probability" that all of the casualties were caused by the terrorists.

A doctor at Soroka hospital in Beersheba. who treated the wounded, said he thought at least one of them was hit by Israeli bullets.

The bus hijacking overshadowed the visit of Swedish Foreign Minister Sten Andersson, who arrived in Israel on Monday. It marred a dinner for Andersson hosted Monday night by Foreign Minister Shimon Peres.

A 'Very Stupid Act'

Andersson told reporters the attack on the bus was a "very stupid act" that could have a "negative effect." He said Sweden deplored all

But an hour later, at the dinner, he did not delete from his prepared remarks a call on Israel to recognize the PLO. "A terrorist act which we strongly condemn further underlines the need for

a peaceful solution," he said.

Peres asked his guest why Sweden seems to prefer the PLO as a negotiating partner with Israel, rather than Jordan, of which most West Bank Palestinians are citizens. Nobody has brought them more suffering than the PLO, he

"I wonder what makes some of the Swedish people think that the PLO is superior to a Jordanian-Palestinian option," Peres added.

Premier Yitzhak Shamir, who also spoke in Jerusalem Monday night, said, "The extent of our difficulties is illustrated by the events of the last 24 hours, when our security services prevented a potentially dangerous terrorist attack in the North and this morning three PLO terrorists tried to hijack a bus and in the subsequent military clash. all three murderers were killed. But to my deep sorrow, we lost three of our own people in the bus and a number were injured."

The terrorist attack in the North occurred Saturday night, when an IDF patrol intercepted and killed three terrorists attempting to infiltrate Israel through the southern Lebanon security

NETANYAHU ACCUSES PLO OF TRYING TO 'MURDER THE IDEA OF PEACE' By Yitzhak Rabi

UNITED NATIONS, March 8 (JTA) -- Citing an escalation of terrorist attacks against Israeli civilians and an attempt on the life of Secretary of State George Shultz in Jerusalem last week, Israel accused the Palestine Liberation Organization Tuesday of trying "to murder the idea of peace" in the Middle East.

The accusation was contained in a letter from Israel's ambassador to the United Nations, Benjamin Netanyahu, to U.N. Secretary General Javier Perez de Cuellar. It was dated March 7 and circulated Tuesday to the Security Council as a U.N. document for the record.

Netanyahu said that the terrorist hijacking Monday of a bus in the Negev, which resulted in the deaths of three Israelis and the wounding of 10 others, and other recent attacks were part of a PLO campaign "not only to kill Israelis and to annihilate Israel, but to murder the idea of peace itself."

He noted that all of the attacks were carried out by Al Fatah, the main branch of the PLO headed by Yasir Arafat; "all were directed against civilians in the heart of Israel; all were timed to scuttle progress toward peace negotiations, as is readily apparent by the attempt to murder Secretary Shultz.

Netanyahu was referring to a booby-trapped car discovered last Friday near Shultz's hotel in Jerusalem. It was safely dismantled. He also referred in his letter to an attempted car-bomb attack March 3 in the Israeli town of Kfar Saba.

He noted that three PLO terrorists were intercepted two weeks ago on their way to murder civilians in the city of Netanya. A similar gang was waylaid Monday on the way to Malkiya in Galilee, near the Lebanese border, to seize hostages, Netanyahu claimed.

The Israeli envoy recalled in his letter that only last week, addressing the General Assembly, he contrasted the PLO Charter with the United Nations Charter. "Such an organization and such a program has no place in the U.N.," Netanyahu wrote.

He spoke in the General Assembly last Wednesday just before that body voted overwhelmingly for two resolutions aimed against a U.S. order to close the PLO's United Nations observer mission in New York.

Netanyahu said at that time that the question is not closure of the PLO mission, but rather "whether the PLO should be in the U.N. in the first place."

He said the principal idea of the PLO is in sharp contradiction to the basic principles of the U.N. Charter, which calls for nonviolent solutions to all conflicts.

"The PLO is constitutionally incapable of nonviolence and reconciliation," Netanyahu told the General Assembly.

ARAB POLICE OFFICER MURDERED, APPARENTLY FOR COLLABORATING By Gil Sedan

JERUSALEM, March 8 (JTA) — Israeli authorities have linked the murder of an Arab police officer from Bethlehem to a mounting campaign by Palestinian nationalist elements to intimidate Arabs believed to be collaborating with Israel.

Meanwhile, demonstrations, stonings and gasoline bomb attacks on Israelis continued in the West Bank and East Jerusalem Tuesday and one incident was reported in an Arab village in Israel.

The body of the murder victim was found Tuesday morning at the Akbat Jabor refugee camp, south of Jericho in the West Bank. His hands and legs were cuffed, his mouth was covered with a strap and his body showed signs of a beating.

