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CABINET ENDORSES ELECTIONS PLAN, BUT SOME LIKUD MINISTERS UNEASY

By David Landau and Gil Sedan

JERUSALEM, April 16 (JTA) -- The first stirrings of discomfort within Yitzhak Shamir's Likud bloc became evident Sunday as the prime minister presented an initial report to the full Cabinet on his talks in Washington and his proposal for elections in the administered areas.

But Shamir won broad support from the Cabinet as a whole, which endorsed his elections proposal.

The plan will now proceed to the Inner Cabinet for further refinement and then to a special committee of expert civil servants, who will draft its formal details.

In the Arab world, meanwhile, the elections plan has been the subject of intensive discussion. Both Jordan's King Hussein and a leading Palestinian activist in the territories were said to be developing their own plans for elections.

In the Israeli Cabinet, the most senior Likud critic was Deputy Premier David Levy, who warned publicly after the meeting that Israel "must not act like an ostrich, pretending this is what it isn't."

He said the election proposal could well lead Israel into negotiations with the Palestine Liberation Organization, which neither Likud nor Labor desires.

Another Likud Cabinet member, Economics and Planning Minister Yitzhak Modai, said Israel is like the man who jumped from the 30th floor, and, passing by the fifth-floor window, remarked, "So far, so good."

Would a parachute open to guide Israel to a safe landing? Modai wondered.

He demanded clarity on such issues as the voting eligibility of East Jerusalem Palestinians in the proposed elections.

Alternative Plan Reported

Shamir himself said he thought elections could be held "at an early date" in the future, though for the moment he has not formulated any detailed practical scheme.

Defense Minister Yitzhak Rabin of the Labor Party, Shamir's key ally in the election initiative, said there was "no need to make the elections conditional upon the cessation" of the Palestinian uprising.

Once the election process was under way, Rabin explained, the intifada would wane "of its own accord."

Another important Labor figure, Energy Minister Moshe Shahal, expressed gratification at the fact that Shamir's visit to the United States had precipitated new diplomatic movement on the peace front.

Palestinian activist Faisal al-Husseini, meanwhile, is said to have proposed an alternative plan for local elections during a recent visit to Cairo.

According to reports from Cairo, the plan calls for elections under international supervision, with the full cooperation of the PLO. The Israel Defense Force would withdraw troops from all but key strategic positions during the referendum.

Those elected would serve as local representatives to the Palestine National Council,

which the Palestinians call their parliament in exile.

Leaders in the territories reacted to the reported plan with mixed feelings, but it was not rejected outright. They are said to be waiting for a signal from the PLO on how it feels about the elections idea.

PLO leader Yasir Arafat said last week that he would agree to elections only if they were held under international supervision and if the IDF withdrew from the territories. Arafat has been hopping from Arab capital to capital, presumably sounding out various Arab leaders.

U.S. REJECTS ARAB GROUP'S REQUEST TO RESCIND ISRAELI TRADE BENEFITS

By Howard Rosenberg

WASHINGTON, April 16 (JTA) -- The Bush administration Thursday formally rejected an Arab-American group's petition challenging a trade benefit that the United States extends to Israel.

However, the United States will require identifying labels on goods from the West Bank, so they will not be given the trade preferences accorded goods made in Israel proper.

Israel was "found to meet the program's eligibility standards and will continue to be eligible" for benefits under the 12-year-old Generalized System of Preferences program, said U.S. Trade Representative Carla Hills.

The American-Arab Anti-Discrimination Committee filed a petition with the trade representative's office last August contesting Israel's participation in the GSP program on the grounds that Israel allegedly discriminated against Palestinians from the West Bank and Gaza Strip who worked in Israel and the territories.

In its decision, the United States examined treatment of workers in Israel proper, and not in the West Bank and Gaza Strip, on the basis that U.S. law does not recognize the territories as part of Israel.

Investigation Of Syria Continues

Herb Magidson, president of the Jewish Labor Committee, which testified on behalf of Israel during hearings last November, hailed the decision.

"The purely political complaint issued last summer, against the only country in the Middle East with a free trade union movement," did not "survive the intense scrutiny" of trade officials, Magidson said in a statement.

