

ARAB YOUTHS MURDERED ISRAELI MAN AS 'INITIATION RITE' TO JOIN GANG

By Hugh Orgel

TEL AVIV, July 16 (JTA) — Two Arab youths accused of murdering an Israeli businessman Friday committed the crime as part of an "initiation rite" for entry into a terrorist gang, police said Sunday.

The victim, Zalman Yosef Shlein, 64, a wealthy building subcontractor in Gan Yavne, south of Ashdod, was stabbed and bludgeoned to death Friday morning, at a building site near his home.

Two young Arabs laborers from the Gaza Strip were arrested shortly after the crime and reportedly confessed to the killing and explained their motivation.

Their identities were withheld because they are minors. One is said to have been employed by Shlein.

The murder aroused the fury of Jews in Gan Yavne and nearby Ashdod. Police were out in force to prevent anti-Arab violence, especially during Shlein's funeral later Friday.

Crowds screaming "death to Arabs" threatened reprisals against any Arab found in the town where several hundred are normally employed in agriculture and construction work.

According to Shlein's widow, the two youths called at their home early Friday morning and asked to speak to Shlein, who was having breakfast.

They said he owed them 100 shekels, about \$50.

Shlein's widow said she gave them water while they waited for her husband, who accompanied them to a nearby building site.

A short time later, a neighbor saw two young Arabs running from the partly completed building. She investigated and found the contractor lying dead in a pool of blood.

Town Wants Arabs Banned

About an hour later, police picked up two Arab youths on the Gaza-Yavne Road who fit the neighbor's description.

Townpeople, convinced that Shlein was a victim of the Palestinian uprising, were angered when the police said initially that the murder could have been "either criminal or nationalistic."

Later, the police concluded it was politically motivated.

Ma'ariv reported Sunday that the suspects re-enacted the crime and admitted under interrogation that they belonged to the intifada's "popular committee" in the Sajaiyeh quarter of Gaza.

According to Ma'ariv, they told police they acted as the committee's "shock force" by murdering an Israeli on the Islamic festival of Id el-Adha in order to prove themselves worthy of membership in a terrorist organization.

Residents of Gan Yavne are demanding that all Arab laborers be banned from town immediately.

A spokesman told Israel Radio on Sunday, "If we can't find Jews, many of whom are unemployed in this region, to do the work done by Arabs, we will employ workers from abroad, from Portugal or elsewhere."

LIKUD AND LABOR MOVE TO EASE CRISIS, BUT DELAY VOTE AFFIRMING PEACE PLAN

By David Landau

JERUSALEM, July 16 (JTA) — Israel's Likud and Labor parties this weekend edged toward resolving a government crisis over the Middle East peace process.

But the Cabinet avoided a test vote Sunday to reaffirm the government's peace initiative, which it had endorsed by a large majority May 14.

Both Labor and Likud ministers balked, prompting Prime Minister Yitzhak Shamir to postpone the show of hands to a future meeting.

Political observers believe both parties will use the interim to reach a compromise that would end Labor's threat to leave the coalition government.

The entire peace undertaking was cast in doubt when Likud hard-liners succeeded in attaching a series of tough restrictions and conditions to Shamir's peace plan, making it unacceptable to Labor.

The Labor Party Executive, meeting on July 10, recommended that the party's Central Committee end the alliance with Likud over this issue.

But Labor's leadership seems in no great hurry. The Central Committee will not convene until sometime next month, allowing ample time for a resolution of coalition differences.

Reconciliation efforts began early Sunday morning, when Shamir and his closest ally, Foreign Minister Moshe Arens, met privately with Vice Premier Shimon Peres, who chairs the Labor Party, and Defense Minister Yitzhak Rabin, Labor's No. 2 man.

Rabin was co-author of the peace plan with Shamir.

Shamir Trying To Reassure Labor

The United States, anxious that the unity government be preserved, has cooperated by avoiding any appearance of interference.

When the crisis first broke over the peace plan, Secretary of State James Baker announced that a high level State Department delegation would go to Jerusalem to examine whether the initiative was still feasible and warranted American support.

But officials in Washington said Friday that the White House reversed its decision, because such a mission might be construed as meddling. (See separate story.)

