

**EUROPEAN PARLIAMENT POSTPONES
VOTE ON TRADE PACTS WITH ISRAEL**
By Yossi Lempkowicz

STRASBOURG, France, July 7 (JTA) — The European Parliament decided Wednesday night to postpone a vote on ratification of three economic and trade agreements with Israel out of fear that the required majority could not be obtained.

Many supporters of ratification among the various political factions preferred the delay to another setback in relations with Israel.

A canvas of the deputies indicated the measure would fall short of the 260 votes needed to carry it in the 518-member assembly, the European Community's legislative body.

The deputies therefore endorsed a proposal by West German Socialist Rudiger Hitzgrath to put off the vote until the assembly's October session.

Simone Veil of France, a leader of the Liberal group and a former president of the parliament, called the postponement "scandalous" and "inadmissible."

But Israeli diplomats here, while publicly expressing regrets, agreed privately with the decision.

A negative vote Wednesday would have sent the economic measures back to the E.C.'s Council of Ministers, where the rotating chairmanship is currently held by Greece, considered the most pro-Arab of the 12 E.C. member states.

Israel signed the agreements with the 12 last year, but ratification by the Strasbourg-based parliament, normally routine, was denied in March. It was a calculated rebuff to Israel for its handling of the Palestinian uprising, then at a peak.

The Israelis and their supporters lobbied vigorously over the ensuing months to reverse the negative vote. It appeared this week that the chances were good.

The Socialists, the largest single faction in the parliament, announced they would no longer oppose ratification. The Christian Democrats and Liberals were also ready to endorse the protocols.

But British Laborites and Italian Socialists were said to be reluctant, while the Communists, Greens and British Conservatives insisted on postponement.

They argued that Israel has not yet made its position clear with respect to the direct export of Palestinian agricultural produce from the West Bank and Gaza Strip to the Common Market countries.

The E.C. has insisted that Israel allow the Palestinians to export to Europe under their own label and without the intervention of the government agencies controlling exports.

Asked Tuesday about Israeli compliance with the Europeans' wishes, Willy De Clerco, the E.C.'s commissioner for external relations, said this could not be known until the citrus export season begins next fall.

He said, however, that "the European Executive Commission cannot say that it is entirely satisfied. There are no guarantees" from Israel.

Israeli diplomats attending the session were indignant over the linkage between the technical matter of the economic trade agreements and the unrelated issue of Palestinian exports.

The parliament's decision to adjourn without voting on the protocols showed how difficult it is to assemble a clear pro-Israel majority among the Europeans.

The canvas indicated that if a vote was taken Wednesday, ratification would have lacked some 20 votes.

"During a meeting of the enlarged bureau of the 518-member E.C. assembly with the leaders of the political groups, it appeared that none of these groups wanted to take the risk of a vote without being totally assured that the majority would be obtained," a parliament spokesperson said.

**TWO FIREBOMBS EXPLODE IN JERUSALEM,
CAUSING NO DAMAGE OR CASUALTIES**
By Gil Sedan

JERUSALEM, July 7 (JTA) — Two firebombs that exploded in the center of Jerusalem Wednesday night caused no casualties or damage, but raised fears that the attack was meant to extend the Palestinian uprising from the administered territories into Israel proper.

The bombs were thrown onto King George Street, one of Jerusalem's main thoroughfares, where they burst into flames.

It appeared that they came from a building under construction. Several armed civilian passers-by entered the construction site with guns drawn, but found no one.

Police detained 10 Arabs in the vicinity on suspicion, but Southern District Police Commander Rahamim Comfort said later that the attackers had not yet been apprehended.

A similar gasoline bomb attack occurred last month in the heart of Tel Aviv, when several firebombs were thrown from the roof of the Dizengoff Street shopping mall, one of the city's busiest. There were no casualties or damage and the perpetrators have yet to be found.

Premier Yitzhak Shamir insisted Thursday that the firebombing in Jerusalem did not herald a new stage in the Palestinian uprising, now nearing the end of its seventh month.

"There were many cases like this in various parts of the country," he told reporters.

Shamir repeated his view that the uprising itself "is not about territorial issues, but it is about the very existence of Israel."

