

**ISRAEL NOT NEGOTIATING INTERIM PACT
WITH THE PLO, SHAMIR AIDE MAINTAINS**
By Gil Sedan

JERUSALEM, July 17 (JTA) -- The Prime Minister's Office has dismissed as "nonsense" a report that Israel is secretly negotiating with the Palestine Liberation Organization for an interim settlement in the administered territories.

The report is totally untrue, Avi Pazner, Premier Yitzhak Shamir's media adviser, declared Sunday. The PLO is not acceptable to Israel as a partner to negotiations, he said.

Pazner was referring to an interview with Bassam Abu-Sharif, one of PLO chief Yasir Arafat's closest aides, just published by the French news agency, Agence France-Presse.

According to Abu-Sharif, Israel and the PLO have been negotiating for some time, with Romania serving as intermediary. In fact, Shamir made an offer to a high-level Palestinian delegation in Bucharest late last month, Abu-Sharif claimed.

According to the PLO official, the Israeli leader proposed that the PLO take over many of the functions now handled by the Israeli civil administration in the West Bank and Gaza Strip.

That would be in line with the Camp David autonomy model, which prescribed a large measure of self-rule for the Palestinians, leaving Israel in charge mainly of security matters, pending a final peace settlement.

According to Abu-Sharif, the Palestinian counterproposal was for an interim period during which the United Nations would govern the administered territories and a plebiscite would be held to determine their future status.

First Talk Of Interim Plan

The Agence France-Presse interview marks the first time a ranking PLO official has spoken explicitly of an interim settlement with Israel. Abu-Sharif challenged Shamir to deny his story, claiming he has the necessary documents to prove its authenticity.

Israeli policymakers are not impressed. They believe certain elements of the PLO have embarked on a peace initiative calculated, among other things, to portray Israel as the obstacle to Middle East peace.

Abu-Sharif has given several interviews in the past month in which he has stressed the PLO's readiness to hold direct talks with Israel in the framework of an international conference.

He has gained credibility in some circles. Last month, 15 prominent American Jews, supporters of the International Center for Peace in the Middle East, spoke approvingly of a document Abu-Sharif circulated at the recent Arab summit meeting in Algiers.

It was titled "Prospects for a Palestinian-Israeli Settlement" and envisioned the eventual creation of an independent Palestinian state coexisting peacefully alongside Israel.

The Romanian connection also gained some credibility for the PLO official.

Shamir acknowledged on July 10 that he had received a private message from Romanian President Nicolae Ceausescu, but he refused to divulge its contents to the Cabinet.

That raised speculation that the message was

a proposal for peace talks from the PLO. It was delivered by a special emissary of Ceausescu, Konstantin Metea, to Shamir and to Foreign Minister Shimon Peres. Peres also kept mum.

Israeli sources said the PLO's offer was for an autonomy-style interim arrangement in the territories. The sources said both Israeli ministers rejected it.

But according to Abu-Sharif's French press agency interview, the interim plan was offered by the Israelis, but turned down by the Palestinians, who prefer United Nations supervision during an interim stage.

**ARAB YOUTH SHOT IN PETACH TIKVA;
STONE-THROWING REPORTED IN CAPITAL**
By David Landau and Gil Sedan

JERUSALEM, July 17 (JTA) -- A young Israel Defense Force recruit fatally shot a Palestinian youth Sunday in a scuffle over the soldier's rifle at a bus stop in Petach Tikva.

It was the first IDF killing of an Arab inside Israel since the Palestinian uprising began in the administered territories more than seven months ago.

The victim was not immediately identified by Israeli security forces. One report said he was an Israeli Arab resident of Taiba village. Palestinian sources said his home was Jatt village, near Tulkarm in the West Bank. They identified him as Salim Mahzoul, 21.

The soldier involved was identified as Yossi Hadassi, 18, inducted into military service two months ago. He claimed he was attacked by three Arabs who tried to seize his rifle.

Hadassi was quoted by the army radio as saying he broke away from his assailants, loaded his rifle and fired, hitting one of them. The other two fled, he said.

In Nablus, meanwhile, IDF soldiers wounded three Arabs Saturday during a clash with rioters after a curfew was lifted.