The victim's name was not released, but he was identified as a member of the Bethlehem police force. While security sources say the murder could have had a criminal rather than political motivation, it seemed most likely to be a warning that collaboration with Israel will not be tolerated.

Police Minister Haim Barlev urged local Arab police officers to understand that they must help maintain a decent quality of life in the administered territories under any circumstances.

The murder occurred a day after the mass resignations of almost all Arab employees of the civil administration's income tax department in the Gaza Strip.

Arab women demonstrated Tuesday in most towns and villages in the territories on the occasion of International Women's Day.

There also were violent protests in Nablus, Tulkarm, Ramallah, Kalkilya, Gaza, East Jerusalem and the Israeli Arab village of Kafr Kasim.

RED CROSS SENDS SIX MORE TO TERRITORIES By Tamar Levy

GENEVA, March 8 (JTA) — The International Committee of the Red Cross announced here Tuesday that it has enlarged its relief teams in the Israeli-administered territories because of the large number of Palestinian civilians injured in the recent disturbances.

The Geneva-based humanitarian agency, accusing Israel of violating the Fourth Geneva Convention with respect to the treatment of civilians, said it sent an additional five representatives to the territories and one nurse. It also provided four fully equipped ambulances to the local branches of the Red Crescent, the Moslem equivalent of the Red Cross, in the West Bank and Gaza Strip.

55 U.S. TOURISTS HURT IN NEGEV ACCIDENT

JERUSALEM, March 8 (JTA) — About 55 American tourists were injured Tuesday, when their bus, bound for Egypt, skidded and flipped over on a wet road in the Negev.

Twenty-two of the tourists were admitted to a hospital in Ashkelon. Two were reported in serious condition. The others were discharged after treatment.

The tourists, members of a Methodist church group, are from North Carolina and West Virginia. Their Mideast tour began in Amman, Jordan, continued in Jerusalem and Galilee, and was to have ended in Exvot. ABRAM NOTES U.S. JEWRY HAS NOT PUSHED CLOSURE OF PLO U.N. OFFICE By Susan Birnbaum

NEW YORK, March 8 (JTA) — A major Jewish community leader said here Tuesday that US. Jewry has not lobbled to close the Palestine Liberation Organization observer mission to the United Nations although the community regards the mission as a terrorist outpost.

Morris Abram, chairman of the Conference of Presidents of Major American Jewish Organizations, explained that the closure of the PLO information office in Washington "is proper, grounded well in fact and circumstance."

Abram said Secretary of State George Shultz decided wisely to close the office because the PLO "is a terrorist organization, as yesterday's events confirm," referring to the commandeering of a civilian bus in the Negev in which three civilians were killed. The PLO claimed responsibility for operation.

But in replying to a question he said that "As a community, we did not push banning the United Nations PLO mission because it's there on a different footing, based on international agreement. But I think both are terrorist missions."

The chairman had just returned from a Conference of Presidents mission to Israel. An attorney, he several times alluded to his legal work for the American civil rights movement to explain his strong support of Israel's handling of the current Palestinian unrest.

'Not Civil Disobedience'

"This is not civil disobedience," he said of the Palestinians. "Throwing a Molotov cocktail is not sitting in at a lunch counter. . These Arabs are not trying to incorporate in the state as our black citizens did in America. They're trying to overturn the state."

Of the Arab leaders who met with Shultz during his Mideast trips last week, Abram said that Jordan's King Hussein is caught in his own vise because he "feels he needs (Syrian President Hafez) Assad's approval and Assad feels he needs the Soviet Union's approval."

Abram did not agree with the perception by some that Israeli Premier Yitzhak Shamir is blocking the peace process. He said that having spoken to Shamir, he found "no obduracy whatsoever with him in respect to (United Nations Resolution) 242." The resolution specifies that Israel return occupied territory in exchange for peace and implicitly recognizes Israel's right to exist.

Shamir, he said, "never said that he rejects anything that 242 embraces. . Shamir, as a negotiator, I am sure would adopt a maximalist position."

Laments Kissinger Memo Leak

Abram said he lamented the leak of a memo reporting on a private presentation last month by Henry Kissinger to Jewish leaders in which the former secretary of state recommended that Israel ban the news media from the riot areas and quell the unrest with force.

He said he was "sorry it embarrassed Kissinger" and said he could not predict the outcome of the leak.

Abram has said he was present at the Kissinger breakfast meeting with former Conference of Presidents chairmen Kenneth Bialkin, Julius Berman, Rabbi Alexander Schindler and others.

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NAMES OF 9,800 SUSPECTED NAZI GUARDS TO BE ADDED TO 'WATCH LIST' By Howard Rosenberg

WASHINGTON, March 8 (JTA) — The Justice Department asked the Immigration and Naturalization Service Monday to place the names of 9,800 suspected former concentration camp guards on its "watch list"

Those individuals, whom the department determined assisted or otherwise participated in Nazi-sponsored persecution, would be barred from entering the United States under the Holtzman Amendment.

