

AMERICAN JEWISH LEADERS FIGHTING TO KEEP ISRAELI PEACE PLAN ALIVE By Allison Kaplan

NEW YORK, July 12 (JTA) — Like a team of doctors, the American Jewish leadership is fighting to save the life of the Israeli government's peace initiative. There is, however, no consensus on what particular prescription would be most effective to prevent the plan from dying.

After an emergency meeting Tuesday of the Conference of Presidents of Major American Jewish Organizations, Chairman Seymour Reich issued a statement reiterating support for the initiative and calling on Israel to "do whatever is necessary" to preserve the plan.

But the statement steers clear of criticizing or putting pressure on either the Likud or Labor parties. There was no mention of the conditions placed on the peace plan last week by the Likud Central Committee or of the Labor Executive's decision to recommend withdrawing from the national unity government in protest of those conditions.

"Regardless of what our views are on the actions of Likud last week or Labor this week, we agree that the peace initiative must move forward," said Albert Chernin, executive vice chairman of the National Jewish Community Relations Advisory Council, who attended the meeting.

The statement's approach differs from actions reportedly taken by the Bush administration, which is said to have sent diplomatic messages to Israel urging the Labor Party to remain in the national unity government.

The conference took a more neutral position, partly because it said it would not interfere in Israeli party politics, according to Malcolm Hoenlein, the conference's executive director.

Shamir Urged To Provide Assurances

But another reason was that member organizations were "deeply divided," according to one source within the conference, about whether Prime Minister Yitzhak Shamir should be criticized for mortally wounding the peace plan by bowing to the conditions set by Likud hard-liners, or whether Labor should be criticized for threatening to pull out of the government.

Some Jewish leaders are asking that Shamir renounce the conditions he agreed to at the Likud meeting in the interests of preserving both the peace plan and the national unity government.

Ira Silverman, executive vice president of the American Jewish Committee, sent a letter Tuesday to Shamir, urging the Israeli premier to "reassure the other parties in the government that you will pursue the peace plan without prior constraints imposed by any political power."

Officials from the American Jewish Congress also have contacted Israeli government officials to discuss the issue, according to Henry Siegman, the group's executive director.

Earlier in the week, Reich spoke to Israeli officials, reminding them of the importance of preserving unity, though he said he stopped short of interfering in Israeli domestic politics.

Meanwhile, the Anti-Defamation League of B'nai B'rith wrote a letter to Secretary of State James Baker on Monday expressing concern about

his statement last weekend that the United States would have to consider an international peace conference if Israel's peace initiative fell through.

Shamir adamantly opposes an international conference hosted by the five permanent members of the United Nations Security Council, because he feels it would put Israel under undue pressure to make concessions against its interests.

In the letter, ADL's national director, Abraham Foxman, also voiced concern that the State Department's attitude toward the Palestine Liberation Organization had softened as a result of the U.S. dialogue with PLO representatives in Tunis.

As evidence of this softened stance, Foxman pointed to the State Department's failure initially to condemn last week's attack on an Israeli passenger bus as "terrorism."

Only on Tuesday, after Israel's Foreign Ministry held a news conference in Jerusalem to voice the same criticism, did a State Department spokesman in Washington issue a statement calling the July 6 incident an act of terrorism.

BUSH ADMINISTRATION IS ASSUMING ISRAELI PEACE PLAN IS STILL INTACT By David Friedman

WASHINGTON, July 12 (JTA) — The Bush administration believes that the Israeli government is still committed to its original peace initiative, without the conditions set by Likud last week, a senior State Department official said Wednesday.

"We are still operating on the basis that the government of Israel's May 14 proposal" for Palestinian elections in the West Bank and Gaza Strip "is the operative and legally binding basis for the Israeli government to proceed," John Kelly, assistant secretary of state for Near Eastern and South Asian affairs, told a congressional panel.

Kelly was referring to the endorsement by the Israeli Cabinet of Prime Minister Yitzhak Shamir's peace initiative, which proposes, among other things, elections in which the Palestinians in the territories would select representatives for peace talks with Israel.

