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FOUR ISRAELI TAX COLLECTORS BURNED AS CAR IS FIREBOMBED IN RAMALLAH By Gil Sedan

JERUSALEM, Aug. 14 (JTA) - Four Israeli tax collectors were burned, two of them severely, when gas bombs set their car afire in the West Bank town of Ramallah on Monday morning.

All of the victims were hospitalized, with two of them, reported in critical condition, undergoing surgery at Hadassah University Hospital on Mount Scopus.

Security forces arrested 40 suspects and imposed curfews at the scene of the incident and at the nearby Kaduri refugee camp.

The Israeli authorities said it was not certain whether the victims were attacked because of their occupation.

"It is possible that it was aimed at an Israeli vehicle and just happened to hit the collectors," said Gaby Offir, commander of the Israel Defense Force in the West Bank.

Tax collectors are among the most hated symbols of Israeli authority in the administered territories and have been one of the main targets

of the intifada since its beginning 20 months ago. Palestinians are regularly exhorted by the leadership of the uprising not to pay their taxes. The authorities are equally determined to collect revenues in order to assert their control in the territories and to cover the expenses of the civil administration.

The four collectors were on their way to the local tax office for a day's work when three gas bombs were hurled at their car near the eastern entrance to Ramallah, only yards from the Jerusalem-Nablus main highway.

Two of the bombs burst in the street. One smashed the windshield, enveloping the car in flames.

Inhalation Of Fumes

Two of the passengers trapped in the front seat, Gideon Zaken, 34, and Reuven Noam, 22, were burned on 40 percent to 60 percent of their bodies and suffered from inhalation of fumes.

In the back seat, 20-year-old Sigalit Maimoni of Hadera and 32-year-old Itzik Cohen of Jerusalem suffered only minor burns. An Arab bystander who witnessed the attack helped put out the fire with a hand-held extinguisher.

Maimoni described the attack from her hospital bed.

"All I saw that moment was just flames and fumes. I opened the (car) door. My hair and my clothes were on fire. But I didn't pay any attention. I tried to rescue the two who sat in the front," she said. Apparently, their door could not be opened from the outside.

"When my friend who sat next to me told me, 'Sigi, you are on fire,' I put the fire out. I rolled on the sand and put out the fire while they succeeded to get out of the car."

A preliminary investigation established that two persons threw the bombs. "We are bound to find the attackers and punish them," said Offir.

Prime Minister Yitzhak Shamir denounced the "brutal attack," which he said was the "continuation of a war waged against people without any purpose.

"The people responsible must know they will be caught, punished, will suffer and will cause suffering to their brethren," Shamir said.

The attack capped several weeks of continuous unrest in the city marked by almost daily stone-throwing at Israeli soldiers.

Paradoxically, the bombing occurred only a day after senior military officers briefing the Cabinet said the intifada was losing steam.

U.S. WILL NOT SHUT OUT PLO. DESPITE 'DEROGATORY RHETORIC' By Howard Rosenberg

WASHINGTON, Aug. 14 (JTA) -- Despite a U.S. rebuke of the political program adopted last week by the main branch of the Palestine Liberation Organization, the State Department said Monday it would not terminate its 8-month-old dialogue with the group.

Following a meeting Monday in Tunisia between U.S. and PLO representatives, State Department deputy spokesman Richard Boucher said that PLO reaffirmation of its commitment to take practical steps toward peace was "a very principal focus of the dialogue," but he added, "We didn't say if they don't (reaffirm the commitment) we will stop" the dialogue.

At a meeting last week, also in Tunisia, Al Fatah, the main PLO branch, approved a program that advocates "intensifying and escalating armed action and all forms of struggle to eliminate the Zionist Israeli occupation."

The State Department last week said the program contains "derogatory rhetoric" and raises questions about Fatah's commitment to peace.

A major U.S. topic at Mondays' meeting -the fourth formal U.S.-PLO meeting in Tunisia -was urging the PLO to support a dialogue between Israel and Palestinians.

"We continue to believe that through an Israeli-Palestinian dialogue, progress can achieved in moving the process forward to elections and to peace negotiations," said Boucher.

The United States is seeking a "positive Palestinian response to the Israeli election idea." he added.