The decision "demonstrates that Israel respects trade unionism and the rights of workers, even under the most trying circumstances," he said.

The GSP program allows various Israeli products to enter the United States duty-free. Had Israel lost its GSP status, \$14 million to \$20 million of the close to \$3 billion in Israeli exports to the United States would have been affected, a State Department source said.

The GSP status of Syria, meanwhile, which was contested in a petition filed by the AFL-CIO, will continue for another year while an investigation continues, Hills said.

The State Department source explained that

the GSP subcommittee, composed of the trade representative's office, State Department, and the Agriculture, Commerce, Labor and Treasury departments, has been hampered by a "lack of information" on worker rights in Syria.

FOUR DEAD IN WEEKEND VIOLENCE, BUT TEMPLE MOUNT REMAINS QUIET

By Gil Sedan

JERUSALEM, April 16 (JTA) -- Violence continued in the administered territories during the weekend, despite strong indications that Palestinians are warming to the idea of Palestinian elections in the territories.

Four people died during the weekend in clashes with the security forces, among them a 10-year-old child from the village of Samua, in the Hebron region. The boy, identified as Mohammed Sulciman Rubei, died Sunday in a local hospital of severe injuries. But the exact circumstances of his death were not immediately clear.

As far as the security forces were concerned, though, the weekend could have turned out much worse.

There were no disturbances during noon prayer services Friday at the Al-Aksa mosque on the Temple Mount, thanks to security precautions. In a giant show of force, some 3,000 police officers were deployed to maintain order on the site, constituting almost half the number of worshippers.

Only 7,000 Arabs came to pray, compared to the 20,000 who showed up a week earlier, on a Friday that ended in unprecedented violence.

Most of the worshippers seemed to have been deterred by roadblocks set up to ban Palestinians from the territories, by frequent police checkups and by a new requirement to deposit their identity cards upon entrance to the holy site.

Police Minister Haim Bar-Lev promised that the strict security measures would continue for the next several Fridays.

The army took even stricter security measures on Sunday, the first anniversary of the death of Khalil al-Wazir, better known as Abu Jihad, the second-highest-ranking leader of the Palestine Liberation Organization. He was assassinated at his home outside of Tunis by a hit squad believed to be Israeli.

Nahalin Inquiry Continues

Some 700,000 residents of the territories were put under curfew as a preventive measure to prevent outbursts of violence. The curfew included the entire Gaza Strip.

Day laborers from the territories were not allowed to enter Israel proper. Large military forces were deployed in the territories. The strict measures were expected to continue at least until after the Passover seder Wednesday night.

Meanwhile, the army continued its investigation of the bloody raid into the West Bank village of Nahalin last Thursday, in which at least four Arabs were killed and at least 10 wounded. According to preliminary findings, commanders of the border police, which conducted the raid, have admitted the force made several mistakes.

But the Israel Defense Force chief of staff, Lt. Gen. Dan Shomron, said Sunday, during a visit to the village, that the main reason for the high number of casualties was the violence of the village residents. He said the army would continue the policy of deploying the border police to replace IDF soldiers.

U.S. URGES AN END TO VIOLENCE, DEPLORING CASUALTIES IN NAHALIN

By David Friedman

WASHINGTON, April 16 (JTA) -- The Bush administration called again Friday for an end to the violence in the West Bank and Gaza Strip.

State Department spokeswoman Margaret Tutwiler made the appeal after deploring what she said was the "tragic" loss of lives Thursday in the West Bank village of Nahalin, near Bethlehem.

At least four Palestinian youths were killed and at least 10 others injured in a clash with Israeli border police units conducting an early morning raid on the village.

"We urge all sides to refrain from engaging in confrontations that lead to the unnecessary loss of life," Tutwiler said. "We want to see the violence stop and see steps taken that can begin to defuse the tension on the ground."

Secretary of State James Baker, in a speech Friday to the American Society of Newspaper Editors, said that "the daily violence in the West Bank and Gaza, the stones thrown, the lives lost, are all adding to an already bitter legacy of hatred between Arabs and Israelis."

