

EUROPEANS MAY ISSUE STATEMENT PRAISING PLO 'PEACE STRATEGY'

By David Kantor

MADRID, June 26 (JTA) -- The European Community summit meeting, which opened here Monday, is expected to adopt a statement expressing satisfaction with the Palestine Liberation Organization's new "peace strategy," according to diplomatic sources here and in Brussels.

The heads of government of the 12 E.C. member states are expected to acknowledge the "positive aspects" of Israel's peace formula, in a declaration to be released at the end of the two-day summit.

But at the same time, sources say, they will reiterate their belief that an international conference under U.N. auspices, with the participation of the PLO, is the surest way to achieve peace in the region.

A declaration including these stances would be a setback to Israel's drive to win broad European support for its peace initiative. In recent weeks, both Prime Minister Yitzhak Shamir and Foreign Minister Moshe Arens have flown to European capitals to lobby government leaders on the plan.

They seem to have been unable to convince the Europeans to abandon the idea of a U.N.-sponsored international conference, despite Arens' argument that such a gathering, with the participation of China, is "certainly inconceivable now."

The Israelis have also failed to drum up more than reserved approval for their initiative, which calls, among other things, for Palestinians in the West Bank and Gaza Strip to elect representatives to negotiate with Israel.

France May Be Stalling

The European attitude seems to be that Shamir has evolved "positively" in the last few months. But diplomats say that Europe wants certain embellishments to the peace plan.

These include international supervision of the elections, permission for Arab residents of east Jerusalem to participate in them and an Israeli pledge that the elections will be part of an overall settlement for the West Bank and Gaza Strip.

Spanish officials said a detailed draft of the declaration was sent to all E.C. capitals for review last week and will be discussed further at the summit before it is released.

These officials have complained privately that France is attempting to limit the Middle East declaration to a repetition of past positions, instead of making it the launching pad of a bold new European initiative.

Spain has chaired the E.C. Council of Ministers since Jan. 1. France takes over on July 1 for the next six months.

The French, it appears, would prefer a fresh European initiative to be launched under their aegis and along their lines.

President Francois Mitterrand has been openly skeptical of Shamir's election plan. He angered the Israelis by formally receiving PLO leader Yasir Arafat in Paris last month.

(JTA correspondent Yossi Lempkowitz in Brussels contributed to this report.)

U.S. JEWS HAVE NOT SOLD AMERICA ON PEACE PLAN, ENVOY COMPLAINS

By David Friedman

WASHINGTON, June 26 (JTA) -- Israel's ambassador to the United States, Moshe Arad, complained Friday that the American Jewish community has not rallied American public opinion behind Israel's peace initiative.

He suggested that this was because American Jews are not sufficiently aware of the Israeli plan, which he maintained is the "most important political and diplomatic initiative from the government of Israel since the signing of the peace agreement with Egypt."

The envoy spoke at a meeting at the Israel Embassy here with reporters from the Jewish news media.

He devoted much of the 45-minute session to stressing that the Palestine Liberation Organization is still committed to terrorism against Israel and that the U.S. dialogue with the PLO has changed nothing.

According to Arad, an American Jewish community united in support of Israel's peace initiative is essential to achieve the backing of American public opinion as a whole.

But Arad said that while he has not heard any major criticism of the proposals within the Jewish community, the required public support has not been forthcoming.

Arad's explanation for this was that American Jews, like most Americans, have been so absorbed by events in China that they have not focused on the Israeli proposals.

"The American Jewish community is just not really informed about this," Arad said.

He said that over the last two weeks, he spoke to groups in Houston, Los Angeles and New York, and "people came to me and told me they were unaware" of Israel's proposals.

PLO Is No More Moderate

At the same time, Arad said that Israel was "heartened" by the support President Bush and Secretary of State James Baker have given the initiative.

The ambassador also insisted that the PLO remains committed to terrorism, despite Yasir Arafat's renunciation of terrorism last December, which led to the U.S. decision to open a dialogue with the PLO.