The Israeli plan, which would have Palestinians in the territories vote to elect leaders to negotiate autonomy measures, has been criticized by Arab countries and the PLO for not automatically providing for the creation of a Palestinian

For the past few months, the United States has been pressing the PLO to support the elections idea and to allow moderate Palestinians to talk to Israel.

Boucher would not describe the PLO response to any issues raised by Robert Pelletreau, the U.S. ambassador to Tunisia and the sole U.S. diplomat allowed to talk to the group.

Pelletreau said after the meeting that the talks were "serious and probing." He said the next "milestone," but not the last in the search for a Middle East peace, is Palestinian elections in the territories.

Yasir Abed Rabbo, a member of the PLO's executive committee, led the PLO delegation to the meeting, which was held at the request of the United States.

IDF DETAINS TRUCK-BOMBER'S HELPER; SLA BEGINS NEW SECURITY REGULATIONS By Hugh Orgel

TEL AVIV, Aug. 14 (JTA) - The Israelibacked South Lebanon Army has tightened security regulations in the southern Lebanon security zone following the suicide truck-bomb attack on an Israel Defense Force-SLA convoy last Wednesday.

The SLA, which polices the zone jointly with the IDF, is enforcing a rule that requires at least two persons to be in a vehicle at any time, whether moving or standing.

The premise is that two people are less likely to launch a suicide attack. Failure to comply with the regulation could lead to confiscation of the vehicle.

One SLA and five IDF soldiers were injured in the Aug. 9 incident. The suicide bomber was identified as Sheikh Assad Biro, a member of the extremist Hezbollah, or Party of God.

The IDF disclosed that a 29-year-old resident of Markabeh village in the security zone was detained shortly after the truck-bomb attack on suspicion of having helped Biro.

According to an IDF spokesman, the suspect, who was not identified, lived in Beirut when he was recruited by Hezbollah.

He was then sent back to the security zone to recruit other young people to join the extremist pro-Iranian Shiite organization, the spokesman

The purpose was to establish cells inside the security zone to attack IDF and SLA targets.

The suspect recruited, among others, his friend Biro, who is a friend of Sheikh Abdel Karim Obeid, the Hezbollah leader abducted by Israeli commandos on July 28 from his home in southern Lebanon.

According to the IDF, Biro drove into the security zone in a General Motors red pickup truck already laden with explosives.

Biro stayed at the house of the suspect, who allegedly guided Biro to the best spot from which to attack the convoy and left him shortly before the convoy approached.

The new security regulations announced by the SLA on Sunday include the issuance of license plates and drivers' licenses.

Neither has been in force for years because of the chaotic situation in Lebanon. Residents of the security zone are complaining that they are being forced to comply with a rule that doesn't apply elsewhere in the country.

Some say it is a prelude to incorporation of the security zone into Israel.

ISRAEL MULLS PUNISHING REPORTER FOR ERRONEOUS STORY ON CAPTIVES By Hugh Orgel

TEL AVIV, Aug. 14 (JTA) — Israeli authorities are considering penalties against a correspondent of the Sunday Times of London for filing a story which claimed that two Israeli soldiers held hostage by Hezbollah in Lebanon are long dead, Ha'aretz reported Monday.

The story, widely quoted here and abroad, was not submitted to the military censor.

Davar on Monday quoted a reliable diplomatic source in Washington as saying that Israel has information indicating that the soldiers held by Hezbollah were alive several months ago.

Contrary to the Sunday Times story, the IDF

never informed the families that the men died in captivity, Davar said.

The Sunday Times story claimed that the kidnapped Hezbollah chief, Sheikh Abdul Karim Obeid, told his Israeli interrogators that the soldiers, Yossi Fink and Rahamim Alsheikh, died of wounds shortly after they were ambushed and kidnapped in southern Lebanon three years ago.

Israel declined to comment but an IDF spokesman suggested that Hezbollah was engaged in a disinformation campaign. Senior IDF officers apparently alerted the

soldiers' families Saturday that the story would appear in the London newspaper the next day.

The families reportedly were told that the

IDF considers the soldiers to be alive until informed otherwise by a credible source, such as the Red Cross.