Shamir is trying to reassure his Labor partners that "nothing at all has changed" since the Likud Central Committee meeting on July 6 overwhelmingly endorsed principles set forth by Shamir's hawkish rivals, Ariel Sharon, David Levy and Yitzhak Moda'i.

Those ministers made no secret of their desire to kill the Shamir plan altogether. Failing that, they sought to amend it to death.

The plan calls for Palestinian elections in the West Bank and Gaza Strip to choose delegates with whom Israel would negotiate a five-year interim period of self rule for the territories.

In the third year, negotiations would start, presumably with the same elected representatives, to decide the final status of the territories.

on the right of return, he has called for the creation of a Palestinian state in the West Bank and Gaza Strip, thereby appearing to abandon aspirations to win back all of what is now Israel.

Since Arafat announced in Algiers last December that he recognizes Israel's right to exist and renounces terrorism, Fatah has refrained from sending infiltration squads from southern Lebanon to penetrate Israel's borders.

The more extreme groups have stepped up such activities in recent months.

But Fatah squads responsible for attacks in the West Bank and Gaza Strip, as well as one inside Israel proper, have been apprehended recently.

FAMILY OF MURDERED BUSINESSMAN TRIES TO KEEP EXTREMISTS AWAY By Hugh Orgel

TEL AVIV, July 17 (JTA) -- The grieving family of Zalman Shlein, an Israeli businessman murdered by Arabs last Friday, appealed to the police Sunday to prevent right-wing extremists from exploiting their tragedy.

Specifically, the family asked that Rabbi Meir Kahane and his followers in the anti-Arab Kach movement be kept from joining a demonstration of mourners Sunday night or entering their home in Gan Yavne, near Ashdod.

More than 1,000 relatives, friends and neighbors of the family marched 500 yards from the Shlein home to a building site where the 64-year-old subcontractor was knifed and bludgeoned to death Friday morning by two Arab teen-agers from the Gaza Strip.

Both youths were apprehended about an hour after the crime and have confessed. According to the police, the murder was an initiation rite for joining a terrorist organization.

The Shleins were described as popular in town and "liberal" in their political outlook. The elder Shlein and his son, Arik, who was in the family business, had been on good terms with their Arab employees.

Arik appeared in a television interview Sunday to complain about the police. Although they swiftly solved the murder, they let it be known originally that the motive may have been money.

Only later did the police confirm that Zalman Shlein was another victim of the Palestinian uprising.

"The police and government leaders had no right to try to calm tempers by turning attention away from the nationalistic intifada motive for this murder," the son said.

There were cries of "death to Arabs" at Shlein's funeral Friday. But the Sunday night mourners were relatively quiet and orderly.

Tempers flared, however, when Rehavam Ze'evi, a retired general who heads the far right-wing party Moledet exhorted the crowd to force the government to take action.

"This government is responsible for this murder," he shouted. "We will have peace only when all the Arabs are gone from here."

Ze'evi advocates the mass deportation of Arabs from Israel and the territories it administers as part of a negotiated peace settlement.

Meanwhile, police established Monday that arsonists were responsible for a fire Sunday night in an abandoned building on the outskirts of Gan Yavne. It was used as a shelter by Arabs from the Gaza Strip who worked in town.

THREE ISRAELI SEPHARDIC LEADERS TO MEET IN CAIRO WITH MUBARAK By Cathrine Gerson

JERUSALEM, July 17 (JTA) -- Three Israeli Orthodox leaders, all prominent in the Sephardic community, left Monday evening for a two-day visit to Egypt, at the invitation of President Hosni Mubarak.

They are Ovadia Yosef, the former Sephardic chief rabbi of Israel, and two leaders of the ultra-Orthodox party Shas: Interior Minister Arye Deri and Immigration and Absorption Minister Yitzhak Peretz.

They will meet in Cairo on Wednesday with Mubarak and Foreign Minister Esmat Abdel Meguid, who conveyed the invitations when he visited Israel earlier this year.

The Egyptian Embassy in Tel Aviv said the trip was arranged in the hope that Israel's Sephardim could serve as a bridge between Jews and Arabs in the quest for peace.

