

ARAFAT REMARKS ON BUS ATTACK DRAW U.S. PRAISE, SKEPTICISM FROM ISRAEL

By Howard Rosenberg

WASHINGTON, July 13 (JTA) -- The State Department praised Palestine Liberation Organization leader Yasir Arafat on Thursday for having expressed regret over the July 6 attack on a passenger bus in Israel, in which 14 people died.

The State Department's remarks were in response to a Hearst News Service report Thursday that was published in The Washington Post.

The report, from Tunis, quoted Arafat as saying of the bus incident, "It is painful for me to witness the loss of all these civilian lives."

Arafat said in an interview with the Hearst reporter that he would tell the families of the victims: "We are fed up, both of us, by the increasing number of massacres and, in particular, by this tragedy. We have to stop this bloodshed."

Though the interview was not widely reported, and was played down in The Washington Post, State Department deputy spokesman Richard Boucher noted and welcomed Arafat's remarks during his regular noon briefing.

"We have seen the reports that Yasir Arafat expressed regret and sadness over the loss of life in the bus incident," Boucher said.

"He also noted the need for all to stop bloodshed. These remarks are welcome," Boucher said.

The PLO had been criticized for its response to the Israeli bus attack, which left 27 people injured, in addition to the 14 who died.

Abu Sharif Remarks Protested

Speaking the day of the crash on Radio Monte Carlo, PLO spokesman Bassam Abu Sharif called the action "a human and natural reaction" to the Israeli occupation, and said that "it is not terrorism."

At the Israeli Consulate in New York, spokesman Barukh Binah said that Arafat's recent comments were made to counteract the negative publicity stemming from Sharif's remarks.

"I believe the more accurate reaction, the gut reaction and the true feelings of the PLO were made in the remarks of Bassam Abu Sharif," Binah said.

There had been strong reactions by Israelis and American Jews to Abu Sharif's remarks.

On Tuesday, the acting Israeli ambassador to the United Nations, Johanan Bein, circulated a letter to U.N. member nations saying that Abu Sharif's remarks, as well as other PLO statements and actions, "provide clear evidence that the PLO never had any intention of renouncing terrorism and violence."

Also on Tuesday, members of the American peace group that met with Arafat in Stockholm last December wrote to Abu Sharif, calling on the PLO leadership to condemn the bus attack.

In their letter, 10 members of the American executive committee of the International Center for Peace in the Middle East stated that Palestinians committed to the peace process "must and should condemn all attacks against innocent civilians, whatever the motivating factors."

(JTA staff writer Allison Kaplan in New York contributed to this report.)

HUNDREDS TAKE PART IN MEMORIAL FOR 14 VICTIMS OF BUS DISASTER

By David Landau

JERUSALEM, July 13 (JTA) -- Hundreds of people took part in an outdoor memorial service Thursday for 14 bus passengers who died on July 6, when an Arab passenger seized the wheel and sent the vehicle plunging into a ravine, where it burst into flames.

The ceremony was held at the site of the disaster on the Tel Aviv-Jerusalem highway overlooking the ravine.

It was organized by the National Religious Party, the militant Gush Emunim settlement movement and the Egged bus company, which provides inter-urban transportation in Israel.

Israel's Sephardic chief rabbi, Mordechai Eliahu, officiated at the memorial services, along with Transport Minister Moshe Katsav of Likud and Avner Shaki of the NRP, a minister without portfolio.

A makeshift monument was erected on the site, made of stones from the valley and charred fragments of the bus.

Thousands of other Israelis identified with the victims, two of whom were Canadian tourists. Traffic halted all over the country at 6 p.m. local time Thursday for a moment of silence to mark the tragedy one week later.

ENVOY SAYS NEW LIKUD CONDITIONS NOT BINDING ON ISRAELI GOVERNMENT

By David Friedman

WASHINGTON, July 13 (JTA) -- Both Likud and Labor will try to "reach an understanding" on Israel's peace initiative in the next few weeks in order to preserve the national unity government coalition, Israeli Ambassador Moshe Arad predicted Thursday.