He said this is why the United States is urging a step-by-step approach to a settlement of the Arab-Israel conflict. "The atmosphere is far too clouded by violence and tension to launch negotiations now," he said.

Baker added that Israeli Prime Minister Yitzhak Shamir responded to this approach by proposing elections in the West Bank and Gaza Strip for Palestinian representatives to negotiate an interim settlement and eventually an agreement on the final status of the territories.

RAIN DAMPENS PASSOVER RALLY FOR PEACE IN THE MIDDLE EAST

By Yaffa Weiss

NEW YORK, April 16 (JTA) -- "Seek peace and pursue it" was the message proclaimed as approximately 750 people rallied Sunday outside United Nations headquarters in favor of Israeli negotiations with the Palestine Liberation Organization.

The rally, which began with a march from the New York Public Library to Dag Hammarskjold Plaza, was sponsored by the Passover Peace Coalition and featured such speakers as actor Ed Asner; Peter Yarrow of Peter, Paul and Mary; Rabbi Joy Levitt, editor of Reconstructionist magazine; and writer Grace Paley.

Among the 23 organizations represented at the rally were Americans for Progressive Israel, Friends of Peace Now, Holocaust Survivors' Association USA, Labor Zionist Alliance, New Jewish Agenda and Progressive Zionist Caucus.

The peaceful demonstration attracted participants of all ages, but rainy weather was responsible for the scene of colored umbrellas, wet Israeli flags and protest signs with runny words at a demonstration authorities said was expected to attract about 10,000.

But Asner, who spoke of the need for Jews to end the oppression of the Palestinian people, said he was happy that so many had turned out to demonstrate despite the weather.

The theme of freedom for all people at Passover was expressed numerous times throughout the rally.

As Levitt put it, "No Jew may recline as if we are free. Not until we are all free."

PLO SHOULD CONSIDER JEWISH FEAR, SOCIOLOGIST TELLS ARAB AMERICANS

By Howard Rosenberg

ARLINGTON, Va., April 16 (JTA) -- The Palestine Liberation Organization should be more sensitive to Jewish concerns about a Palestinian state in the West Bank, a leading Jewish sociologist told 400 Arab-Americans on Friday.

Speaking here at the annual convention of the American-Arab Anti-Discrimination Committee, Professor Steven Cohen of Queens College, said, "In taking Jewish fear seriously, the PLO and their supporters would help us move closer to what ought to be our common goal, namely a secure Jewish State of Israel and a free Arab State of Palestine."

Cohen's speech, which ended with that line, drew widespread applause. ADC moderator Noha Ismail opened a five-panelist discussion by saying, "We don't hear enough Jewish voices on what is being carried out in their name in the West Bank and Gaza."

Cohen drew from his February 1989 survey of American Jewish attitudes, conducted for the American Jewish Committee, which found that recent statements by PLO leader Yasir Arafat and his aides "went so far as to convince a plurality of the Jewish public to endorse the U.S.-PLO dialogue."

But he said PLO actions and positions "need to go even further so as to reduce the real and reasonable fears of American and Israeli Jews."

"Israelis are not paranoid and they are not just reacting to their not-so-distant European history of death camps and pogroms," he said. "Rather, Israelis have had first-hand and recent experience with real Arabs and Palestinian enemies."

"They wonder why several military attacks have been launched against Israeli civilian targets in the last few months, even after Chairman Arafat's declaration" renouncing terrorism.

Most Jews In The Middle

PLO response to such fears "with repeated, explicit and detailed statements and commitments ought not to be a sign of Palestinian weakness," he argued, saying it could "symbolize a new-found sense of strength and confidence."

"Israelis look at a map and see a Palestinian state pointing a dagger right at the heart of the Jewish population centers, even though I know that most of you look at the same map and see a Palestine nearly surrounded by a heavily armed Israeli military machine," he said.

Cohen told the group there are "tough-minded Zionists" and "moralizing universalists," with most Jews in the middle.

"Most American Jews remain convinced that Arabs are untrustworthy and that the PLO is a bunch of unreconstructed terrorists bent on Israel's discussion," he said.

