

VOL. 66 - 71st Year **WEDNESDAY, JUNE 22, 1988**

YUGOSLAVS REJECT TIES WITH ISRAEL; BEILIN MEETS WITH POLISH OFFICIAL

By David Landau and Gil Sedan

JERUSALEM, June 21 (JTA) -- Israel received both bad news and good news Tuesday about its relations with Eastern European countries.

In Yugoslavia, the Parliament decided not to resume diplomatic ties with Israel at this time. In Warsaw, Yossi Beilin, political director general of Israel's Foreign Ministry, scored something of a diplomatic coup by becoming the first foreign visitor to meet with Tadeusz Olechowski since he took office as Poland's new foreign minister.

Premier Yitzhak Shamir expressed regret Tuesday at the Yugoslav move, which he called discriminatory. "Diplomatic relations between the countries should be maintained even when there is no agreement between them on views," he said during a visit to Tel Aviv.

In Warsaw, Beilin said his trip constitutes progress in Israeli-Polish relations, but he refused to call it a breakthrough.

Speaking by telephone to Israel Radio, he said, "I wouldn't use terms like that, but this visit was certainly significant in that it advances at some particular level Polish-Israeli relations."

Beilin said Israel can expect improvements in its relations with the Eastern European countries, but not the resumption of formal diplomatic ties until there is an international conference for Middle East peace.

"This doesn't mean that prior to an international conference there can't be various types of changes in diplomatic relations," he said.

"I hope that such a development will occur, but according to the Eastern Europeans, an actual resumption of diplomatic relations will not take place until an international conference is convened," he said.

Romania is the only East European Communist bloc country that has diplomatic ties with Israel, though Poland and Israel last year established interest sections in each other's countries. A similar arrangement is now under way with Hungary.

Asked why some East European nations are now showing an interest in Israel, Beilin said it was because "they want to play a certain role in the Middle East and they know they can't fulfill this role without improved relations with Israel."

Beilin said the main issue for Poland is the development of economic ties with Israel. He said his meeting with the Polish foreign minister was "part of the process of normalization that began not long ago and which has developed successfully with several Eastern European countries."

SOVIET SAYS ISRAELI CABINET DECISION RESTRICTS PEOPLE'S FREEDOM TO TRAVEL

By David Landau and Hugh Orgel

JERUSALEM, June 21 (JTA) -- Soviet Foreign Minister Gennady Gerasimov predicted that the number of Russian Jews seeking visas for Israel will decline because of the Israel government's decision Sunday to issue them only to Jews committed to settling in Israel.

Gerasimov, in a telephone interview with

Maariv, published Tuesday, chided the Israelis for the decision. "The impression has been formed that Israeli leaders do not particularly admire the principle of the right of each person to move freely about wherever he wants," the Russian diplomat said with a touch of irony.

"The meaning of the Israeli decision is to rule out peoples' freedom to choose to travel wherever they wish," he added, noting that this principle is protected under the United Nations Charter.

Asked how he thought this might affect Jewish emigration from the Soviet Union, Gerasimov said: "I'm afraid their numbers will decline. Fewer and fewer Jews will request exit visas to Israel, because they compare life in Israel, in the shadow of the Palestinian uprising, and your weather, with the good life one can lead in California."

The Soviet diplomat said, however, that as far as his government is concerned, Jews leaving the Soviet Union may go anywhere they like. It is "OK if a Jew receives a visa for Israel, he can go to Israel, and if he (receives it) for the United States, he can go to California."

In another matter affecting Soviet-Israeli relations, Foreign Minister Shimon Peres told the Knesset Foreign Affairs and Defense Committee on Tuesday that he discerned a "certain closing of the gap" between the United States and the Soviet Union with respect to an international conference for Middle East peace.

But he said he is unaware of any other joint American-Soviet ventures regarding the Middle East.

Peres spoke in response to a comment by Likud Knesset member Ehud Olmert, who claimed Monday he knew for a fact that Washington and Moscow were preparing a joint peace plan for the Middle East.