Deri is conveying a message to Mubarak from Prime Minister Yitzhak Shamir. It is believed to contain assurances that Israel's peace initiative is unchanged, despite the Likud Central Committee's July 5 vote to attach new conditions to the plan.

The interior minister has opposed his party's hawkish foreign policy line in favor of the Labor Party's proposals for peace talks with neighboring Arab states.

On Tuesday, the three Israelis will meet with the tiny Jewish community in Cairo, once one of the largest in the Middle East, and will visit the ancient Jewish cemetery.

Yosef is no stranger to Cairo. He was a rabbi there before immigrating to Israel. Deri and Peretz are of Moroccan origin.

ISRAEL WELCOMES PRESIDENT OF CENTRAL AFRICAN REPUBLIC By David Landau

JERUSALEM, July 17 (JTA) -- Gen. Andre Kolingba, president of the Central African Republic, placed a wreath on the tomb of Theodor Herzl here Monday, the second day of a delayed state visit to Israel.

He was also greeted by President Chaim Herzog of Israel, in colorful ceremonies at the Jerusalem Rose Gardens.

Herzog assured his guest that Israel and the Central African Republic are "like old friends who have renewed their friendship."

The republic recently restored diplomatic relations with Israel, which it and most other black African nations broke after the 1973 Yom Kippur War as a gesture of solidarity with Egypt.

Kolingba has meetings scheduled with Prime Minister Yitzhak Shamir and Vice Premier Shimon Peres, who is also finance minister. Israeli technical aid and private business ventures in the African nation are to be on their agenda.

Kolingba and his 33-member entourage arrived at Ben-Gurion Airport on Sunday, some six weeks late.

Last month, when they set out to fly directly from the capital city of Bangui to Tel Aviv, Sudan refused to allow the presidential plane to enter its airspace. The plane had to return.

The incident led to a rupture of diplomatic relations between Sudan and the Central African Republic. This time Kolingba and his party flew to Israel via Europe.

ATTACK ON PROTESTERS AT AUSCHWITZ DRAWS PROTEST FROM JEWISH GROUPS

By Allison Kaplan

NEW YORK, July 16 (JTA) — An assault on seven American Jews demonstrating Friday at the Carmelite convent at Auschwitz has shocked and deeply disturbed the Jewish community here.

The demonstrators, led by Rabbi Avraham Weiss of the Riverdale section of the Bronx, were drenched with water and then beaten by workers as they were dragged off the grounds of the convent, which lies on the perimeter of the site of the Auschwitz death camp in Poland.

The demonstrators had climbed over a fence and onto the convent's porch, in an effort, they told reporters, to talk to the nuns, who have shirked international demands to leave the premises.

As he was being dragged off, Weiss shouted, "Nazi Poles, anti-Semites," at the convent workers.

Five police officers, a priest and about 20 others looked on without intervening as the Jews were punched and kicked by the workers for 20 minutes, according to reports from Poland.

"Rip off their skullcaps, drag them out," a Polish student priest was quoted as shouting as he watched the struggle.

A protest against the attack has been filed at the Polish Embassy in the United States by Kalman Sultanik, vice president of the World Jewish Congress and president of the Federation of Polish Jews.

The incident was the latest in the ongoing battle over the 5-year-old Auschwitz convent, which many Jews consider a desecration of the spot where millions of Jews were murdered.

That battle has gotten more explosive since Feb. 22, the deadline by which Catholic and Jewish leaders had agreed the convent would be transferred to a location away from the Auschwitz grounds.

AJCommittee Condemns Attack

The convent is now located in a building which stored the deadly Zyklon B gas the Nazis used to kill Jews. Instead of being closed down, the convent is reportedly undergoing renovations.

A statement released here by the World Jewish Congress "holds the Polish government responsible" for the incident Friday, which the group called "a vicious and unprovoked attack." WJC also asked that the government take action against the workers.

The American Jewish Committee urged in a statement that "those who carried out the violence be brought swiftly to justice." The statement was issued by Rabbi A. James Rudin, director of interreligious affairs for AJCommittee.

The continuing presence of the convent, he said, "has deeply injured Catholic-Jewish relations" and as long as it remains, "the wound will only fester."