Other Jews addressing the convention included:

- Norman Finkelstein, a political scientist at Brooklyn College, who compared Israel to Vietnam and Nicaragua, and termed widespread Israeli public support for beatings, incarcerations, deportations and home demolitions "certifiable lunacy";

- Seymour Melman of the Jewish Committee on the Middle East, who said his group supports an end to U.S. aid to Israel.

- Abie Nathan, the Israeli dove who has met several times with Arafat.

ISRAELIS GIVE PERFORMANCE IN HEBREW ON MOSCOW STAGE

By Hugh Orgel

TEL AVIV, April 16 (JTA) -- A play has just been performed on a Soviet stage in Hebrew, for the first time since the Habimah theater left Moscow over more than 60 years ago.

A group of 15 young students from the Bet Zvi Stage and Film-Acting School in Ramat Gan, led by their teacher, Nina Mikhoels, went to Moscow to participate in an international festival of drama students.

They performed a Hebrew version of "Equus," the British play by Peter Sheffer, directed by Ofira Henning, and were the only group allowed to give two performances, in addition to a sold-out dress rehearsal.

Nina Mikhoels, daughter of the late Solomon Mikhoels, was interviewed in Moscow for reminiscences of her father, the noted Yiddish actor killed on the direct orders of Stalin.

The interview is to be included in a documentary film now being made there on the Yiddish actor.

Her sister, Natalya, was interviewed in Moscow for the film last month when she and her daughter, Viktoria, visited the Soviet capital for the inauguration of the Jewish cultural center named after Solomon Mikhoels.

DANES ARREST SIX SUSPECTED OF STEALING FOR TERROR GROUP

By Eli Kohen

COPENHAGEN, April 16 (JTA) -- Police arrested six Danish citizens Friday for robbing millions of dollars to be routed to a Palestinian terrorist organization.

Approximately \$10 million is said to have been directed to the Popular Front for the Liberation of Palestine, a Palestine Liberation Organization faction led by George Habash.

Five men and one woman were charged with participation in several robberies that took place in and around Copenhagen between 1980 and 1983. In addition, they were charged with the kidnapping and attempted ransom of a bank director in July 1980.

That attempt was aborted when the bank director was unable to open his safe and a gang of three men fled the scene, leaving the man tied up in a cellar.

Four of the men and the 35-year-old woman are Danish natives. A fifth man is a native of Jordan who became a naturalized Danish citizen.

The well-planned arrest operation took place after many months of surveillance and years of research by the Copenhagen police.

The six Danes were charged under an infrequently used Danish law that makes it a crime to give economic assistance to an organization dedicated to the violent disturbance of the social order.

They pleaded not guilty to the charges. Danish law stipulates that the perpetrators may not be identified.

The PLO spokesman in Copenhagen, Abdul Rahman Allawi, said the PLO did not have any connection to or receive support from the robbers. He said that the PLO does not support terrorist activities, robberies, hostage-taking or murder.

"The only fight we have is with Israel in the occupied territories," he said.

**ARGENTINA WON'T EXTRADITE
SUSPECTED DUTCH WAR CRIMINAL**

By Henrietta Boas

AMSTERDAM, April 16 (JTA) -- A Dutchman accused of wartime crimes cannot be extradited from Argentina because he was already sentenced in his native Holland after World War II.

Jan Olij, 68, who was sentenced to 20 years' imprisonment for his crimes by a Dutch special tribunal, will not be extradited to the Netherlands, an Argentine court has decided.

Under Argentine law, a person sentenced in absentia is not subject to extradition from Argentina, according to information Argentine officials told Rabbi Morton Rosenthal, director of Latin American affairs for the Anti-Defamation League of B'nai B'rith.

Rosenthal went to Argentina in November with a list of three Dutchmen, including Olij, being sought in the Netherlands for Nazi war crimes.

Both the ADL and Nazi-hunter Simon Wiesenthal spent considerable effort trying to persuade the Dutch to request Olij's extradition and to convince the Argentine authorities to comply with that request.

However, Rosenthal said Sunday in New York that it is possible that Olij and another Dutchman being sought in Argentina will be subject to expulsion from the country once their Argentine citizenship is revoked. They could then be arrested in some other country.