Israel, meanwhile, in a goodwill gesture toward the Palestinians Wednesday, released a prominent Gaza lawyer, Mohammad Abu-Shaaban, after he served four months of a six-month term under administrative detention.

Abu-Shaaban, an executive member of the Gaza Bar Association, was seized in March on his way home from giving an address at Tel Aviv University in which he called for a Palestinian state to exist side-by-side with Israel.

No reason was given for his arrest. Administrative detention, a holdover from the British Mandate, allows the authorities to jail anyone for renewable six-month periods without trial or formal charges.

The Israeli authorities said Abu-Shaaban was freed in order to prove there is no "iron fist" policy against Palestinians and to persuade striking lawyers in Gaza to return to work.

YESH GVUL ACCUSES ATTORNEY GENERAL OF INTIMIDATION AND HARASSMENT
By Hugh Orgel

TEL AVIV, July 7 (JTA) — The protest group Yesh Gvul (There's a Limit) accused Attorney General Yosef Harish of "intimidation" Thursday, because he ordered a police investigation of a pamphlet it had distributed.

Yesh Gvul opposes compulsory military service in the administered territories for Israel Defense Force reservists.

Harish wrote to the national police Monday asking for an investigation of the pamphlet, titled "Pinkas Sherut" (Army Service).

According to Harish, the booklet contains "on the face of it, a call to refuse legally-sanctioned orders."

Yesh Gvul spokesman Yishai Menuhin said Harish's action amounted to an attack on freedom of speech.

The group is especially incensed because Harish sent a copy of his letter to the police and to the General Security Services, the Shin Bet, Israel's internal security agency.

Yesh Gvul claims its members have been harassed recently by Shin Bet agents outside of security-related situations.

Menuhin denied that the pamphlet contained incitement to refuse military service in the West Bank and Gaza Strip. He said it was clearly marked "not for general distribution."

Menuhin called it a "survival kit" intended for members of the protest movement that explains what sort of punishment they might face if they refuse to serve in the territories, what rank of officer can impose the punishment, physical conditions in prisons, prisoners' rights and how to contact Yesh Gvul for aid.

"Harish's move is a cynical abuse of an attempt to hark back to laws not used since 1948, designed to frighten us and shut us up," Menuhin said.

To date, 126 IDF reservists have been jailed for refusing to serve in the territories. Another 600 of all ranks are reported to have signed a commitment not to serve. "They are all fully aware of the consequences," the Yesh Gvul spokesman said.

SYMPATHY FOR ISRAEL HAS DROPPED, BUT POLL FINDS NO GAIN FOR ARABS
By Andrew Silow Carroll

NEW YORK, July 7 (JTA) — American public sympathy has declined for Israel and risen for the Arab nations since the beginning of the Palestinian uprising, according to a Roper poll conducted in April on behalf of the American Jewish Committee.

However, while sympathy for Israel declined by 11 percentage points since February 1987--from 48 percent to 37 percent -- sympathy with the Arab nations increased by only three percentage points, from 8 percent polled in February 1987 to 11 percent in April 1988.

In addition, a March poll taken by the Roper Organization that asked an identical question about sympathies in the Middle East conflict indicates that sympathy with Israel may be on the upswing. The March poll showed sympathy for Israel as low as 30 percent and sympathy with the Arabs at 12 percent.

The latest poll is the fifth in an annual series conducted by Roper and AJCommittee that

probes American public attitudes toward Israel and American Jews.

Four identical questions have been included since the first poll was conducted in 1984, allowing for what Dr. David Singer, director of AJCommittee's Information and Research Services Department, called "a clear and consistent trend-line established over time." The previous poll was taken in February 1987.

Roper interviewed 1,982 respondents -- a representative national sample of men and women 18 and older -- in their homes between April 16 and April 29.

Roper did not report a sampling error.

While a plurality of correspondents continue to believe that Israel is a reliable ally of the United States, the number dropped to 43 percent in April from 49 percent in February 1987. Still, Egypt and Jordan continue to be regarded as unreliable by a plurality of respondents, and Syria by a clear majority at 60 percent.

Feelings About Uprising

Responding to specific questions about recent events, an almost equal number thought Israel's response to the uprising was "too harsh" (28 percent) as felt it was "about right" (26 percent). Eleven percent felt it was "too lenient."