"We feel that the six months of dialogue did not bring about a moderation or a reduction or a cessation of terrorist acts by the member organizations of the PLO," he said.

He said PLO groups had tried to infiltrate Israel from Lebanon and committed acts of terrorism in Israel proper, as well as in the West Bank and Gaza Strip.

He claimed that nearly 50 percent of those killed in the West Bank and Gaza had been Palestinians murdered by other Palestinians because of their willingness to negotiate with Israel.

Arad pointed to recent remarks by Yasir Abed Rabbo, who has led the PLO delegation in talks with the United States. Rabbo has been quoted as saying Israelis "cannot become part of the region and of its peoples, its heritage and its culture, so long as Zionism continues."

**SETTLERS AND PALESTINIANS ALIKE
SHOWING NEW SIGNS OF EXTREMISM**

By Gil Sedan

JERUSALEM, June 26 (JTA) -- Extremism seems to be rising on both sides of the Palestinian uprising.

It is manifested by increased vigilantism among Jewish settlers in the administered territories and a literal reign of terror by the leaders of the uprising against Palestinians suspected of collaboration with Israel.

Rabbi Yehuda Amital, a moderate Orthodox leader and eminent scholar, is the latest Israeli public figure to voice concern over the behavior of hard-line settlers.

Amital, who heads a yeshiva in the Etzion Bloc, south of Jerusalem, warned this week that the formation of a new Jewish underground prone to violence against Arabs is imminent.

Such a group was broken up by the authorities in 1984, when nearly 30 Jews, mostly West Bank settlers, were convicted of violent crimes against Arabs and sentenced to prison terms.

Now, according to Amital, "a dangerous and fanatic new underground" is forming in the ranks of the militant Gush Emunim settlers movement.

Its members do not accept the rule of law or the authority of rabbis, but act according to their own laws, he said.

Amital's was but one of several such warnings heard since the outburst of settler violence last week after the funeral of a settler from Ariel. The settler, Frederick Rosenfeld, was murdered by Arabs while hiking on June 17.

Knesset member Yossi Sarid of the Citizens Rights Movement claimed last week that Israel stands on the brink of civil strife.

Referring to the militant settlers, Sarid, said, "There are arms, there are arms-bearers and there is a sympathetic environment, there is a local leadership and a political lobby in the Knesset."

Rabbi Yoel Bin-Nun, a Gush Emunim moderate from the West Bank settlement of Ofra, spoke of the need to end the "Jewish intifada," in addition to curbing the Palestinians.

Two Suspected Collaborators Killed

Prime Minister Yitzhak Shamir, who was verbally abused and physically threatened by settlers when he tried to speak at Rosenfeld's funeral, received a group of settlers at his office Monday.

The delegation, which included a local mayor and two rabbis, apologized for the misconduct of their colleagues.

Shamir stressed the need for unity at a time when the nation is, in his words, locked in confrontation with outsiders intent on Israel's destruction.

On the Palestinian side, efforts to maintain unity include wanton murder.

Two Palestinians suspected of having collaborated with the Israeli authorities were brutally slain Sunday and Monday.

The body of a young woman was found Monday in the Nablus casbah -- the walled-in, older part of town. Police said the woman, whose identity was not given, was killed Sunday night.

The body of a 22-year-old Arab man, identified as Nidal Salbub, was found Sunday night in the courtyard of a school in Nablus.

People who knew him said that last year he had joined dozens of other Palestinian "peni-

tents" who took an oath at the Nasser Mosque no longer to cooperate with the Israeli authorities. Nevertheless, he was killed.

Meanwhile, a Tel Aviv district court judge imposed a life sentence Monday on Mohammad Abdul Rahman of the Jabalya refugee camp for the murder of an Israeli pedestrian on a Tel Aviv street three months ago.

The victim, Dr. Moshe Schalinger, was stabbed to death. His assailant wounded two passers-by.

**JUSTICE MINISTER SAID TO OPPOSE
RABIN'S CALL FOR HARSHER MEASURES**
By Hugh Orgel

TEL AVIV, June 26 (JTA) -- Defense Minister Yitzhak Rabin has run into resistance from the Justice Ministry in his quest to impose harsher measures against the Palestinian uprising.