In East Jerusalem, a number of stone-throwing incidents were reported over the weekend. Two people were slightly hurt Sunday when an Egged bus was pelted near Herod's Gate, inside the Old City walls, and another was stoned on adjacent Saladin Street, East Jerusalem's main business thoroughfare.

On Saturday, several cars and a police van were hit in East Jerusalem. No one was hurt. Police arrested seven suspects.

Two Arabs suspected of throwing a gasoline bomb at a car near Beit Safafa were arrested over the weekend.

The bomb ignited, but caused no casualties or damage. Beit Safafa is an Arab village on the southern outskirts of Jerusalem that has been incorporated into the municipality.

The Israeli authorities, meanwhile, have ordered all 1,200 Arab schools in the West Bank to end their school year this Thursday, about a month sooner than planned.

The order, affecting some 300,000 pupils, was in response to continuing unrest centered around the schools in the territory.

The schools were reopened by the Israeli authorities only last month, after a five-month closure for security reasons.

**FIRST DUTCH PREMIER TO VISIT ISRAEL
ARRIVES, SPEAKS OF THE ARAB UNREST**
By Gil Sedan

JERUSALEM, July 17 (JTA) -- The ongoing Palestinian uprising and the unsettled future status of the West Bank and Gaza Strip cast a shadow Sunday over the official welcome for Premier Ruud Lubbers of the Netherlands and Foreign Minister Hans van den Broek.

Lubbers is the first Dutch prime minister to pay an official visit to Israel. He and van den Broek were received by Premier Yitzhak Shamir at ceremonies in the Rose Garden facing the Prime Minister's Office.

Shamir stressed the friendship between the Dutch and Jewish people going back to the 15th century, when Jews fleeing the Spanish Inquisition took refuge in the Low Countries.

He recalled how more recently, the Dutch people sheltered Jews from Nazi persecution, and later showed unstinting support for Israel in the early years of its statehood.

Lubbers, too, recalled the old days and expressed regret that Holland finds it difficult now to back Israel as much as it would like to in the international arena. He referred to the troubles in the administered territories.

To Meet With Palestinians

His visit was originally planned to coincide with Israel's 40th anniversary celebrations in May. It was twice postponed, partly because of Dutch displeasure over Israel's handling of the Palestinian uprising.

For a time, the trip was in doubt. When Lubbers decided to make it, he asked the foreign minister to accompany him so that both of them could explain Holland's position to the Israelis.

Van den Broek is scheduled to meet with 15 prominent Palestinian leaders Monday at the American Colony Hotel in East Jerusalem. He also will visit the Kalandiya refugee camp.

The diplomatic talks here will center on Dutch criticism of Israeli policies, which already has had ramifications in Europe.

The Netherlands, long one of the most pro-Israel of the Western European countries, did not stand up for Israel when the Parliament of Europe in Strasbourg recently refused to ratify Israel's trade agreements with the 12 European Community nations.

Visas Policy On Agenda

Other issues on the agenda here include the Israeli Cabinet's recent decision to issue visas only to those Soviet Jews committed to settling in Israel, and the imminent arrival of an Israeli consular delegation in Moscow.

Both of those developments affect the Netherlands. The Dutch have represented Israeli interests in the USSR since 1967, when the Russians broke diplomatic relations with Israel.

Jews seeking to leave the Soviet Union with Israeli visas had to obtain them at the Dutch Embassy in Moscow. In the future, they will be issued at the Israel Embassy in Bucharest, Romania.

The Israeli consular delegation will work in Moscow under the Dutch flag. Because of Holland's role in Jewish emigration from the Soviet Union, one of Lubbers' first meetings in Jerusalem was with a group of ex-refuseniks.

(JTA correspondent Henrietta Boas in Amsterdam contributed to this report.)

**ISRAEL AND EGYPT TO TRY ONCE MORE
TO STRIKE A COMPROMISE OVER TABA**
By David Landau

JERUSALEM, July 17 (JTA) -- Israel and Egypt have agreed to make a last-ditch effort to settle their border dispute over Taba by compromise.

The international arbitration panel that was scheduled to announce its binding decision on Sept. 1, has agreed, at the request of both countries, to postpone the announcement until the end of September, if no compromise is reached.

The United States has been pressing both sides to accept a compromise and has been working for months toward that end. The only disagreement now is where to hold the negotiations.