The Times correspondent who may face charges for censorship violation is not the London weekly's regular correspondent in Israel but only visits Israel on special assignments.

ISRAELI FOUNDATION IN W. GERMANY CHARGED WITH LAUNDERING MONEY By David Kantor

BONN, Aug. 14 (JTA) — An Israeli foundation, the Keren Fritz Naphtali, has been exposed as part of a money-laundering operation used to illegally finance political activities of the opposition Social Democratic Party.

Although it has been under investigation for two years, the federal prosecutor appears to have finally substantiated and documented charges against the institution, which is close to Israel's Labor Party.

But there are no plans to charge Israeli employees at the Naphtali foundation or seek their extradition, a prosecution spokesman said Monday.

According to investigators, the West German foundation Friedrich Ebert Stiftung, which is close to the SPD, transferred large sums of money to the Naphtali foundation for alleged educational activities.

Part of those funds were used to promote education programs. But part was transferred to a Zurich bank account for laundering, the prosecution contends, before being sent back to West Germany to help finance SPD campaigns and facilities.

Foundations like the Ebert Stiftung receive both taxpayers' money and donations for cultural and other activities at home and abroad.

But it is illegal to use those monies to finance political activities.

The magazine Der Spiegel reported Monday that the prosecution traced a secret SPD office to which the Naphtali foundation funneled money by way of the Zurich account.

The office, called "Institution for International Contacts," was run by a high-ranking official of the Ebert Stiftung foundation.

The prosecution has begun proceedings against two former Ebert Stiftung managers, Guenter Grundwald and Walter Hesselbach. Hesselbach, a banker, is one of Israel's most devoted friends in SPD circles.

The two will be charged with complicity to evade taxes.

It is assumed here that the money, laundered by the Naphtali foundation, came from private donors and was processed by the Ebert foundation to make it tax-deductible.

SAN DIEGO NEWSPAPER FIREBOMBED: SECOND ATTACK IN FOUR MONTHS By Allison Kaplan

NEW YORK, Aug. 14 (JTA) -- A San Diego Jewish newspaper is struggling to carry on business as usual in the face of two recent firebomb attacks, both of which occurred on Jewish holi-

The latest attack took place Thursday, Tisha B'Av, at the offices of the San Diego Jewish Times in the suburb of El Cajon.

The bombing appears to have been a repeat attack. The Times was also firebombed April 22, the third day of Passover.

In both cases, damage to the building was minimal. The bombs were deflected by the bars on the windows of the offices and exploded outside, mainly scorching the exterior.

Morris Casuto, director of the San Diego office of the Anti-Defamation League of B'nai B'rith, said it was possible that the attackers specifically chose Jewish holidays for their attacks in an effort to intimidate the Jewish com-

Before the first bombing, the newspaper received threatening phone calls saying "the bars (on the windows) won't stop the bombs" and that "Jewish newspapers don't belong in El Cajon."

After Thursday's bombing, according to Times editor Carol Rosenberg, the newspaper also received two hate calls.

The first time, the caller said, "Sorry about what happened but we warned you," apparently referring to last April's attack. The employee receiving the call hung up on the caller, and immediately received another call.

This time, the caller said, "How dare you hang up on me. Heil Hitler."

Police believe the two incidents, both of which occurred in the early morning hours, are linked.

Similar Methods

"The method of the attack is similar, which leads us to believe it's the same suspect or suspects," said Lt. Bob Lein, investigations commander for the El Cajon police department.

There are several neo-Nazi and Skinhead groups in the San Diego area, most notably Tom Metzger's White Aryan Nations group. In an interview with a San Diego newspaper, Metzger denied having any connection with the first attack on the Times, saying that the newspaper was "small potatoes."

Lein said, however, that "we are not ruling anybody out" in the police investigation.

The newspaper's offices had been the targets of anti-Semitic attacks even before the bombings, with windows broken and swastikas scrawled on

The Times is an independent weekly newspaper which has been published by Rosenberg's husband Garry for the past 10 years.

A \$2,500 reward for information leading to those who bombed the offices in April had been offered. Since Thursday's bombing, the reward has been increased to \$10,000.

The money is being offered by the newspaper, the Anti-Defamation League of B'nai B'rith and the local Crimestoppers organization.