Justice Minister Dan Meridor appears to have changed his mind since last week, when he said that some of the methods advocated by Rabin, though at odds with democratic principles, were necessary.

Meridor, a Likud minister, now is said to agree with his senior advisers in the ministry that the proposals should be rejected.

He and Rabin had a generally inconclusive meeting Sunday. They agreed to set up a joint committee to study the issue with a view toward compromise.

Meridor is now on record as saying he fears Rabin's methods would not stand the test of appeal to the High Court of Justice and would antagonize world opinion.

According to Professor Yoram Dinstein, a Tel Aviv University expert on international law, the measures Rabin wants to implement are contrary to the Geneva conventions on the treatment of civilians in occupied territories.

They include the authority to expel alleged troublemakers within 72 hours of arrest, the authority to demolish or seal off Palestinian houses without appeal, and an extension of administrative detention from six to 12 months.

Administrative detention allows the military to hold activists in custody without charges, trial or appeal.

Tehiya Proposes 'Transfer'

Opposition to Rabin's proposals has been strong on the left. Yossi Sarid of the Citizens Rights Movement remarked Sunday that it was ironic that a Likud justice minister should be upholding the rule of law against a Labor Party minister.

But opposition to Rabin's plans, also comes from the right wing, which thinks the proposals do not go far enough.

Yuval Ne'eman, leader of Tehiya, a party that favors annexation of the territories, told Israel Radio on Sunday that the quickest way to end the intifada is to deport an entire Palestinian refugee camp to Lebanon.

"Transfer the entire population of a refugee camp from which stones and gasoline bombs are thrown at Jews to Tyre, and there will be no more Palestinian uprising," Ne'eman said.

Tehiya in the past has avoided speaking of the "transfer" concept. It is espoused by the far right-wing Moledet party, which believes the Arab population of the territories should be transferred to other Arab nations as part of a negotiated peace settlement.

**FLAWS IN ABSORPTION SYSTEM
AIREO DURING AGENCY ASSEMBLY**
By Andrew Silow Carroll

JERUSALEM, June 26 (JTA) -- Israel's famed system for absorbing new immigrants is in a shambles, representatives of emigrants from the Soviet Union and other countries charge.

They say that unless the government and the Jewish Agency for Israel move quickly to improve social services and create jobs and housing, Israel will lose an opportunity to attract the largest wave of Soviet Jewish emigres in a decade.

The Israeli government and Jewish Agency officials in charge of absorption services refute or dodge blame for many of the most serious charges, but acknowledge the need for a serious review of the absorption and housing system.

No subject has so dominated proceedings at the Jewish Agency Assembly here than immigration and absorption, especially the challenge of absorbing 5,000 to 7,500 Soviet Jews expected to arrive in Israel this year.

One new answer to the housing problem was unveiled here by Finance Minister Shimon Peres, who offered a two-year, \$120 million plan to provide public housing and subsidized mortgages for needy immigrants.

But the plan has already run into resistance from Diaspora Jewish leaders, who are being asked to raise \$80 million of the total goal.

At a closed-door meeting of the government-Jewish Agency coordinating committee Sunday night, Peres received a flat "no" from Jewish Agency leaders already pressed for cash for their own programs.

"The Jewish Agency indicated that it was giving a high first priority" to immigration and absorption that it "would maximize the resources available," said Norman Lipoff of Miami, chairman of the budget and finance committee of the Jewish Agency.

But the Jewish Agency also indicated "that it was not in a position to make commitments for the housing necessary in the future," said Lipoff. The agency is "looking for the government of Israel to provide the necessary housing," he said.

Scolding From Housing Minister

Housing Minister David Levy scolded Jewish Agency leaders on Monday for turning down the government's housing plan.

Jews always lived in hope of a large wave of emigration from the Soviet Union, said Levy, but that now that it is here, the Jewish Agency is talking about deficits.

"What is a deficit at this historic time? What is a balanced budget when there is such a new hope for Jews?" he asked.