A majority of those having an opinion -- 36 percent -- favored some form of Palestinian autonomy as a solution to the Palestinian-Israeli conflict.

But 59 percent indicated they did not know which they preferred as a solution, saying they hadn't followed the situation closely enough.

Asked about Israel's refusal to negotiate with the Palestine Liberation Organization, 44 percent said they agreed with Israel and 27 percent disagreed.

On the matter of whether the news media have shown bias against Israel in their coverage of the uprising, 31 percent said the media had shown bias and 36 percent said they had not.

The current poll's findings are slightly less upbeat than similar polls conducted recently by both the Anti-Defamation League of B'nai B'rith and the American Jewish Congress.

No Doubt Image Has Changed

Singer said that optimists can conclude from the poll that a decline in support for Israel is "not as bad as one might have imagined."

However, Singer added, "anyone who wants to claim that Israel's image has not changed in any way, those people are simply wrong."

AJCommittee executive vice president Ira Silverman said in a statement that "recent events have clearly had an impact, but the basic core of American sympathy for Israel remains strong."

The uprising clearly had no impact on the public's attitudes toward American Jews, with the poll indicating little change over the generally positive perception found a year ago.

Twice as many respondents (48 percent) continue to disagree with the statement "Most American Jews are more loyal to Israel than to the United States" than agree with it (24 percent).

In addition, only eight percent of the respondents believe Jews have too much power on the United States, an increase of only one percent over the February 1987 figure. Arab interests (20 percent), Orientals (15 percent), blacks (14 percent) and the Catholic Church (9 percent) were all cited ahead of Jews as being too powerful.

SHAMIR-ARENS CAMP DOMINATES THE TOP SPOTS ON HERUT SLATE

By David Landau

JERUSALEM, July 7 (JTA) — Moshe Arens, and his patron, Premier Yitzhak Shamir, did better in Herut's internal elections Wednesday than Arens' relegation to the No. 3 spot on the party's election slate might indicate, according to political pundits.

Shamir automatically heads the list as candidate for the office of prime minister. Arens, his closest political associate, ran third, after David Levy, who placed first, and Ariel Sharon, who was second.

But the Shamir-Arens camp recouped as the 2,000-plus member Herut Central Committee arranged the party's 35 Knesset candidates in the order they will appear on the ballot on election day, next Nov. 1.

Shamir-Arens supporters, it turns out, will constitute the largest grouping within the Herut Knesset faction. Herut is the main component of the Likud bloc, which also includes the Liberal Party.

The Central Committee divided the candidates into three groups of seven. Of the first 21 on the list — not including Shamir — 10 belong to the Shamir-Arens camp or lean toward it. The others are split between Levy and Sharon, or are uncommitted.

Arens is a minister without portfolio in the present government. Sharon is minister of commerce and industry. Both are former defense ministers. Levy is minister of housing and also holds the rank of deputy premier.

All three have made no secret of their ambition to succeed Shamir as party leader and eventually prime minister.

For the time being, Sharon seems to hold the balance of power between Arens and Levy, who are actively hostile to each other.

It is open to question whether that will significantly enhance his prospects of inheriting Shamir's mantle in 1992, when the term of the next Knesset ends.

Two Young Men Promoted

Many observers said Thursday that the camp loyalties themselves within Herut will break down when the Central Committee is eventually called on to select a new prime ministerial candidate.

People who were pleased to see Levy unchallenged in the top slot, just below Shamir, may have second thoughts about voting for him as party leader, the person who must be able to win the support of uncommitted voters, the observers said.

The Herut elections brought two relatively young men with internationally known names close to the top of the party's hierarchy. Benjamin Netanyahu, Israel's former representative to the United Nations, placed fifth on the election list — if Shamir is not counted. Eighth place went to Binyamin Zeev Begin, son of former Premier Menachem Begin.

Netanyahu was a career diplomat. Begin is a geologist. Neither of them has ever held elective office.

The biggest setback in Wednesday night's elections was suffered by Haim Kaufman, chairman of the Herut faction in the present Knesset. He failed to get on any of the groups of seven.