The vehemence of the Rudin's statement was noteworthy, since AJCommittee is generally regarded as taking a more conciliatory approach to the convent issue than the World Jewish Congress.

The demonstrators continued their series of protests Sunday. According to reports from Poland, five of them returned to the convent clothed in striped concentration camp uniforms, once again climbing over the fence onto the convent grounds. They remained there for six hours undisturbed.

SOCIAL DEMOCRATS ADMIT 'MISTAKE' IN BOOSTING STANDING OF FAR RIGHT

By David Kantor

BONN, July 16 (JTA) — The opposition Social Democratic Party, or SPD, conceded Sunday that it was a "terrible mistake" to have accepted a political strategy calling for tolerance and even support of the reputedly neo-Nazi Republican Party.

The rationale apparently was that the Republicans, headed by former SS official Franz Schoenhuber, would win votes at the expense of Chancellor Helmut Kohl's conservative Christian Democratic Union, which the SPD would like to replace as West Germany's governing party.

The Republicans emerged the fourth largest political party in the Federal Republic after winning 7.1 percent of the popular vote in last month's elections to the Parliament of Europe.

A strategy paper, prepared for the SPD early this year, suggested it was in the SPD's interest to enhance the Republicans to weaken the CDU.

The strategy paper was submitted to SPD leader Hans-Jochen Vogel, who, according to observers, quietly endorsed it.

Anke Fuchs, the SPD director, called the paper a "mistake" and insisted there was no way the party could have adopted its cynical thesis.

Gerhard Schroeder, SPD chief in the state of Lower Saxony, described it as a "terrible mistake" in an interview Sunday.

Repeating Errors Of Weimar Republic

Both party leaders spoke after a Munich-based newspaper, *Sueddeutsche Zeitung*, published the contents of the SPD strategy paper on Friday.

A spokesman for the Greens, another opposition party, charged that the SPD was so frustrated being out of office that it considered power more important than anything else.

The CDU's secretary-general, Heiner Geissler, called it a "massive attack on the democratic political culture in this country."

Other CDU officials said the SPD was repeating the mistakes of the Weimar Republic, when mainstream parties spent more time fighting each other than the threat from extremists.

The Republicans are on the extreme right wing. According to political analysts, their language and programs increasingly echo those of established neo-Nazi groups.

ISRAELI ENVOY UPSET AT FRENCH PARADE

PARIS, July 16 (JTA) — Israel's ambassador to France, Ovadia Soffer, stalked off the official reviewing stand during the Bastille Day anniversary parade here to protest what he considered a political statement equating Israel and the Palestine Liberation Organization.

More than a million people watched the march Friday along the Champs Elysee, marking the bicentennial of the storming of the Bastille.

There was all manner of floats and merriement. One segment had giant women dancing with small boys from around the world. Israel was represented by a youngster wearing sidelocks and a skullcap.

Another pair featured a small Arab boy wearing a checkered kaffiyeh, the traditional Palestinian headdress, and waving a PLO flag.

Soffer told the Jewish Telegraphic Agency that he was offended because Israel and the PLO were put on the same level.

BILL PASSED BY HOUSE WOULD PERMIT MOST SOVIET EMIGRES TO ENTER U.S.

By Howard Rosenberg

WASHINGTON, July 16 (JTA) -- Jewish groups are praising legislation adopted Thursday by the U.S. House of Representatives that would virtually assure that all Soviet Jews seeking to enter the United States could do so as refugees.

Sen. Frank Lautenberg (D-N.J.) is expected to propose a similar provision next week in the Senate, when it begins voting on the 1990 State Department authorization bill.

The bill, if passed by the Senate and signed into law by President Bush, would allow thousands of Soviet Jewish emigrants stranded in Italian transit communities to come to the United States.

Jewish groups were outraged last September, when the Justice Department's Immigration and Naturalization Service stopped granting refugee status to virtually every Soviet Jew who sought it.

To be deemed refugees, Soviet Jews, like other individuals seeking entry to the United States, must now demonstrate that they face "a well-founded fear of persecution" in their native country.

But the House voted 358-44 on Thursday to shift the burden of proof from the refugee to the INS. It would now have to explain why a particular Soviet Jew does not face such a fear.