Despite Levy's admonitions, agency officials appear loath to take on a new responsibility of housing when their perennial responsibility of absorption is in such disarray.

Immigrants' complaints and proposals for solutions were heard at the opening plenary session of the Jewish Agency Assembly on Sunday, in Peres' address to delegates Sunday night and in workshops Sunday and Monday.

The Council of Olim Organizations, a private group representing a number of immigrants rights groups, says a government program for "direct absorption" has "failed miserably."

Under the plan, the government gives cash grants for new immigrants to begin life in Israeli society, while the Jewish Agency gradually phases

out its use of the orientation hostels known as "absorption centers."

Critics say that new immigrants, especially the Soviets, need the centers. "Direct absorption may be natural for Jews from Western countries, who have the language skills to find jobs," Yuli Kosharovsky, the former prisoner of Zion, told delegates Sunday.

"But Soviet Jews are still behind the Iron Curtain when you are throwing them into this ocean," he said.

The absorption centers, meanwhile, are failing from neglect, in part because veteran immigrants have been stuck there for years, unable to find jobs or housing, new immigrants charge.

The System Has Failed

Uri Gordon, head of the Immigration and Absorption Department of the Jewish Agency, acknowledged that the direct absorption system has failed Soviet Jews.

But he said the absorption centers are overflowing, for which he blamed the government. "The Jewish Agency deals with absorption. Now it must also deal with housing?" he asked delegates Sunday.

But according to Rabbi Aharon Lapidot, director general of the government's Absorption Ministry, the Jewish Agency-run absorption centers are themselves to blame for blocking the effective absorption of immigrants.

"A person who leaves the absorption center after two years is a new immigrant," he said at a workshop on the issue Monday. He said the nurturing atmosphere of the absorption centers creates immigrants "who do not have the courage to go out and cope with society."

Immigrants participating in the workshop booed lustily.

Despite these charges, counter-charges and counter-counter-charges, there is a going theoretical consensus on what needs to be done to shore up the absorption system.

First, absorption resources for immigrants must be brought together at one address, all sides say.

Despite the recommendations in the 2-year-old Katz Commission report that the government should assume all absorption responsibilities, the Jewish Agency still retains a major part of the portfolio.

Second, immigrants must be allowed to choose an "absorption track" to their liking, and those options should be improved in terms of the services and amenities they provide.

Third, and most difficult, jobs and low-cost housing need to be created.

Solutions to these problems will be hotly debated when the assembly adopts resolutions Wednesday.

SENATOR PAYS VISIT TO WEST BANK
By Gil Sedan

JERUSALEM, June 26 (JTA) -- The American news media presents a false image of Jewish settlers in the West Bank, Sen. Daniel Inouye (D-Hawaii) said here Monday.

There is no foundation to the image created by American television of "scared people holding Uzi submachine guns in their hands," Inouye said.

"They even have a country club," he said.

He was speaking of the West Bank settlement of Alfei Menashe, which he visited in order to get better acquainted with the settlements.

**U.S. SAYS KIDNAPPED AMERICAN
IS COOPERATING WITH ISRAELIS**

By David Friedman

WASHINGTON, June 26 (JTA) -- An American who was kidnapped in the Gaza Strip last week by three armed Palestinians is cooperating with Israelis investigating the abduction, the State Department said Monday.

Chris George, who is the West Bank-Gaza Strip representative of the Save the Children Foundation, was released unharmed Friday, 29 hours after he was abducted from his Gaza office.

Israeli sources had said earlier that George, who is considered hostile to Israel, had refused to cooperate in identifying his kidnappers and the location of where he was held.

But Richard Boucher, the State Department's deputy spokesman, said that the U.S. Embassy in Israel is "satisfied that in fact he cooperated" with the Israeli officials investigating the kidnapping.

Boucher added that both the United States and Israel "have no reason to doubt that this was a real kidnapping."

Israeli authorities had initially indicated that the kidnapping may have been staged, but they then dropped the accusation.