Considering the spots that must be held open for Likud's Liberal Party component, Kaufman will

find himself in the mid-40s on the ballot, far from assured of election to the next Knesset, under Israel's proportional representation system.

PROPOSED ARMS SALE TO KUWAIT MAY TRIGGER FIGHT IN CONGRESS

By Howard Rosenberg

WASHINGTON, July 7 (JTA) — U.S. Rep. Larry Smith (D-Fla.) will introduce a joint resolution in the House of Representatives next week to try to block the Reagan administration's proposed \$1.9 billion arms sale to Kuwait, congressional sources said Thursday.

It was unclear Thursday who might introduce a companion bill in the Senate.

President Reagan's national security adviser, Lt. Col. Colin Powell, met Thursday afternoon with lawmakers at the White House to discuss the sale, said Jamie Ridge, assistant press secretary to Sen. Rudy Boschwitz (R-Minn.), one of the senators in attendance.

Other congressional sources said Powell met separately with House members, including Smith, Rep. Mel Levine (D-Calif.) and Rep. Howard Berman (D-Calif.).

The meetings came a few hours after the Reagan administration formally notified Congress of the proposed sale. It includes 40 F/A-18 fighter planes, 300 Maverick missiles, 200 Sparrow missiles, 120 Sidewinder missiles, 40 Harpoon missiles, 400 laser-guided bombs and 200 cluster bombs.

Smith had sent a letter signed by 67 members of the House of Representatives to Secretary of State George Shultz on June 21 urging him not to formally propose the package. Twenty senators signed a similar letter to Shultz, initiated by Sen. Dennis DeConcini (D-Ariz.).

30 Days To Block Sale

Both houses of Congress now have 30 days to block the sale. It will automatically go through unless they specifically vote to cancel it.

In an attempt to avoid such a move, senior administration officials assured two House Foreign Affairs subcommittees Thursday that the weapons would not have the capability to reach Israel.

Edward Gnehm, deputy assistant secretary of defense for Near Eastern and South Asian affairs, warned that if the sale fell through, the Kuwaitis would consider purchasing Tornador fighter planes from Great Britain, which have a range of 650 miles that Gnehm said would "cover part of Israel."

"This is again one of the reasons why we have argued strenuously that our sale of an F-18 meets some of the considerations of the committee members when it comes to a threat to the State of Israel," Gnehm said. Saudi Arabia in 1986 purchased 72 Tornadors from the British.

Rep. Dante Fascell (D-Fla.), chairman of the House Foreign Affairs Committee, argued that the fact that "somebody else is willing to sell . . . does not mean that the United States should be involved in adding to, as a matter of policy, the arms race in a situation where war has been going on for 40 years."

Peter Burleigh, deputy assistant secretary of state for the region, later confirmed that an unnamed U.S. ally or allies are considering a major sale of weapons to Saudi Arabia. He said it would be announced within a few days, but refused to name the source country or the amount of weapons involved.

**JACKSON DISCUSSED MIDDLE EAST
WITH ARAB LEAGUE MEMBERS AT U.N.
By Yitzhak Rabi**

UNITED NATIONS, July 7 (JTA) — The Rev. Jesse Jackson, Democratic presidential candidate, was the guest Wednesday of the Arab League at a luncheon attended by envoys of 15 Arab nations and the Palestine Liberation Organization.

Jackson's well-publicized meeting with the Arab delegates came on the heels of unconfirmed reports and rumors that the candidate is seeking a future nomination as America's ambassador to the world body.

Jackson and the Arab representatives concentrated their meeting on the tense situation in the Persian Gulf and the Middle East, following the downing of an Iran Air jetliner on Sunday by the U.S. Navy, which killed 290 people.

At a news conference after the meeting, Jackson expressed concern over the fate of the American and European hostages in Lebanon in the aftermath of the Iran tragedy.

The lives of the hostages were threatened by their pro-Iranian captors after the Sunday incident.

Several diplomats here said that they believe Jackson is seeking to enhance his image with the American public by being instrumental in helping arrange some kind of a breakthrough with the hostages.

An Israeli diplomat, asked by the Jewish Telegraphic Agency if Jackson also had asked to meet with Israeli officials here, said tersely: "No, he did not. And besides, we do not interfere in American presidential campaigns."