ECONOMIC SUMMIT LEADERS ENDORSE MIDDLE EAST PEACE CONFERENCE

By David Friedman

WASHINGTON, June 21 (JTA) -- The leaders of the seven major industrialized nations, at their meeting in Toronto, urged a "properly structured international conference" to bring about negotiations between Israel and its Arab neighbors.

"An early negotiated settlement to the underlying Arab-Israeli dispute is essential," Canadian External Affairs Minister Joseph Clark said Monday.

Clark gave a summary of the discussions between the leaders and their foreign ministers on the Middle East.

The seven leaders praised Secretary of State George Shultz's current Middle East initiative, Clark said, and agreed that "convening of a properly structured international conference" was "the appropriate framework for the necessary negotiations between the parties directly concerned."

Clark did not explain what was meant by a "properly structured" conference. At the recent Moscow summit, President Reagan and Soviet leader Mikhail Gorbachev differed on the structure of the summit.

The United States, supported by Israeli

Foreign Minister Shimon Peres, wants the type of conference that would facilitate direct negotiations between Israel and the Arabs and not dictate or veto any agreement reached by them.

The Soviets back the Arabs in preferring a conference that would actually negotiate a settlement. Israeli Premier Yitzhak Shamir opposes an international conference on the grounds that the Soviets would seek to force a settlement harmful to Israel.

An international conference would include three of the Toronto summit participants -- the United States, Britain and France, who are all members of the United Nations Security Council. The other four summit participants are Canada, Italy, Japan and West Germany.

Status Quo Not Sustainable

In his statement Monday, Clark said the leaders expressed their "deep concern at the increasing instability in the Near East. The current violence in the occupied territories is a clear sign that the status quo is not sustainable."

Clark's statement on the Middle East, which also included summaries of the leaders' discussions on South Africa and Cambodia, was separate from a political declaration, which he also read and which centered on East-West relations.

The declaration took note of improved East-West relations, and welcomed progress in arms control, but it stressed that much more remains to be done in this area.

The declaration said that "genuine peace cannot be established solely by arms control," but also requires Soviet and East European improvements in human rights, including emigration policies.

Peace "must be firmly based on respect for fundamental human rights," the declaration added. "We urge the Soviet Union to move forward in ensuring human dignity and freedoms and to implement fully and strengthen substantially its commitments under the Helsinki process.

"Recent progress must be enshrined in law and practice, the painful barriers that divide people must come down, and the obstacles to emigration must be removed."

The declaration also gave support to increased East-West trade.

At a news briefing later, Rozanne Ridgway, assistant secretary of state for European and Canadian affairs, said this does not mean that the United States was considering abandoning the Jackson-Vanik Amendment, which denies U.S. most-favored-nation trade status to the Soviet Union until emigration figures increase substantially.

"We have no plans except to enforce Jackson-Vanik," Ridgway said.

WIDESPREAD ARAB ARSON ANTICIPATED

By Gil Sedan

JERUSALEM, June 21 (JTA) -- Fire brigades and security forces are on the alert all over Israel in anticipation of widespread arson by Palestinians in the next 24 hours.

Leaflet No. 19, issued by the underground command of the Palestinian uprising, designates Wednesday as a day for the destruction of Israeli property and agriculture.

Police said they believe two fires Monday night that destroyed some seven acres of woodland in the Jezreel Valley were the work of arsonists. Two youths were spotted fleeing the

scene of one of the fires.

Setting fire to forests, crops and grasslands has become one of the latest potent weapons of the Palestinian uprising.

Foreign Minister Shimon Peres acknowledged this Tuesday in a conversation with reporters at the Knesset. Peres said it would take time to figure out ways to combat political arson or prevent it.

Preventive measures are being taken. Aircraft are being used to spot fires as soon as they are started, so that fire brigades can be ordered into action without delay.

Meanwhile, police arrested about 20 Arabs in northern Israel Monday night on suspicion of illegal possession of firearms and ammunition.

About 50 Israeli Arabs were arrested three weeks ago on the same grounds, after police uncovered large quantities of arms and ammunition among Israeli Arabs.