However, they still reportedly believe he cooperated with his abductors.

ISRAELI PRESIDENT ARRIVES IN CANADA

By Michael Solomon

MONTREAL, June 26 (JTA) -- President Chaim Herzog of Israel received a somewhat low-key reception Monday morning, when he arrived in Canada for a six-day official visit, accompanied by his wife, Aura.

Herzog was greeted at Upland air force base, near Ottawa, by External Affairs Minister Joe Clark. There was no explanation why he was not greeted by a higher-ranking government leader.

The Israeli president was to attend a reception in his honor Monday evening by Canada's symbolic head of state, Governor General Jeanne Sauve, who represents Queen Elizabeth II. But there will be no state dinner.

On Tuesday, Herzog is scheduled to meet with Prime Minister Brian Mulroney and other Canadian political leaders. He also will address both houses of the Canadian Parliament.

On Wednesday, he will visit Montreal and address a Jewish audience at the 120-year-old Shaar Hashamayim Synagogue, one of Canada's oldest and most prestigious congregations.

The president will attend a Blue Jays baseball game in Toronto on Thursday.

ISRAELI-SOVIET PRESS EXCHANGE SET

By Hugh Orgel

TEL AVIV, June 26 (JTA) -- In yet another sign of the growing thaw in Moscow-Jerusalem relations, Israel and the Soviet Union will soon exchange press missions.

The Soviet Journalists Union sent its first official invitation to the Israel Journalists Association's Parliamentary Affairs section this week to visit the USSR.

The invitation was accepted, and the Israelis in turn sent their own invitation to the Soviet press union, inviting them to send a press mission to observe the elections to Histadrut, Israel's trade union federation, at the end of the year.

**U.S., ISRAEL TO COOPERATE
ON LABOR-RELATED ISSUES**

By Tamar Levy

GENEVA, June 26 (JTA) -- Israel and the United States will cooperate in the area of labor relations.

U.S. Labor Secretary Elizabeth Dole and Israel's deputy minister of labor and social affairs, Rabbi Moshe Feldman, agreed here to set up a binational working group to prepare joint programs on labor-related subjects.

Both are attending the annual conference of the International Labor Organization, which closes on Wednesday.

The United States has expressed interest in Israel's expertise in dealing with disadvantaged youths by enlisting them in a paramilitary framework.

The two countries will hold joint seminars on labor issues. The first, on the subject of safety and occupational health hazards, will be held in Israel in October. Dole has been invited to participate.

Feldman received assurances from the American labor secretary that the United States would continue to oppose the admission of the Palestine Liberation Organization to the ILO.

The United States will also seek to prevent the introduction of Middle East political issues into the U.N. agency's business.

An Arab-inspired resolution condemning Israel for alleged mistreatment of Palestinian workers in the West Bank and Gaza Strip was placed third on the ILO conference agenda, following environmental issues and the international debt.

It is unlikely that the item will be discussed before the conference adjourns.

REPARATIONS POLICY CRITICIZED

By David Kantor

BONN, June 26 (JTA) -- The West German parliament called on the government Friday to end its practice of rejecting pensions for victims of Nazi persecution who receive some financial aid from the national social security fund.

The four parties represented in the Bundestag were unanimous in criticizing the government's handling of reparations for certain categories of Nazi victims, branding present practices "bureaucratic and sluggish."

For example, a 300 million mark fund (now worth \$155 million) was established in March 1988 to compensate "hard core" victims, some of them Jews, who had not received adequate reparations.

But up until now, only 1.6 million marks has been paid out.

ROME POLICE UNCOVER NAZI BANNERS

By Ruth E. Gruber

ROME, June 26 (JTA) -- Police raids Saturday on the homes and hangouts of far right-wing soccer fans netted a quantity of Nazi banners and insignia along with pistols, knives and other weapons.

About 30 raids were mounted on the eve of a big match between Lazio, one of Rome's main soccer teams, and Ascoli. Supporters of Lazio were targeted in the raids.

It was the second time this month that the police have uncovered Nazi materials in raids on soccer fans in Rome.