The names were compiled from captured war records, post-World War II wanted and detention lists and extradition requests.

Neal Sher, director of the Justice Department's Office of Special Investigations, which searches for and prosecutes Nazi war criminals living in the United States, said he expects the list to be broadened once additional archival documents are searched.

While OSI has previously supplied the INS and State Department with the names of thousands of suspected war criminals, the listing of 9,800 former concentration camp guards was compiled with the aid of a new sophisticated computer database.

Sher said in an interview that from now on, OSI's listings of suspected war criminals will be "more systematic" than ever before.

He added that preventing alleged Nazi persecutors from entering the United States is an important aspect of OSI's mandate, along with the denaturalization or deportation of those illegally residing here.

OSI currently is investigating 700 suspected war criminals, has brought to trial about 70 and has lost just one verdict.

JAPANESE WANT TO SELL TO ISRAEL, BUT ARE AFRAID TO BREAK BOYCOTT By David Friedman

WASHINGTON, March 8 (JTA) -- Japanese manufacturers, especially the automakers, want to sell to Israel, but neither the government nor any leading company is willing to openly buck the Arab boycott, according to a Tokyo business magazine.

In an article called "Under the Arab Thumb," the March issue of the English-language publication Business Tokyo notes that unlike the United States and West European countries, Japan has not passed any legislation to bar compliance with the boycotts.

"Many leading U.S. and European countries called the Arab bluff by continuing to trade openly with Israel," the magazine points out. "They have not, in most cases, suffered because of the decision. Japanese companies, however, have not even tried." The magazine says the companies justify this policy by pointing to the problems Japan experienced during the 1973 oil crisis. Japan is nearly 100 percent dependent on Arab oil, and if it was cut off, its economy could be destroyed.

"This, apparently, is ample justification to the Japanese mind to allow them to boycott trade with Israel," Business Tokyo observes.

Japanese companies do buy Israeli products, particularly diamonds, with Israeli diamonds making up 25 percent of Japan's diamond imports, according to the magazine. The article noted that the situation is changing, particulary in the auto industry, where research has shown that Israel could be an important market for Japanese cars. Fuji Heavy Industries Lt., the only Japanese carmaker that exports openly to Israel, sold 20,000 Subaru cars in Israel in 1887.

Car Companies Eyeing Market

Arab countries are a good market for the larger lapanese cars, the Israeli demand is for smaller cars. "The Japanese, who excel in small-car production, are eyeing the market hungrily," according to the magazine.

The magazine points out that Daihatsu and Suzuki have sold about 2,000 cars annually in Israel, imported through a third country, and the Mitsubishi Corp. is planning to do the same thing.

"Directly or indirectly, it appears that Japanese cars will soon be readily available in Israel," the magazine notes.

"It would be nice to be able to say that Japanese manufacturers have finally decided to stand up and be counted; that they will no longer be willing to bow to Arab blackmail."

But, the magazine stresses, the reason is economic. Japanese automakers have been losing their share of the international market, because the rapid rise of the yen over the last two years has forced them to increase their prices.

"This, combined with the drop in oil prices, which has reduced the buying power of Arab nations, has made it inevitable that they open up new markets," according to the article.

The Japanese automakers thus "see Israel as a small, but relatively profitable market," the article concludes. "The only problem is not upsetting the Arabs.

"If they succeed, Japan's carmakers will be first in the world to develop a method of having their cake and eating it. They want to sell an Israel, but neither the manufacturers nor the government seem willing to stand up to the bovcott threats and do it openly."

CANADA WILL TRY TO DEPORT TERRORIST By Michael Solomon

MONTREAL, March 8 (JTA) -- Convicted Palestinian terrorist Mahmoud Mohammed Issa Mohammed will face a deportation hearing in Hamilton, Ontario next Tuesday, a federal court in Toronto ruled Monday.

Justice James Jerome dismissed an application by Issa Mohammed's lawyer, Lorne Waldman, to quash the deportation proceedings on grounds that his client's constitutional rights were violated. Waldman said he would appeal, and Issa Mohammed, who has been free until now, may be taken into custody pending the outcome of the appeal.

He entered Canada in February 1987 on an immigrant visa he obtained from the Canadian Consulate in Madrid by concealing his conviction by a Greek court in 1970 of a machine gun and grenade attack on an Israeli airliner at Athens airport in 1968 in which one man was killed.

Although Canadian immigration authorities were alerted after his background was exposed, Issa Mohammed evaded detection at the Toronto airport.

Measures to deport him were undertaken quietly last October, but the Toronto Globe and Mail broke the story last January, to the embarrassment of the government.