MOSHAV FARMER WAS STABBED SEVEN TIMES By Gil Sedan

JERUSALEM, June 21 (JTA) -- An investigation into the murder of Eliahu Cohen, a farmer from Moshav Shekef, showed that he was stabbed seven times in his back and then struck with a steel pipe. His mutilated body was found Monday morning in the moshav's vineyards.

An overnight curfew was clamped on eight Arab villages in the Lachish region of Israel while police searched for the murderer of Cohen, 33. The curfew was lifted Tuesday morning.

Twenty Arabs detained as suspects Monday remained in custody Tuesday.

Cohen went to work unarmed Sunday night. Authorities said relations between Shekef and the Arab villagers had been good until the Palestinian uprising began in the West Bank and Gaza Strip more than six months ago. Since then, moshav property has been frequently damaged by the villagers.

PALESTINIAN SMUGGLER ARRESTED

By Jean Cohen

ATHENS, June 21 (JTA) -- A Palestinian was arrested Monday trying to smuggle arms and explosives aboard a car ferry sailing to Israel.

The man, identified as Omar Sofrini, was driving a Mercedes. An inspection of the car, reportedly prompted by Israeli security agents at Piraeus, the port of Athens, uncovered concealed weapons and explosives.

Sofrini had booked passage aboard the car ferry Paloma, which sails twice weekly from Piraeus to Haifa via Cyprus. He carried a German passport and reportedly entered Greece by car from Yugoslavia.

The arms and explosives may have been intended for Palestinian terrorists in Israel. The Greek authorities have given no details of the affair.

SABOTAGE RULED OUT IN EXPLOSION

TEL AVIV, June 21 (JTA) -- The authorities have completely ruled out sabotage or terrorist activity as the cause of an explosion Monday that destroyed a restaurant and old-age home in Herzliya Pituach, injuring 23 people. They said Tuesday that the blast was due to a leakage of cooking gas from cylinders stored in the basement of the restaurant.

NACHMANN NOW STANDS ACCUSED OF BRIBING FRIENDS AND SUPPORTERS

By David Kantor

BONN, June 21 (JTA) -- The late Werner Nachmann, accused of embezzling funds intended for Nazi victims, used part of his illicit money to bribe people into silence and secure his position as leader of West Germany's Jewish community, according to press and radio reports Tuesday.

Nachmann, who died last January, was chairman of the Central Council of Jews in Germany, which administered funds provided by the Bonn government for former Jewish persecutees.

He is alleged to have misappropriated at least \$12 million. The case is under investigation by the Finance Ministry and by private investigators hired by the Jewish community.

The latest allegations by a West German radio station charge that Nachmann paid thousands of dollars a month to friends and supporters in the federal state of Baden-Wuerttemberg where he lived.

Smaller sums went to elderly Jews to ensure his re-election as head of the community. He was chairman of the Central Council for more than 20 years.

The radio station Hessischer Rundfunk reported that Nachmann made available more than \$400 a month to an unnamed director of a state-owned radio and television station.

He is also alleged to have transferred about \$13,000 to a journalist in Bremen, who is a member of the Central Council.

In addition, according to the radio report, Nachmann provided about \$100,000 to a group based in Konstanz, which allegedly looked after Jewish cemeteries in Poland.

Nachmann apparently played politics with local Jewish communities as well, the reports said. For example, plans to build a new community center in Heidelberg were reversed by Nachmann, and the money went for a project in Freiburg instead.

Another \$400,000, which was supposed to have been transferred to the Jewish community in Heidelberg, has disappeared, the radio station reported.

Further, it reported, when a construction company contracted to build a Jewish community center in Baden estimated its cost at \$4 million, Nachmann changed the estimate to \$5 million.

Siegmond Nissenbaum, a former Jewish community leader in Baden, urged in 1982 that disciplinary action be taken against Nachmann for failing to provide a full report of his handling of the community's assets, Nissenbaum's lawyer said Tuesday.

The leadership body of the community rejected the idea and Nissenbaum was not re-elected to the community council.