The United States has supported the initiative since Shamir unveiled it to Bush at the White House in March.

Making his first appearance since confirmation to the House Foreign Affairs subcommittee on Europe and the Middle East, Kelly repeatedly referred to the Cabinet decision when asked about Shamir's acceptance of the Likud conditions.

No U.S. Pressure On Labor Party

He spent nearly three hours before the committee trying to play down the importance of a high-level delegation Secretary of State James Baker is sending to Israel next week.

Baker said Monday that the purpose of the mission is to find out if Israel is still serious about the election proposal, following Shamir's acceptance of conditions demanded by the right wing of his party.

Those conditions rule out territorial compromise, call for additional settlements in the West Bank and Gaza Strip, bar Arab residents of East Jerusalem from taking part in the proposed elections and prevent the elections from taking place

until the Palestinian uprising ends completely.

Kelly admitted the Likud conditions would be an impediment to the Palestinians accepting the election proposal. He said the reason the State Department officials are going to Israel is to "have an exchange with the members of the Israeli government about the peace process" and its prospects for success.

But Kelly repeatedly denied published reports that the U.S. delegation will seek to persuade the Labor Party not to leave the government coalition because of the Likud move.

"It is not up to us to try to stage-manage the election process in Israel," he said.

During the hearing, the Bush administration came under constant criticism from several pro-Israel committee members for, as Rep. Lawrence Smith (D-Fla.) put it, "beating Israel over the head" in recent months.

Committee members criticized Baker for hinting the United States might consider an international peace conference if the election proposal failed.

State Department 'Diddling' Criticized

Kelly replied that the United States has been arguing with the Europeans, the Soviet Union and the Arabs that "negotiations between the Palestinians in the territories and Israel is the way to go."

But he said the United States has never ruled out that an international conference might be worthwhile at some future date, under proper conditions.

When pressed, Kelly defended recent U.S. contacts with members of the Palestine Liberation Organization, such as Salah Khalaf, who are alleged to have been involved in past terrorist attacks.

He said that trying to persuade the PLO to allow Palestinians in the territories to negotiate with Israel requires such contacts.

Kelly stressed that there is no intention to have talks with PLO representatives anywhere but Tunis or to have anyone conduct them but the U.S. ambassador to Tunisia, Robert Pelletreau.

Several committee members criticized the U.S.-PLO dialogue for not gaining anything for the United States. Rep. Gary Ackerman (D-N.Y.) cited 11 terrorist incidents since the talks began last December.

Rep. Tom Lantos (D-Calif.) said it took nearly a week for the State Department to label as terrorism the incident in which a Palestinian grabbed the steering wheel of a bus, causing it to go over an embankment, killing 14 Israelis.

He said Radio Moscow denounced it as terrorism immediately "while the State Department was diddling about trying to get answers."

NEWS ANALYSIS: CRISIS OVER PEACE PLAN FUELING TENSIONS WITHIN LIKUD AND LABOR By David Landau

JERUSALEM, July 12 (JTA) -- An undercurrent of tension is discernable in the top echelon of the Labor Party as it considers whether or not to end its coalition with Likud.

At the same time, Prime Minister Yitzhak Shamir is still contending with a daunting challenge from Likud's right wing.

The recurring leadership battle between Labor Party leader Shimon Peres, who is vice premier and finance minister, and Defense Minis-

ter Yitzhak Rabin, Labor's No. 2 man, appears to have resurfaced as a direct result of the fateful decision facing Labor.

Peres seems the more determined of the two to break up the marriage of convenience with Likud.

Their differences have somewhat dampened the enjoyment many Laborites feel over the power struggle discomfiting Likud.

Shamir is fighting off, with increasing energy and diminishing success, a determined challenge from his right wing, led by ministers Ariel Sharon, David Levy and Yitzhak Moda'i.

Their weapon is the prime minister's peace initiative, co-authored with Rabin, which calls for Palestinian elections in the West Bank and Gaza Strip, leading to negotiations over Palestinian self-rule and eventually the final status of the territories.

Sharon calls it the most dangerous proposal in Israel's history.