Rosenberg said that the attackers had failed to intimidate any members of her staff, and that personally, she was more saddened by the attacks than afraid.

ANOTHER FRIEND FROM CONGRESS DIES IN MISSISSIPPI PLANE CRASH By Howard Rosenberg

WASHINGTON, Aug. 14 (JTA) -- U.S. Rep. Larkin Smith, a Mississippi Republican who was killed in a plane crash Sunday, was "a rising star" among Israel's supporters in Congress, a pro-Israel lobbyist said Monday.

News of the death of Smith came a day after pro-Israel forces learned they had lost a longtime friend in the House of Representatives.

Rep. Mickey Leland died in a plane crash last Monday in Ethiopia, Leland, a Democrat from Houston, was a former chairman of the Congressional Black Caucus and one of the caucus' staunchest supporters of Israel.

Leland supported every House vote to reject arms sales to Arab countries. He also had a

strong record on aid to Israel.

"Mickey always wanted Washington's rela-tionship with Jerusalem to be close and strong," said Thomas Dine, executive director of the American Israel Public Affairs Committee in a statement released Monday.

AIPAC sources also had praise for Smithwho was elected to the seat formerly held by now Sen. Trent Lott (R-Miss.) -- as someone who voted consistently in favor of aid, including the 1990 fiscal year foreign aid bill which contains \$3 billion in all-grant aid to Israel.

AIPAC lobbyists are often impressed when lawmakers with few Jews in their districts support the foreign aid bills, which have a small domestic constituency of support.

They are even more impressed when a conservative Republican like Smith does so, since conservatives are more apt to oppose bills using taxpayer money to help foreigners when the money could stay in the United States.

Smith also co-initiated a letter to President Bush two weeks ago urging him not to blame Israel for Hezbollah's murder of Lt. Col. William Higgins. The letter was signed by 59 House members, 57 of whom are Republicans.

Not Improper Action

"Contrary to some of the signals being sent from Washington, the murder of Lt. Col. William Higgins was not the result of improper action by Israel," the letter stated.

Other Jewish groups Monday had praise for Leland's activities on behalf of Ethiopian Jews and Israel

Rabbi David Saperstein, director of Reform Jewry's Religious Action Center, said Ethiopia's leader, Lt. Col. Mengistu Haile Mariam, trusted Leland more than he did any other U.S. citizen. He predicted that it will take years to fill that void of trust.

Leland was involved in the Reform movement's "Project Reap," which provided famine and medical relief at refugee camps in Ethiopia.

Saperstein, who met with Leland last Friday, a day before Leland left for Ethiopia, said Leland was to pass through Gondar and talk to Ethiopian authorities about the immunization program.

Leland last month wrote a fund-raising letter for Saperstein's group to raise funds for the medical relief efforts.

Saperstein also said a void now exists in the

Black Caucus in support for Israel. Though he said Leland's surviving colleagues are "deeply committed" to Israel, "none of them has been as visible or as far out front as Leland has"

TOUTED AS ALTERNATIVE TO AIPAC, NEW LOBBY IS VIEWED SKEPTICALLY By Andrew Silow Carroll

NEW YORK, Aug. 14 (JTA) — Organizations and individuals on the Jowsh left have never been shy about criticizing the American Israel Public Affairs Committee, the large and powerful lobbving force in Washington.

Its Jewish critics have accused AIPAC of being too closely aligned with conservatives in this country and unwilling to challenge the policies of a right-wing Israeli government. But these same critics are skeptical of a

newly formed group, the Jewish Peace Lobby, that is promoting itself as an alternative Jewish lobby. Whether it is the purported pro-Palestine Liberation Organization philosophy of the new group or its assumption of turf already staked out by their own groups, leftists and other critics of

AIPAC say the new group doesn't deserve the

kind of attention it has received in recent weeks.

The Jewish Peace Lobby is headed by Jerome
Segal, a research scholar at the Institute for
Philosophy and Public Policy at the University of
Maryland. The new lobby supports an independent,
but demilitarized, Palestinian state.

Segal claims the group's supporters include 125 rabbis and "several dozen prominent American Jews," as well as coordinators in 50 congressional districts in 22 states.