**SECRETARY OF WEST GERMAN COUNCIL
DISMISSED FROM JOB AMID SCANDAL
By David Kantor**

BONN, July 7 (JTA) — Amid growing indications that Alexander Ginsburg may have been involved in the embezzlement of more than 30 million marks (\$16.5 million) designated as reparation money for Holocaust victims, the secretary of the Central Council of Jews in West Germany has officially been dismissed from his job.

Ginsburg had been under suspension for the last six weeks while the authorities and the Jewish community investigated his alleged involvement in the scandal surrounding the late Werner Nachmann, who was chairman of the Central Council.

According to the announcement made here and in West Berlin Wednesday, Ginsburg's contract with the community will expire on Aug. 31.

Micha Guttman, a Cologne journalist who replaced Ginsburg during his suspension, is expected to occupy the office at least until the end of the year.

Ginsburg remains an elected member of the Central Council, where he represents Cologne. But some members of the Jewish community there have demanded his resignation.

The Central Council is the representative body of the Jewish communities in West Germany and West Berlin. It was headed for 21 years by Nachmann, a wealthy industrialist who died suddenly of a heart attack last January.

It was disclosed on May 17 that he had misappropriated at least 30 million marks in reparations funds the Bonn government provided for Jewish persecutees.

Nachmann and Ginsburg were the only of-

ficers of the Central Council, which administered the fund, who had access to the money.

Ginsburg has denied any wrongdoing or prior knowledge of malfeasance by Nachmann.

But he has confirmed that Nachmann had transferred about \$15,000 from the reparations fund to Ginsburg's wife, though she was not entitled to the money.

He also admitted that he held about \$75,000 from the reparations account in a numbered bank account in Switzerland.

In that same Swiss account, Ginsburg maintained about \$1 million in "reserve" to pay ransom if Nachmann was kidnapped.

Although Nachmann was dead, Ginsburg did not return the money to the reparations fund until the embezzlement scandal became known and investigations were begun.

Bonn sources told reporters that government authorities were opposed in principle to keeping financial reserves to pay ransom because national policy forbids giving in to terrorist demands.

The search continues, meanwhile, for the money stolen by Nachmann. Treuarbeit, an independent financial institution engaged for that purpose by the Jewish community, has promised to have a report by the end of the summer.

Nachmann's widow, Aviva, has denied any knowledge of her husband's embezzlement. She claims he left her destitute and she had to take a clerical job to support herself.

DINITZ WARMLY WELCOMED IN BUDAPEST

JERUSALEM, July 7 (JTA) — Simcha Dinitz received an exceptionally friendly reception by high level officials in Budapest this week.

The chairman of the World Zionist Organization-Jewish Agency Executive met with the foreign minister, the religious affairs minister and the head of the Hungarian state bank.

Dinitz visited Jewish communal sites with the encouragement of the government and the assistance of the Memorial Foundation for Jewish Culture and the World Jewish Congress.

Dinitz, who also was to visit Romania, intimated that a side trip to Moscow was not out of the question. He is interested in arranging with Soviet officials direct flights to Israel, via Romania, of Russian Jews leaving the USSR.

While in Hungary, Dinitz arranged for trips to Israel by teen-agers of the Hungarian Jewish camping program at Lake Balaton. More than 40 of them are expected here next week.

**ISRAELI TOURISM DOWN 8 PERCENT
By Hugh Orgel**

TEL AVIV, July 7 (JTA) — Israel suffered an 8 percent decline in tourism during the first six months of this year, compared to 1987.

About 669,000 tourists arrived from January through June 1988, according to figures released Thursday by the Central Bureau of Statistics.

A breakdown of tourists showed that 507,500 arrived by air during the first six months, down 10 percent from the corresponding period in 1987.

Overland arrivals amounted to 98,500, including 34,100 tourists from Egypt, a 3 percent increase. Arrivals by sea fell to 7,500 in 1988, compared to 9,100 in the first six months of 1987.

About 48,400 cruise passengers visited Israel between January and June, down 22 percent from the comparable period in 1987. This indicates fewer cruise operators are stopping at Israeli ports.