Rosenthal said the Argentine government is initiating steps to revoke Olij's citizenship. The ADL, through its task force on Nazi war criminals, is seeking additional witnesses to Olij's crimes who could testify at denaturalization proceedings.

Kipp Also Convicted In Absentia

Rosenthal said that whereas "this is far less than ideal, I am hopeful that Dutch authorities will cooperate in finding additional witnesses and that Olij's Argentine citizenship will be revoked."

Olij was arrested after World War II and stood trial for his crimes. But he managed to escape during the course of the trial and eventually reached Argentina, where he became a citizen.

He was sentenced in absentia July 22, 1949, to 20 years for aiding the enemy.

He was arrested last Dec. 7 in a suburb of Buenos Aires, after two Dutch journalists went to Argentina in September and located him.

At the time of his arrest, Olij also informed Argentine authorities that one of the men they sought, Bernardus Riphagen, had left the country years before.

Interpol subsequently reported Riphagen died in Switzerland 15 years earlier.

Legally, both Olij and Abraham Kipp, the third on Rosenthal's list, stood trial for their crimes, albeit in absentia. Kipp, who escaped before his trial began, was sentenced to death in absentia.

Olij worked in Argentina as a policeman as well as for the Argentine state oil company. He offered no resistance when arrested, instead expressing "surprise that he had been able to live free so long," Rosenthal said.

Kipp is reported missing, and authorities are still looking for him.

(JTA staff writer Susan Birnbaum in New York contributed to this report.)

**MAXWELL AND BRONFMAN MAKE
JOINT BID FOR JERUSALEM POST**

By Hugh Orgel

TEL AVIV, April 16 (JTA) -- British press magnate Robert Maxwell and Canadian industrialist Charles Bronfman have joined forces to bid for a controlling interest in The Jerusalem Post, Israel's only English-language daily.

Koor Industries, the financially troubled Histadrut conglomerate that currently holds 55 percent of the Post's shares, is selling its interest as part of a broader move to liquidate some of its assets.

The amount of the Maxwell-Bronfman offer, made just before bids were to close on Monday, has not been disclosed.

Maxwell recently bought shares in the Ma'ariv afternoon newspaper and in the Scitex computer-imaging company. He also beat Bronfman's effort to buy a large block of shares in the Teva pharmaceutical firm earlier this month.

If they win a controlling interest in the Post, Maxwell and Bronfman will sign a joint agreement to the effect that all important decisions regarding the Post will be taken by both partners, according to a statement they issued over the weekend.

In a statement to its readers published by the Post last week, its editors said that the 60-year-old newspaper would continue to maintain its Zionist character, editorial independence, journalistic integrity and freedom, no matter who bought up the shares being sold by Koor.

The Post noted Sunday that "Maxwell and Bronfman, two of the world's leading Jewish financiers, are apparently interested in developing The Jerusalem Post and expanding its influence among world Jewry."

COST OF LIVING UP 0.5 PERCENT

By Hugh Orgel

TEL AVIV, April 16 (JTA) -- The cost-of-living index rose by a mere 0.5 percent in March, the Central Bureau of Statistics announced Friday.

Using a 1987 base of 100, the consumer price index now stands at 132.8.

The March increase brought the inflationary rate for the first three months of 1989 to 6.9 percent. This relatively high rate reflects the effects of the devaluation at the beginning of the year and seasonal price increases.

The coming months are expected to show lower increases, providing hope that Israel will attain single-digit inflation for 1989, for the first time in many years.

ALIYAH RATE UP THIS YEAR SO FAR

By Hugh Orgel

TEL AVIV, April 16 (JTA) -- Immigration to Israel during the first three months of 1989 was 23 percent higher than in the same period last year.

This year, 4,210 immigrants came to Israel between Jan. 1 and March 31, including 1,057 from the Soviet Union, 469 from Romania, 222 from France, 365 from North America and 684 from Argentina.

Tourism Minister Gideon Patt reported, meanwhile, that 137,000 tourists came to Israel in March, compared to 142,000 who came in March 1988 for the Passover season. That is considered good, since Pesach falls in mid-April this year.