While he and his cohorts could not directly kill the plan, already approved by the Cabinet and Knesset, they amended it with conditions that not even moderate Palestinians could accept.

Can Shamir Prove 'Nothing Has Changed'?

Shamir was forced to adopt Sharon's principles at a meeting of the Likud Central Committee on July 5.

As a result, the Labor Party Executive voted Monday to recommend to the party's Central Committee that Labor end its alliance with Likud for wrecking the peace plan.

The tone and tenor of Peres' and Rabin's speeches to the Labor Executive left little room for their party to stay in the unity government.

But differences between the two men have surfaced.

Rabin's aides are hinting broadly that Labor will not depart the coalition if Shamir can convincingly demonstrate his oft-repeated assertion that "nothing has changed" with respect to the peace plan.

A more skeptical Peres observed Wednesday that "the longevity of the government will be determined by the longevity of the peace initiative."

But the split between Peres and Rabin may be small compared to their opportunity to exploit the rift in Likud to the maximum advantage.

Shamir, still refusing to acknowledge he was sandbagged by the Sharon forces, suffered another humiliation this week.

The prime minister's closest ministerial allies -- Moshe Arens, Dan Meridor and Ehud Olmert -- let it be known Tuesday that Shamir might seek a showdown with Sharon by submitting the new hard-line Likud conditions to a Cabinet vote.

But that trial balloon was promptly shot down. Construction and Housing Minister Levy, a powerhouse in Likud's Herut faction, met privately with Shamir.

The prime minister told reporters two hours later that there would be no Cabinet test.

That development should signal the Labor Party that Shamir is wily under the combined pressure of his three rivals.

But conditions change rapidly in Israeli politics, and the Labor Party may be deliberately taking a leisurely pace.

Its own Central Committee is not expected to meet until mid-August for the crucial vote on whether to leave the government.

That means political uncertainty and tension in the country for at least another month.

ARAB TURNS AGAINST ARAB, AS THE INTIFADA DRAGS ON

By Hugh Orgel

TEL AVIV, July 12 (JTA) — Security sources believe the intifada is losing steam, because of fatigue and frustration in the Palestinian population of the West Bank and Gaza Strip.

The failure of any political solution to appear after more than 19 months of the uprising has added to the Palestinians' disappointment.

They realize that the casualties they suffered and hardships endured have paid no dividends, Ha'aretz said Wednesday, quoting unnamed security sources.

Nevertheless, neither those sources nor the Israel Defense Force believe that a complete end to the Palestinian uprising is near.

But there has been a decrease in violent acts against the IDF and in the number of participants in such acts.

An example cited was the absence of protest demonstrations after Israel expelled eight Palestinian residents of the territories on June 29, alleging they were leaders of the uprising.

At the same time, the number of attacks on Palestinians suspected of cooperating with the Israeli authorities has increased sharply.

Since the uprising began in December 1987, more than 65 Arabs have been murdered for alleged collaboration, hundreds have been injured and thousands have been threatened or had their property damaged, Ha'aretz said.

In addition, deep disagreements over future policy have emerged among the various groups leading the uprising.

The Palestinians disagree on tactical issues, such as whether to allow students to resume studies, whether to escalate violence against the IDF by resorting to firearms and how to treat Arabs who cooperate with the authorities.

'Shock Committees' Hard At Work

The security sources attribute the troubles in the Palestinian camp to the heavy toll of human life — nearly 500 dead in 19 months and more than 6,000 injured.

Pressure by the IDF, the civil administration and other security elements is increasing. Economic life has been badly disrupted and the world news media are no longer giving the intifada the attention it got in its earlier stages.

The euphoric atmosphere that prevailed in the territories at the end of 1988, when the United States decided to open a dialogue with the Palestine Liberation Organization, has dissipated.

The Arabs of the territories are slowly realizing that they are the ones who continue to pay the price while the rewards of their sacrifice have yet to be seen.

But mainly, according to security sources, Palestinian activists have turned to violence against fellow Arabs because of the difficulties the IDF has created for them.