Technically, the bill leaves the door open for the INS to refuse refugee status to some Soviet Jews. But INS spokesman Duke Austin said he did not know how the government could prove that an applicant would not face such a fear.

Refugee status grants access to U.S. government funds for transportation and resettlement.

4,000 Denied Refugee Status

But backlogs in refugee processing could still occur, as has happened this past year, if the U.S. refugee quota for the Soviet Union is not high enough and the funds not ample enough to meet the crush of refugees seeking to enter this country, Austin noted.

The House bill, sponsored by Rep. Bruce Morrison (D-Conn.), also applies to Soviet Evangelical Christians, Ukrainian Catholics and Orthodox; and certain categories of nationals of Cambodia, Laos and Vietnam.

In drafting the legislation, Morrison consulted with Jewish and non-Jewish groups, including the Council of Jewish Federations, the Hebrew Immigrant Aid Society and the American Jewish Committee.

The INS and the Bush administration have not actively lobbied against the bills. But, said Austin, "we don't believe, and the administration does not believe, that there should be a presumptive determination for any group."

He said such a presumption contradicts U.S. refugee law, codified by the Refugee Act of 1980, which states that determinations be made on a case-by-case basis.

Austin also cited the potential costs of bestowing automatic refugee status on Soviet Jews. The United States spends \$7,000 per refugee on transportation, processing and resettlement.

If 100,000 Soviets sought to enter the United States this year, as a U.S. diplomat in Moscow told The New York Times on Thursday, that could lead to a "\$700 million price tag," Austin said. The diplomat told the Times that 250,000 Soviets may apply to enter the United States in 1990.

This fiscal year, Soviet Jews have represented the overwhelming number of Soviets being accorded refugee status.

Phillip Saperia, assistant executive vice president of HIAS, defended a presumption for Soviet Jews, saying that the INS has erred in refusing refugee status.

Between Sept. 1 and June 30, the INS refused refugee status to 18.6 percent of Soviet Jewish families that applied for it, about 4,000 people, according to HIAS.

Saperia cited historic Soviet treatment of Jews as justification for according refugee status to all who leave the country.

He acknowledged that few Soviet Jews are today being persecuted by the government, but added, "It is reasonable to assume this (Soviet) government isn't all that secure."

HIAS is currently figuring that 50,000 Soviet Jews will want to leave the Soviet Union in the 1990 fiscal year, which starts Oct. 1.

RISE IN CONSUMER PRICES COULD MEAN ISRAELI INFLATION RATE OF 25 PERCENT

By Hugh Orgel

TEL AVIV, July 16 (JTA) -- The cost-of-living index rose by 1.2 percent in June, the highest June increase in two years.

The figures were announced Friday by the Central Bureau of Statistics, which said the index has risen by 12 percent during the first half of 1989.

That means that if prices continue to rise by the same rate for the rest of the year, inflation could approach 25 percent, dramatically higher than the single-digit figure predicted at the beginning of the year by Finance Minister Shimon Peres.

But Peres said Friday that the price rises should not be seen as inflationary but rather the result of an overdue devaluation of the Israeli shekel.

Using 1987 as a baseline of 100, the price index now stands at 139.

BELLY DANCER TRYING TO SHAKE UP ISRAEL'S RELIGIOUS ESTABLISHMENT

By David Landau

JERUSALEM, July 16 (JTA) -- An Israeli belly dancer is challenging the right of Jerusalem's Orthodox establishment to put her out of business by threatening to revoke the kosher certification of any hotel that allows her to perform.

Ilana Raskin wants to know what her profession has to do with kashrut.

So does the High Court of Justice, which has given the Jerusalem Religious Council 45 days to explain why revoking kosher certification is necessary.

One answer offered by the attorney for the Religious Council is that a mashgiach (kashrut supervisor) could not be in the dining room of a hotel while the "abomination" of belly dancing was taking place.

The case is less frivolous than it may appear and could test the broad power the Chief Rabbinate and religious councils exert over business and social life in Israel.

For years, the rabbis have enforced a measure of Sabbath observance on the non-observant population by threatening to revoke the kashrut licenses of hotels, restaurants and nightclubs.