FRENCH RABBIS CALL ON AUTHORITIES TO HALT ANTI-SEMITIC ATTACKS

By Edwin Eytan

PARIS, June 21 (JTA) -- The Conference of French Rabbis urged the authorities Tuesday to take all necessary measures to halt the wave of attacks on Jewish institutions in France.

They also urged Jewish community leaders to be more vigilant in protecting Jewish property.

Jews in this French capital are alarmed by two incidents that occurred within 24-hours last weekend.

A synagogue in the Marseille suburb of Allauch was broken into Saturday night. Torah scrolls and prayer books were burned. According to local reports, about \$80,000 worth of ornaments were stolen.

On Sunday night, two shrapnel grenades were thrown at the Jewish community center at Epinay-Sur-Seine, north of Paris. No one was hurt and there was no damage. But police said the grenades had the potential to cause serious injuries.

It was also learned, meanwhile, that the grave of Alfred Dreyfus was desecrated earlier this month. According to his grandson, Charles Dreyfus, the tombstone in the old cemetery in Montparnasse was covered with swastikas and anti-Semitic graffiti.

Alfred Dreyfus was a captain in the French army in the 1890s. He was falsely accused and convicted of treason in what was the worst anti-Semitic scandal in French history. He was eventually exonerated.

JOURNALIST CHARGES RED CROSS FAILED TO HELP JEWS IN CAMPS

By Tamar Levy

GENEVA, June 21 (JTA) -- A West German television journalist has accused the International Red Cross of doing little during World War II to help Jews in concentration camps, and of facilitating, as a result of negligence, the escape of Nazi war criminals after World War II.

The charges were leveled by Heiner Lichtenstein, correspondent for a West German television network, who is also author of a book attacking the Red Cross. His allegations were published Monday in *La Suisse* and *La Tribune de Geneve*.

Asked to respond, Fritz Steinman, spokesman for the Geneva-based International Committee of the Red Cross, defended the humanitarian agency's conduct during and after the war.

"If three war criminals did get away, hundreds of thousands of innocent war victims got documents from the ICRC which saved their lives," Steinman said.

He said Geneva University historian Jean-Claude Favez will publish a book this fall about the ICRC's work on behalf of war prisoners. He said the ICRC opened its secret archives to him, which it has never done before.

In his book, Lichtenstein charged that although it has claimed otherwise, the ICRC in Geneva was well aware of Nazi atrocities during the war. He said rumors were circulating in 1941 of genocide in Nazi death camps, but the Red Cross "closed their eyes."

Lichtenstein also charged that in 1945 when it was possible to help concentration camp inmates, the ICRC neglected Jewish prisoners from Poland or Germany in favor of those from the Allied nations.

VOLUNTEERS HEAD FOR ISRAEL

By Yitzhak Rabi

NEW YORK, June 21 (JTA) -- A planeload of hundreds of American volunteers left for Israel Sunday on a chartered El Al plane.

According to Florence Cohen, vice president and national coordinator of Volunteers For Israel, 362 volunteers from all over the United States went to Israel on a three-week program of volunteer work in army camps, hospitals, kibbutzim and moshavim.

\$5.3 MILLION ADDED TO HEALTH BUDGET; CRISIS TEAM SET UP ON LABOR STRIFE

By Hugh Orgel

TEL AVIV, June 21 (JTA) -- In the face of worsening labor strife at public hospitals in Israel, a ministerial committee decided Tuesday to add \$5.3 million to the Health Ministry's budget.

The stop-gap measure, previously opposed by Finance Minister Moshe Nissim, was taken as the committee came under scathing criticism from doctors for "foot-dragging and political shenanigans" since its formation earlier this month in response to the ongoing health care crisis.

Medical personnel at the state-run hospitals and those of Kupat Holim, Histadrut's health care agency, announced an all too familiar tactic to protest the committee's alleged procrastination.

Effective Tuesday, the public hospitals went on a strict Sabbath schedule. Only emergency cases were being admitted and only life-saving procedures were being performed.

Dozens of public hospitals all over the country are to be struck according to a daily roster drawn up by the doctors. Individual hospitals will not know in advance when they will be affected.