A senior military source in Gaza said Tuesday that the so-called "shock committees" have intensified their efforts against the distribution of magnetized identification cards that enable Arab workers to go to their daily jobs in Israel.

Members of the shock committees, which enforce directives from the uprising leadership, wear masks and resort to threats and violence.

A report in Hadashot quoting a military source said that when the new cards were first issued nearly two months ago, squads of masked

men seized and burned them in front of the recipients.

More recently, the shock committees have established a network of spies who follow Gaza residents to the civil administration office, where they get the cards, and beat them if they refuse to hand them over.

Some Palestinians working in Israel do not go home to the Gaza Strip for months for fear of having their ID cards taken.

When the "shock committees" learn of this, they wreck the workers' homes and threaten harm to their families if they do not return, the military source told Hadashot.

The magnetized cards were issued to enable authorities to check workers' criminal records, in the hope of preventing violent attacks in Israel.

AUTHORITIES TRYING TO IMPROVE JUSTICE SYSTEM IN TERRITORIES

By Hugh Orgel

TEL AVIV, July 12 (JTA) — The defense establishment is trying to speed up military justice while protecting the rights of the detainees, as arrests continue to soar in cases related to the Palestinian uprising.

According to a report in Davar, nearly 10,000 indictments against residents of the West Bank and Gaza Strip were submitted to military courts in the 19 months since the intifada began.

About half of the cases were tried as of last February.

Defense Minister Yitzhak Rabin was quoted Sunday by Ha'aretz as saying directives circulated recently require security detainees to be told the charges against them at the time of arrest or, at latest, upon arrival at the detention center.

The directive was issued within the framework of improvements mandated by Rabin to protect individual rights, Ha'aretz said.

They apply to all matters connected with arrests, searches and other legal measures taken against Palestinians in the territories.

The newspaper said Rabin noted in a letter to Knesset Speaker Dov Shilansky that the defense establishment is considering notifying the family of detained persons of their arrest by telephone wherever possible.

In addition, efforts being made to improve the efficiency of military courts include the appointment of additional judges and the installation of computers for better control of the files.

The Davar report referred to an article in the Israel Defense Force Monthly Review by Oren Gross, an adviser in the international law branch of military advocate headquarters.

According to Gross, a total of 9,243 indictments were handed down to military courts between December 1987 and February 1989.

KNESSET DEFEATS DEPORTATION PROPOSAL By David Landau

JERUSALEM, July 12 (JTA) — A proposal that Israel deport any Palestinian sentenced to more than one year for security offenses was decisively defeated Wednesday in the Knesset.

The vote was 58-23 against the measure, which was introduced by Hanan Porat of the National Religious Party. Four members abstained.

Justice Minister Dan Meridor strongly opposed the suggested legislation. Speaking earlier in the day at the induction of new magistrates, he stressed the need to defend the rule of law.

ISRAELI SHARE OF STAR WARS RESEARCH COULD FACE THE HOUSE CHOPPING BLOCK

By Howard Rosenberg

WASHINGTON, July 12 (JTA) — The multi-million-dollar "Star Wars" research that Israel is supposed to conduct for the United States may be in jeopardy, if the second highest-ranking Democrat on the House Armed Services Committee has his way.

The American Israel Public Affairs Committee is trying to thwart a proposed amendment, introduced by Rep. Charles Bennett (D-Fla.), that would pare the Star Wars program from \$3.5 billion to \$2.8 billion.

The Pentagon's Strategic Defense Initiative Organization threatened this month to cancel U.S.-Israeli joint research if its 1990 fiscal year budget is lower than the \$3.2 billion, a congressional source said.

An official in the pro-Israel lobbying community predicted Wednesday that the amendment has enough votes to pass. The Defense Authorization Bill for the 1990 fiscal year comes up for a vote in the House of Representatives at the end of the month.

No Problem With Foreign Aid

The Star Wars program is the "centerpiece of strategic cooperation" between Israel and the United States, the official said.

Under a three-year package to be renegotiated this year, Israel received \$158 million to conduct research to build the so-called Arrow anti-tactical ballistic missile.