The Israelis favor Washington. The Egyptians want to go back to Geneva, where the arbitration panel held its hearings.

Taba is a strip of beach on the Red Sea where Israeli entrepreneurs have built a tourist hotel and vacation village.

The United States apparently believes a mutually acceptable compromise would be better for Israeli-Egyptian relations in the future than a decision by arbitrators upholding one side's claim.

**5 PERCENT SALARY HIKE FAILS
TO BRING DOCTORS BACK TO WORK**
By Hugh Orgel

TEL AVIV, July 17 (JTA) -- The Cabinet approved a 5 percent salary increase for public hospital doctors Sunday, but it failed to end the health care crisis.

The doctors rejected the offer, even before the ministers voted, and continued to apply their work sanctions region by region against government hospitals and those of Kupat Holim, the Histadrut health care agency.

They were joined by the nurses union, which complained its wage demands were being ignored and began hunger strikes in protest.

In northern Israel, striking hospital pharmacists shut down their dispensaries.

The 5 percent hike was proposed late last week by Premier Yitzhak Shamir, over vehement objections by Finance Minister Moshe Nissim. Nissim said he would consider resigning if he failed to persuade the Cabinet of his position.

The ministers voted 18-3 for the increase, without discussing Nissim's appeal. It was not immediately known whether the finance minister would carry through with his threat.

The additional pay for doctors was intended to compensate them for working a second shift in operating rooms. It was urgently needed to reduce the long wait for non-emergency surgery.

JUNE INFLATION IS 12-YEAR LOW FOR MONTH
By Hugh Orgel

TEL AVIV, July 17 (JTA) -- The consumer price index rose by 0.3 percent in June, the lowest June increase in 12 years, according to figures released Friday by the Central Bureau of Statistics.

The price index rose by 8.5 percent during the first six months of 1988 and now stands at 115.8 on a 1987 base of 100. In the 12 months ending in June, the index rose 16.1 percent.

If the trend continues, the 1988 inflation rate will be about 17.7 percent, compared to the Treasury's target of 12 percent.

**AILING REFUSENIK BENJAMIN CHARNY
FLOWN TO BOSTON ON HAMMER'S JET**
By Susan Birnbaum

NEW YORK, July 17 (JTA) -- Nine-year refusenik Benjamin Charny of Moscow, who is ailing with cancer, arrived in Boston on Saturday morning aboard a jet owned by industrialist Armand Hammer.

There he was reunited with his brother, Leon, and his daughter, Anna Blank, as an entourage of political personalities looked on at Boston's Logan Airport.

The plane touched down at 11 a.m. in front of a small podium set up for a news conference. Waiting to greet Charny and his wife, Yadviga, were Kitty Dukakis and Sens. Edward Kennedy and John Kerry, both Massachusetts Democrats.

Massachusetts Gov. Michael Dukakis, who is expected to win the Democratic nomination for president this week, had hoped to attend, but was unable to because of his work on the state budget, Leon Charny said in a telephone interview. The Dukakis had sent letters to Soviet authorities about Charny and spoke often of his case.

Hammer, who received permission to airlift Charny and his wife from Moscow, became involved two years ago in the case of Charny, now 50, who suffers from skin cancer, other tumors, frequent heart failure and hypertension.

Medical Center Ready To Help

The New England Medical Center in Boston has long promised free treatment for Charny, and will begin to evaluate him for treatment Monday morning.

Two physicians, Dr. Mark Estes, a cardiologist, and Dr. Robert Schwartz, the hospital's chief oncologist, stand ready to treat him, according to Leon Charny.

Blank spoke to Hammer about her father in May, and the industrialist, whose friendship with Soviet authorities dates back to Lenin, delivered to Soviet leader Mikhail Gorbachev personal letters from himself, several senators and Gov. Dukakis.

Benjamin Charny, appearing serene, expressed his thanks to a long list of people, including Hammer, President Reagan, Secretary of State George Shultz, Assistant Secretary of State Richard Schifter, Dukakis, the two senators and all other members of Congress and the Reagan administration for their personal involvement in his case.

Charny met with Shultz in Moscow prior to the summit conference and spoke personally with Reagan when the president met with refuseniks in June, over Soviet protests.

Charny received his emigration visa last Monday, after being informed June 21 that he was no longer considered to be in possession of state secrets, a grounds for refusal.