One of the options being considered is a vote in the Cabinet reaffirming its May 14 approval of the peace initiative, Arad told reporters at the National Press Club.

The heart of the four-point initiative is a proposal for elections in the West Bank and Gaza Strip in which Palestinians would choose representatives for negotiations with Israel on self-rule and eventually the final status of the territories.

The May 14 Cabinet decision is "the only binding decision" of the Israeli government, Arad said. He said the decision by the Likud Central Committee to add conditions to this proposal is "binding upon Likud members," but not the government.

The Labor Party leadership has recommended to the party's Central Committee that it leave the coalition over the Likud action, although a final decision has been postponed for several weeks.

Arad said the peace plan was worked out in hard bargaining that Prime Minister Yitzhak Shamir and Foreign Minister Moshe Arens of Likud conducted with Finance Minister Shimon Peres and Defense Minister Yitzhak Rabin of Labor.

He said he believes all four of Israel's top leaders want to preserve the plan.

The ambassador said that the Bush administration wants a clarification of the Israeli

position in the wake of the Likud decision. He said it is for this reason that the State Department is sending a high-level mission to Israel next week.

At the same time, Arad said, the Israeli government has made clear to the United States that the May 14 decision is the only one binding on Israel.

'U.S. Policy Is Set'

The administration appears to accept this position, at least publicly. John Kelly, assistant secretary of state for Near Eastern and South Asian affairs, told a congressional panel Wednesday that the United States views the May 14 decision as the only "operative and legally binding basis for the Israeli government to proceed."

In Paris, President Bush was quoted Thursday as saying the United States would not change its support for Palestinian elections because of various moves by political parties in Israel. "The U.S. policy is set," he said.

Arad rejected the view that the Likud demands have hurt the chances of getting Palestinians to accept the election plan.

He noted that since Israel outlined its peace initiative to the United States in April, not one Arab or Palestinian leader "has stepped forward to welcome the concept of election, or even to open a dialogue on the basis of how they might be conducted."

"So it is sheer hypocrisy for Yasir Arafat and his aides, Abu Iyad and Abu Sharif, now to say that the resolution adopted last week by the Likud party has 'torpedoed' the possibility of free and democratic elections -- which the PLO had in any case never accepted," Arad said.

The ambassador said the PLO wants to impose its leadership on the Palestinians in the territories, as well as a settlement that would include a Palestinian state as a "first stage" to the destruction of Israel.

Modalities To Be Settled Later

PLO terrorism against Arabs in the territories has increased since the initiative was proposed, Arad said. Half of the Palestinians killed in the West Bank and Gaza Strip in the last three months were murdered by other Arabs.

Urging the Palestinians and Arab nations to negotiate with Israel, Arad stressed that both sides would emerge from negotiations with positions different from the ones they carried to the peace table.

Likud is bringing several new conditions to the peace table: that proposed Palestinian elections not be held until the Palestinian uprising ends, that Arab residents of East Jerusalem be barred from participating in the elections, that Israel never agree to withdraw from additional territory and that Jewish settlement of the West Bank and Gaza Strip be allowed to continue.

But questioned on these conditions, Arad maintained that the modalities of the proposed elections, including who can participate, can be negotiated once the Palestinians agree to the election.

He said elections cannot be held if candidates are being intimidated by violence and assassination.

Arad said Palestinians running in the election can support the PLO or even be associated with it, but they should not be the only list. Those opposed to the PLO should also be allowed to run.

"I'm really puzzled as to how many Americans are willing to accept that, for the Palestinians, less-than-free elections is also good," he said.

"We don't accept this for Israelis, we don't accept it for the Israeli Palestinians. I don't see why we should accept it for when it comes to people under Israeli control as a result of a war, a war of aggression against Israel."

As for the Jewish settlements in the West Bank and Gaza Strip, they are neither illegal nor an impediment to the peace process, Arad said.

"No one in Israel envisions a solution where Jews will not be permitted to live in areas, even if those areas are not under Israeli sovereignty," he said.