Under a cost-sharing formula, Israel finances 20 percent and the United States funds 80 percent of the research effort.

By contrast, few glitches have emerged so far for pro-Israel lobbyists in securing \$3 billion in foreign aid for Israel for the 1990 fiscal year. That is the same amount of military and economic assistance that Israel has received for the last several fiscal years.

The House has approved the 1990-1991 Foreign Aid Authorization Bill, and the Senate Appropriations Committee is now considering the bill.

Pro-Israel lobbyists predict that, in the end, Congress will save the Arrow program. But the congressional source said cuts in Star Wars threaten the "long-term viability" of the Arrow program, including its research and production schedule.

Senate Backs Program

Cuts will lead to "a continual shortage of funds, and the ability of Congress to find quick and easy fixes" will diminish, the source said.

The Senate appears to back the program strongly. So pro-Israel lobbyists are trying to secure a much higher funding level in the Senate's version of the bill, around \$4 billion, to offset the possibility of a lower figure in the House bill.

But this threat to the Arrow program is being taken more seriously than another made by Defense Secretary Richard Cheney last month.

Cheney said he would cut the Arrow program if the House approved a proposed amendment to transfer \$822 million from the Star Wars program to fight the spread of drugs.

While that move was purely political, pro-Israel lobbyists said, the latest threat may represent "serious policy."

ALIYAH DURING FIRST HALF OF 1989 IS UP BY 39 PERCENT OVER LAST YEAR

By Hugh Orgel

TEL AVIV, July 12 (JTA) — An upsurge of aliyah from the Soviet Union was largely responsible for the 39 percent increase in immigration to Israel during the first six months of 1989, according to Uri Gordon, head of the Jewish Agency's Immigration and Absorption Department.

He said new arrivals totalled 8,275 from January through June.

Emigration from the Soviet Union was up 177 percent from the same six-month period last year, Gordon said.

Nevertheless, the number of Soviet Jewish emigrants opting to settle in Israel remained at a constant 10 percent, Gordon said.

Gordon reported 1,000 immigrants have arrived this year from Argentina, an 18 percent increase over the first six months of last year.

That country's severe economic distress and recent change of political leadership seem responsible for the rise.

JEWS WELL REPRESENTED ON LIST OF THE WORLD'S WEALTHIEST

By Allison Kaplan

NEW YORK, July 12 (JTA) — Stereotypes about Jewish wealth may be greatly exaggerated, but there is no shortage of Jewish billionaires, according to Forbes Magazine.

The publication released its annual tally of the world's ultra-rich this week, and while Japanese businessmen dominated the top of the list, Jews, especially those from North America, were well represented.

The fourth largest fortune in the world, according to the magazine, belongs to a Canadian Jewish family. Paul, Albert and Ralph Reichmann are said to be worth approximately \$8 billion each. The Reichmanns have extensive real estate holdings in both North America and England.

British publishing magnate Robert Maxwell, who recently made an unsuccessful bid for the Jerusalem Post, also made the list, with an estimated worth of \$5 billion.

The two richest American Jews listed in Forbes are Samuel and Donald Newhouse, listed as having \$2.6 billion each.

Newhouse family holdings include 26 newspapers across the country and the Conde Nast group of magazines.

Other prominent Jewish billionaires include the Bronfman brothers, heirs to the Seagram's liquor fortune. Edgar, who lives in New York, and Charles, who lives in Montreal, are worth \$1.3 and \$1.5 billion respectively.

Also on the Forbes list are retailer Leslie Wexner, worth \$1.6 billion, and New York real estate baron Samuel LeFrak, at \$1.5 billion.

Media fortunes were represented, as well. CBS Chairman Laurence Tisch and his brother, Preston, made the list with \$1.2 billion each. Walter Annenberg was listed as being worth \$1.2 billion.

Indicted junk bond wizard Michael Milken also made the list. The former investment banker for Drexel Burnham Lambert is said to be worth at least \$1 billion.

In another Forbes tally, two Israeli banks were listed among the 500 largest foreign public companies. Bank Hapoalim was listed as 271, and Bank Leumi was listed as 318.