He had been told his work in applied mathematics was a state secret, though his mathematical analyses have been published abroad.

Last Of Cancer Patients

Leon Charny laughed when asked how he felt. "I think it's a feeling like you just gave birth. Such a relief."

Blank said she found it "a little difficult to talk about it, because I am so overwhelmed. I am, of course, happy." She emigrated last year with her husband, Yuri Blank, and infant daughter, Sima, after long agonizing about leaving her ailing

father. She decided her voice would be better heard in the United States.

Charny is the last of an original group of five refuseniks in the International Cancer Patients Solidarity Committee, formed two years ago by Montreal research oncologist Gerald Batist.

Only one other member of that original group, Tanya Bogomolny, is still living. Three others -- Rimma Bravve, Inna Meiman and Leah Maryasina -- who eventually were allowed to emigrate, died in the United States and Canada from advanced cases of cancer.

Sunday was the unveiling of a monument on the Rochester, N.Y., grave of Bravve, who died in June 1987 at the age of 32, after a two-year effort to emigrate. She emigrated in December 1986, suffering from advanced ovarian cancer.

**POLLARD ENDS HUNGER STRIKE
AT REQUEST OF HIS PARENTS**
By Marlene Goldman

NEW YORK, July 17 (JTA) -- Jonathan Pollard, a former U.S. Navy intelligence analyst who is serving a life sentence at the federal penitentiary in Marion, Ill., for spying on behalf of Israel, ended a week-long hunger strike Thursday at the request of his parents.

"He had reached his limit," his mother, Molly, told the Jewish Telegraphic Agency. "At one point he fainted."

He has resumed regular meals, but cannot eat very much, she said. "He's coming along, though."

Jonathan Pollard, 33, had been fasting since the night of July 7 to protest his deteriorating conditions in prison and the alleged mistreatment of his wife, Anne Henderson Pollard, who is serving two concurrent five-year sentences as an accessory to her husband.

Anne Pollard, who is imprisoned in the Federal Medical Center, a correctional institution in Rochester, Minn., suffers from a rare gastrointestinal disorder, which, according to her family, causes severe pain and could endanger her life. She also has had a cyst on one ovary that has not been removed, according to Molly Pollard.

"It's a disgrace," she said. "It's a real abridgment of her rights."

A picture of an emaciated Anne Pollard in a newspaper triggered her husband's hunger strike, according to Molly Pollard.

"He was devastated," she explained. "It was her whole appearance. He could not believe it."

She is receiving better treatment now, though, her mother-in-law said, as physicians from the Mayo Clinic visit on a consultant basis.

While Jonathan Pollard hoped to call attention to his wife's condition, he also wanted to protest the fact that his lawyer has not been able to represent him, that he has been refused access to the press and that all his outgoing mail has been recently confiscated and not sent out.

Last week, the Central Conference of American Rabbis called upon the entire movement of Reform Judaism to express support for Jonathan and Anne Pollard.

In a resolution passed unanimously by the executive board of the CCAR, a 1,500-member worldwide organization of Reform rabbis, the organization proposed that major Jewish and Christian organizations "encourage the United States government to re-evaluate the Pollard case, and to insure that the Pollards be treated with fairness and equity during their incarceration."

**BINYAMIN ZEEV BEGIN:
A CHIP OFF THE OLD HERUT BLOC**
By Yitzhak Rabi

NEW YORK, July 17 (JTA) -- Binyamin Zeev Begin, who for years refused to follow in the footsteps of his famous father, former Premier Menachem Begin, said that he entered politics because Israel is at a crossroads, "and very serious decisions have to be made" in the near future.

The 45-year-old Begin, who captured seventh place on Herut's upcoming election slate and 13th place on the Likud list, has overnight become a political celebrity, -- together with another newcomer to Israeli politics, former U.N. Ambassador Benjamin Netanyahu.

In an interview here Wednesday, Begin refused to say whether his father, who the younger Begin clearly resembles, had anything to do with his sudden decision to enter politics.

"Look," he said, "I never discuss what my father and I discuss in private. Everybody in Israel knows this by now."

Asked about his father, who resigned in 1984 in the aftermath of the Lebanon war and who has been leading a life of solitude in his Jerusalem flat, the younger Begin said, "He is doing fine. Just fine."