ISRAELI STOCKS PLUNGE, THEN REBOUND

By Hugh Orgel

TEL AVIV, July 13 (JTA) -- A sharp decline of prices on the Tel Aviv Stock Exchange, precipitated by political uncertainty, was halted Wednesday by speculators snapping up bargains.

The market fell by about 10 percent over the previous three days because of fears that the unity coalition government might collapse.

But the drop was not as much as could have been anticipated, and investors welcomed Wednesday's 2 to 3 percent upturn.

The market became nervous after the Labor Party Executive recommended Monday an end of Labor's alliance with Likud, which it accused of wrecking the government's peace initiative.

Labor is unhappy with the new, restrictive conditions imposed on the peace plan by Likud hard-liners at the party's July 6 Central Committee meeting.

Labor's own Central Committee is expected to vote on the recommendation sometime next month.

MICHELIN MAP PUTS HAIFA IN JORDAN

PARIS, July 13 (JTA) -- One of the world's most respected publishers of international tourist guide books and maps has been sharply criticized for printing a map of the Middle East listing Israeli cities as being part of Jordan.

Shimon Samuels, European director of the Simon Wiesenthal Center, said Michelin's latest map of "northeast Africa/Arabia" is not only geographically inaccurate, but also "an affront to the State of Israel."

The map has the borders of the Hashemite Kingdom of Jordan encompassing Jerusalem, Tel Aviv, Haifa and the West Bank. Mention of the State of Israel is omitted entirely.

In a letter to Francois Michelin, president of the French publishing house, Samuels requested that the map be withdrawn and corrected.

"Though this map is clearly aimed at the Arab market, your cartographers should note that no Arab state ever recognized the Jordanian occupation of the West Bank between 1948 and 1967," Samuels wrote.

While Jordan occupied eastern Jerusalem in that period, it never occupied Tel Aviv and Haifa, which are on the Mediterranean coast.

"By showing that Jerusalem, Tel Aviv, Haifa and the West Bank are all part of the Hashemite Kingdom, this constitutes not only geographic inaccuracy and an affront to the State of Israel, but also contradicts the declared positions of its Arab neighbors," the letter said.

RUMOR OF ISRAELI-PLO CONTACTS TRIGGERS A FLURRY OF DENIALS

By David Landau

JERUSALEM, July 13 (JTA) -- Prime Minister Yitzhak Shamir and other government leaders scrambled to deny Thursday that Israel is maintaining official contacts with the Palestine Liberation Organization, through the United States or anyone else.

The issue arose from a remark made in Washington on Wednesday by John Kelly, the U.S. assistant secretary of state for Near Eastern and South Asian affairs, who was testifying before the House Foreign Affairs subcommittee on Europe and the Middle East.

Asked by Rep. Lee Hamilton (D-Ind.), the subcommittee chairman, if Israel was using the United States as a mediator with the PLO, Kelly said no.

But he said that it was no secret that some Israeli public figures have met with representatives of the PLO.

Kelly said there were reports from time to time of unofficial contacts, and some classified information on the subject. He said he would prefer to discuss such matters behind closed doors.

To many Israeli officials, that implied that there had been official Israeli contacts with the PLO.

The remarks, in short, sparked a whirlwind of rumors here that sent government officials scrambling to make denials.

U.S. Envoy Said To Brief Leaders

The chief of the Prime Minister's Office, Yossi Ahimeir, said the prime minister was not knowingly involved in contacts with the PLO.

He said that Shamir does meet with West Bank Palestinians who are not connected with the PLO. But he conceded that the subject of those conversations could eventually reach the PLO in Tunis.

Ahimeir accused the PLO of making political capital by spreading rumors of contacts with Israelis.

Shimon Peres, who as vice premier is the second-ranking member of the coalition government, also denied official contacts with the PLO.

So did Danny Naveh, spokesman for Foreign Minister Moshe Arens. He announced Wednesday night that "there have been no contacts with the PLO, and there will be no contacts in the future."

Israel Television said Thursday evening that U.S. Ambassador William Brown "reports constantly" to the Israeli government on American contacts with the PLO.

Shamir and Arens were said to have informed Brown they were "not interested" in receiving the information.