Among those listed as endorsing the group are Robert Friedman, graduate dean of the Baltimore Hebrew University; sociologist Nathan Glazer of Harvard University; New York rabbis Balfour Brickner and Marshall Meyer; actor Edward Asner; and writers Anne Roiphe, Grace Paley and Gloria Steinem.

Not In Conflict

50,000 members.

Toby Dershowitz, a spokeswoman for AIPAC, said her group has not commented on the Peace Lobby specifically. However, "AIPAC does not seek to quash any voices or any opinions," she said.

Segal said that on some key issues, the lewish Peace Lobby is not in conflict with AIPAC -- specifically, it supports a "substantial flow of U.S. support for Israel" and opposes the sale of sophisticated weaponry to Arab states.

Where they differ, he said in a telephone interview, is in their views on the peace process.

Segal is already taking credit for a piece of congressional legislation, calling it the Peace Lobby's first "victory."

Last month, the House and Senate passed legislation praising Israel for reopening West Bank schools it had closed for security reasons and urged both sides not to use the schools for political purposes.

"This is the first time that the Congress had addressed the intifada and the Israeli approach to it," said Segal.

But many groups that have taken on AIPAC, think Segal's claims are exaggerated.

They point out that while Segal hopes to operate his lobby on a \$500,000 annual budget, his current holdings are far less. AIPAC, by comparison, has an \$8 million annual budget and

"The Jewish Peace Lobby is a joke," said Steven Silberger, Washington representative of the American Jewish Congress. "Jerome Segal is the PLO's man in Washington from the Jewish community. He's attached himself to the Arab lobby,

which pound for pound is the weakest lobby in town."

According to Silberger, a quartet of major

American Jewish organizations already act as a counter to AIPAC: AJCongress, the Union of American Hebrew Congregations, the Anti-Defamation League of B'nai B'rith and the American Jewish Committee.

While port registered as Jobbies these groups

While not registered as lobbies, these groups can devote a portion of their resources to lobbying activity.

"We are a correcting mechanism to AIPAC's excesses. When AIPAC screws up, it's important that there be Jewish institutions that can clean up the mess," said Silberger.

Going head to head against AIPAC, AJCongress and the UAHC lobbled strongly, and successfully, against the recent Helms amendment, which would have put strict and almost insurmountable restrictions on the U.S.-PLO dialogue.

Looking For Strategies

In addition, there are other, smaller organizations on the left which "are looking for strategies which can help senators and congressmen create a critical position vis-a-vis the Israeli government's policies and still be supportive of Israel," said Gary Brenner, representative of the North American office of Mapam, the leftist Israeli party.

Friends of Peace Now Project Nishma and

Friends of Peace Now, Project Nishma and Brenner's group are not lobbies, but "educational" organizations that position themselves further to the left of mainstream groups like AJCongress.

But these and other smaller groups have their own problems with Segal. One activist said Segal lacked "credentials"

in the Jewish world, and more than one criticized Segal for coming initially to the Middle East debate not as a supporter of Israel but as a proponent of the PLO. Segal has worked closely with Palestinians.

Segal has worked closely with Palestinians, having met PLO leader Yasir Arafat as a member of a delegation of American Jews who traveled to Tunis in June 1987.

Segal's writings have appeared frequently in the Arabic press and include what many, including Segal, regard as a document that led the PLO to issue its declaration of Palestinian statehood.

Regards Himself A Zionist

But Segal said that he regards himself as a Zionist. "I believe that the Jewish people have a right to a state in the Middle East. I never equivocate on that. Now, what I've argued for a long time is that Israel's security as well as Jewish values can best be preserved by going back to the common sense of a two-state solution."

And while his brochure for the Jewish Peace Lobby does not list any specific criticism of the PLO, Segal said he has called on the PLO leadership to renounce terrorism, disband the PLO and "take their covenant with them."

It remains to be seen whether Segal can become a force in Washington. In the meantime, few of the best-known names on the Jewish left are rushing to join his lobby.

According to Leonard Fein, former editor of Moment magazine and a noted activist, "No single party in this incredibly complex situation has a monopoly on wisdom, and I'd not like to see a situation in which the debate that does go on is the exclusive domain of AIPAC on the one hand and peripheral actors on the other."