Begin said that he sees his father often and that they last met several days ago.

The younger Begin, who has a doctorate in geology and is an employee of the Israeli Energy Ministry, said that his decision to enter politics was also influenced by continued pressure from "my friends and colleagues."

Begin's sudden stardom has come under fire in the Israeli press, which attributes his political success to his name rather than his credentials.

Begin joins other Likud politicians with famous last names -- such as Netanyahu and Dan Meridor, a Knesset member and son of Yaakov Meridor, a Herut leader who was also a member of the Knesset. They have become known to the Israeli public as the "princes."

"Well, this is just a journalistic coin," said the smiling Begin, who is known to his friends as Benny. "I can live with it. I did not lose much sleep because of it."

As for Likud's prospects in the next election, scheduled for Nov. 1, Begin said he believes his party has a "very good chance" to win the elections.

He refused, however, to speculate whether the uprising in the West Bank and Gaza, which entered its eighth month last week, will help the right-wing Likud in defeating the Labor Party.

"We have to be patient and see what the results will be," he said somewhat diplomatically.

Prior to the interview, Begin was the keynote speaker at the 48th annual memorial for Zeev Jabotinsky, the father of revisionist Zionism, at the Sheraton Centre here.

"Without total control of Judea and Samaria, Israel will not be able to defend herself," Begin told the more than 600 people who attended the meeting, which was sponsored by Herut-U.S.A.

"We shall never relinquish any part of Eretz Yisrael. We intend to keep it -- and we shall keep it. It is our country," he declared to the applause of the audience.

But Begin said he is "vehemently against" proposals to transfer Arabs out of Israel and the territories as a solution to the demographic problem in the West Bank and Gaza Strip.

**OVER 70,000 HOLOCAUST SURVIVORS
RECEIVE \$200 MILLION IN REPARATIONS**
By Yitzhak Rabi

NEW YORK, July 17 (JTA) -- More than 71,500 Holocaust survivors from around the world have received grants totaling more than \$200 million from the "hardship fund" of the Conference on Jewish Material Claims Against Germany.

Dr. Israel Miller, president of the conference, reported the figures Thursday at the biennial meeting of the conference's board of directors in Tarrytown, N.Y.

He said that since the establishment of the conference in 1980, the hardship fund had received 133,000 applications for reparations from Holocaust survivors in 23 countries.

Miller told the Jewish Telegraphic Agency Friday that the Claims Conference is "processing the rest of the applications and is negotiating for additional funds from the government of West Germany," because "it is expected that more Holocaust survivors will apply for payments, and more funds are therefore needed."

The fund has been in the news recently, because the former chairman of the West German Jewish community, the late Werner Nachmann, is said to have embezzled millions of dollars paid into the fund by the West German government.

The hardship fund was established to provide one-time grants primarily to Jewish victims of Nazi persecution who emigrated from Eastern Europe after 1965, the year that the filing period for the claims under the German Federal Indemnification Law expired.

\$200 Million Commitment

Miller told JTA that the German government committed about \$200 million for that purpose.

Miller said that "most beneficiaries of the hardship fund are elderly Holocaust survivors who are now citizens of Israel," with more than a quarter of them living in the United States.

Members of the board called upon the West German government to allocate sufficient funds to ensure that all eligible claimants receive the payments they are entitled to.

As for reparations from East Germany, Miller said, "We have been negotiating for several years with the East German Democratic Republic to secure funds for urgent programs that will benefit Jewish victims of Nazi persecution. We shall continue to vigorously pursue these negotiations."

"Our task is far from finished," Miller asserted. "Nearly 180,000 Jewish victims of the Nazis throughout the world who currently receive payments from Germany look to the Claims Conference for the protection of their interests."

The board also discussed the status of negotiations with the Austrian government.

"Notwithstanding our extensive efforts and negotiations since 1953, there remains serious deficiencies in Austria's compensation legislation affecting thousands of Jews victimized by the Nazis," Miller said.

The board of directors, which includes representatives of 22 major international Jewish organizations, as well as delegates from major Jewish communities around the world, re-elected Miller as the organization's president.

Lionel Kopelowitz of Great Britain, Akiva Lewinsky of Israel and David de Rothschild of France were elected vice presidents. Saul Kagan of New York was re-elected executive director and secretary.