But Peres and Defense Minister Yitzhak Rabin, the Labor Party leaders, continue to receive regular briefings, the television report said.

According to the news report, American officials convey Israeli reactions back to the PLO in Tunis.

The United States opened a dialogue with the PLO last December. The U.S. ambassador to Tunisia, Robert Pelletreau, is the only American diplomat authorized to have official contacts with the PLO. He has had several formal sessions, as well as informal talks, with PLO representatives.

U.S. WELCOMES RABIN ANNOUNCEMENT THAT WEST BANK SCHOOLS WILL REOPEN

By Howard Rosenberg

WASHINGTON, July 13 (JTA) -- The State Department on Thursday welcomed Israeli Defense Minister Yitzhak Rabin's announcement that he would seek to reopen Arab elementary and secondary schools in the West Bank.

In a statement Wednesday, Rabin and the Israel Defense Force chief of staff, Gen. Dan Shomron, did not say when the schools would reopen but that it would occur "gradually in the near future."

They also did not indicate any intention to reopen universities in the West Bank and Gaza Strip.

Secretary of State James Baker, in a May 22 speech to the American Israel Public Affairs Committee, called on Israel to reopen the schools.

The Israeli announcement was seen by some as a concession to the United States in anticipation of a high-level U.S. team's visit to Israel next week.

West Bank schools educate an estimated 320,000 students, according to The New York Times.

They have been closed under Israeli government orders during most of the 19-month-old Palestinian uprising.

At the time of the Baker speech, Rabin told reporters outside the State Department that, "once schools are open, the confrontation between kids, schoolboys and girls and the military forces of Israel increase the number of casualties among the youngsters."

Schools in the Gaza Strip have generally remained open because Gazans, unlike West Bankers, do "not involve the schools" in the violence, Rabin said at the time.

Israel Radio reported that before classes resume, Israeli officials will seek assurances from school administrators, teachers and students that they will not create disturbances.

LEVINGER TRIAL FOR MANSLAUGHTER IS POSTPONED FOR A SECOND TIME

By Cathrine Gerson

JERUSALEM, July 13 (JTA) -- The manslaughter trial of Rabbi Moshe Levinger was postponed for the second time Thursday, after the militant Gush Emunim leader from Hebron claimed he could not find an affordable lawyer.

Levinger is charged with the fatal shooting in September 1988 of Kayed Salah, 42, an Arab shoe vendor in Hebron.

He also is charged with deliberately damaging Arab property in the predominantly Arab city.

Jerusalem District Court Judge Ezra Hedaya gave Levinger two weeks to engage legal counsel and ordered the proceedings to resume on Aug. 7.

Levinger agreed to accept a court-appointed lawyer if he is unable to find a suitable attorney of his own in the next two weeks.

The courtroom was packed with reporters, but Levinger did not indulge in the histrionics he has displayed in the past.

At his last postponement hearing, he brandished a firearm demonstratively at the news media as he left the courthouse.

Levinger blames the Arabs who he says stoned him and Defense Minister Yitzhak Rabin, who has been unable to end the Palestinian uprising.

SMOKE BOMB MARS FESTIVE CLOSING OF 13TH MACCABIAH IN JERUSALEM
By David Landau and Hugh Orgel

JERUSALEM, July 13 (JTA) -- The closing ceremonies of the 13th Maccabiah at the Western Wall were marred by the explosion of a smoke bomb, an incident which police said was probably accidental.

Though three people were hospitalized following the explosion, the ceremonies continued without incident. The ceremony in the Old City was followed by a march through Jerusalem.

The Israeli team marched in victory, having taken first place with a total of 258 medals.

The host country, with by far the largest number of athletes participating in the Jewish Olympic-style tournament, topped its closest rival, the United States, by a comfortable margin.

The Americans, who sent 520 athletes to the quadrennial event, the second largest contingent, collected 199 medals in the seven days of competition. At the last Maccabiah in 1985, they took home 246 medals.

Canada trailed in third place, with a total of 70 medals. Most of the events took place at the Ramat Gan Stadium, near Tel Aviv, though the closing ceremonies were held at the Western Wall.