The physicians apparently hope the inconvenience to the public will bring pressure to bear on the ministers for a solution that will meet their demands.

They complained that after nearly three weeks of dickering, the committee has produced no solutions to the health care problems, most of which are wage-related.

The panel is chaired by Premier Yitzhak Shamir and includes Foreign Minister Shimon Peres, Finance Minister Nissim and Health Minister Shoshana Arbeli-Almoslino.

Battle Between Health And Finance

Up to now, its deliberations have been marked by mutual recriminations between the health and finance ministers. Nissim has been adamant against wage hikes for government-employed medical personnel. The health minister is more sympathetic.

The decision to supplement the Health Ministry's budget, which presently stands at \$28 million, may have been a victory for Arbeli-Almoslino, a compromise or an act of desperation.

The committee announced Tuesday morning that it is setting up a "professional team" of senior officials "to sit day and night and work out a compromise between the various proposals."

This group is supposed to report to the committee "within a day or so."

But the troubles are spreading. The nurses union announced Monday night that beginning in July, it will be sending its 12,000 members on "organized summer vacations" at a rate of 3,000 at a time. The nursing staffs at public hospitals will thereby be reduced by 25 percent over the summer.

The top brass of the major unions met Monday for the first time in six years to discuss the effects of the hospital crisis on their members. The meeting was attended by union leaders representing the government-owned Israel Electric Corp., the military industries and Bank Leumi.

In other labor news, violence broke out Tuesday in Tel Aviv when employees of the financially troubled Alliance tire factory in Hadera demonstrated angrily outside Histadrut headquarters. Three police officers were injured.

ISRAEL AND U.S. TO AIR COMPLAINTS OVER FREE TRADE AREA AGREEMENT

By Howard Rosenberg

WASHINGTON, June 21 (JTA) -- Israel and the United States have formed two working groups to handle complaints each country has about the other's trade practices, U.S. and Israeli officials said Monday.

The decision was made during their annual talks June 8-9 on the 1985 U.S.-Israeli Free Trade Area agreement. Both working groups will meet later this month for the first time, with an Israel-based group hearing U.S. complaints and a Washington-group listening to Israeli gripes, an Israeli Embassy official said.

At that meeting, the United States sought the removal of Israeli purchase taxes on certain U.S. products and raw materials manufactured or sold in Israel, as well as two taxes assessed at customs, the "harama" and "tama," which are based on prices on the Israeli market.

Those taxes, the United States argued, raised the prices of U.S. goods to noncompetitive levels, and ran counter to the 1985 accord as well as the General Agreements on Tariffs and Trade, which Israel also signed.

An Israeli Embassy official said, however, that those problems existed before the 1985 FTA agreement, and that his government was showing "good will" and making a concession in deciding at the meeting to reassess those practices.

A State Department official, however, disputed that claim. He agreed that the harama and tama levies existed before the FTA agreement, but said that their "levels have changed" since the FTA went into effect.

Adversely Affecting Imports

Another Reagan administration official said that when the FTA agreement was negotiated, the United States "reserved the right" to complain about those taxes when they adversely affected U.S. imports because of changes in the rate of inflation.

The Israelis had gripes of their own. Their complaints were not with the 1985 FTA agreement, but with government procurement provisions, mainly dealing with defense.

The Israeli official said that the FTA agreement provides preferential treatment for some goods procured by the other government, but he said every barrier in that area should be eliminated.

The official applauded amendments to the recently approved omnibus trade bill, including an "anti-dumping" measure sponsored by Sen. Daniel Moynihan (D-N.Y.).

That measure protects Israel against U.S. penalties levied when other countries dump products on the U.S. market, or use their own export or manufacturing subsidies to challenge industries in the United States.

A second provision mandates that the FTA's provisions take precedence in any U.S.-Israeli dispute over differences between the FTA and the trade bill.

The Israeli official said that in FTA talks, Israeli has an additional burden.

While the United States can bring disputes directly to the Prime Minister's cabinet, Israel has to negotiate with both Congress and the executive branch. Congress, he said, and not the administration, is often the "watchdog for the FTA with Israel."