There had been speculation immediately after the smoke bomb explosion that the bomb had been planted by ultra-Orthodox activists, who had denounced the ceremonies as a desecration of the Jewish religious shrine and threatened violence.

The ultra-Orthodox objected because both men and women participate in the sports events and because Olympic games are the invention of the early Greeks, who were enemies of the Israelites.

An editorial in Hamodia, published by the largely Hasidic party Agudat Yisrael, decried the transformation of Israel's holiest site into an "Olympic stadium."

But police said it was likely one of their own smoke grenades had detonated.

The Maccabiah this year drew more than 4,000 athletes from 44 countries.

After Israel, the United States and Canada, the remaining 41 countries participating placed far behind in the competition for medals. But the totals reflected in large measure the lopsided differences in size between the rival Maccabiah squads.

Some countries sent a handful of athletes, who participated in only a few events.

74 Gold Medals For U.S. Team

The breakdown of the medals -- gold, silver and bronze -- was a better gauge of performance. There too, the Israelis surpassed their rivals, but not by so large a margin. They took 97 gold, 82 silver and 79 bronze medals.

The United States ended the games with 74 gold, 73 silver and 52 bronze. The Canadians won 16 gold, 21 silver and 33 bronze.

The 50 athletes from Soviet Lithuania attracted the most attention among the foreign squads, when the games opened at Ramat Gan Stadium on July 3. It was the first time the Soviet Union was represented at a Maccabiah since the contest began in Palestine in 1932.

But in terms of medals, the Lithuanians finished second to last, garnering one silver and one bronze. Last place among the medal winners was occupied by Ireland, with one silver.

There was a category of participants that, for a variety of reasons, was labeled "Rest of the World A" and "Rest of the World B."

They accounted for many of the smaller countries competing, including Paraguay, Costa Rica, South Korea and Hong Kong, which sent one athlete each.

South Africa, with a larger squad, was included because it is banned from international sports competition for its apartheid policies.

NEW SOVIET RESTRICTIONS MAY CUT LEVEL OF JEWISH TRAVEL TO ISRAEL

WASHINGTON, July 13 (JTA) -- The Union of Councils for Soviet Jews has asked the U.S. State Department to look into new Soviet travel regulations that it says thwart travel by Soviets abroad.

The group says the restrictions, which went into effect July 1, could cut down substantially on the number of Soviet Jews able to travel to Israel.

According to the new regulations, ordered by the Soviet Aviation and Finance ministries, Soviet citizens can no longer purchase tickets on the state carrier Aeroflot for destinations beyond its normal service area, unless they use hard, or non-Soviet, currency.

"Soviet citizens, with few exceptions, are permitted to exchange only 200 rubles, or about \$300, in any one year," said Micah Naftalin, the organization's national director.

The Soviet Jewry advocacy group has asked the State Department to examine whether the new legislation violates the Soviet Union's obligations under the Vienna Concluding Document, the human rights accord the Soviet Union and 34 other nations signed in January.

The restrictions were reported last week when a Moscow refusenik, Leonid Stonov, told Naftalin that "more than a dozen" Soviet Jews had been turned away at Aeroflot counters the first week of July. This was confirmed Wednesday night by Moscow cultural leader Mikhail Chlenov.

WINNERS OF MACCABIAH MEDALS

	Total	Gold	Silver	Bronze
Israel	258	97	82	79
USA	199	74	73	52
Canada	70	16	21	33
Brazil	31	15	9	7
Australia	29	10	8	1
Britain	26	NA	NA	NA
Mexico	20	2	5	13
World Team A	18	10	4	4
Hungary	15	4	5	6
Argentina	14	0	7	7
France	10	4	3	3
Holland	6	1	1	4
Venezuela	5	4	0	1
Austria	4	0	2	2
Italy	4	0	1	3
Panama	4	0	4	0
Belgium	3	1	0	2
Sweden	3	2	1	0
West Germany	3	0	1	2
World Team B	3	0	2	1
Chile	2	1	0	1
Denmark	2	1	0	1
Lithuania	2	0	1	1
Ireland	1	0	1	0

NA denotes breakdown not available.