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**ISRAEL REACTS WITH PAIN, SURPRISE
AT TOUGH TALK FROM WASHINGTON**

By David Landau

JERUSALEM, June 14 (JTA) -- Israel has reacted with hurt and astonishment to the stern rebuke it got from U.S. Secretary of State James Baker during his appearance Wednesday before the House Foreign Affairs Committee in Washington.

The secretary bluntly accused Israel of not being serious about peace. Attempts by the Bush administration Thursday to soften the blow did little to soothe the injured feelings here.

With their new government in office only since Monday, the Israelis feel unfairly pushed by their American allies.

"Never mind 100 days of grace, they're not even giving the new government 100 hours of grace," Prime Minister Yitzhak Shamir's spokesman, Avi Pazner, said Thursday.

"A little patience would be in place to give the new government a chance to formulate its policy," Pazner added.

Israeli officials complained that President Bush had not bothered telephoning Shamir to congratulate him on forming a new government, nor had he responded to Shamir's message of congratulations on the president's 66th birthday.

Nor has there been any American response yet to broad hints from the new foreign minister, David Levy, for an early invitation to Washington to meet with Bush and Baker.

In Washington, a State Department official said that neither Shamir nor Levy had asked the United States for invitations to visit.

"There are not usually any invitations," the official said. "Usually they (the Israelis) say they would like to come. Nobody said they are not welcome."

The State Department also made the point that it is waiting for Israel to approach the United States on restarting the peace process, which so far Israel has not done.

Pazner said the prime minister intended to renew the high-level dialogue with the United States "soon" and was confident it would not be conducted by telephone.

Genuinely Committed To Peace

Observers here also point to a series of deliberately moderate-sounding statements by Shamir and Levy since the new government was installed Monday.

They said a number of statements were aimed at easing tension between Jerusalem and Washington. Israel was therefore taken aback by Baker's sharp comments, which have been characterized on both sides of the Atlantic as the harshest public criticism of Israel by a U.S. secretary of state.

Baker was clearly angered by Shamir's refusal to accept the American formula for Israeli-Palestinian negotiations. He accused Shamir of adding new conditions that virtually rule out talks with the Palestinians.

He referred to a Shamir interview in the Jerusalem Post that quoted the prime minister as saying he would talk only to Palestinians who accepted Israeli terms in advance.

Baker also bridled over reported remarks by

other members of the new Israeli government that the American plan was no longer relevant.

The Israelis were stung when Baker announced the White House telephone number and said, "When you're serious about peace, call us."

Levy, addressing the Foreign Ministry staff Wednesday, his first day on the job, said it was wrong to regard the new government as hard-line.

It is genuinely committed to the pursuit of the peace process, the foreign minister said. He added that he would try to explain to the Americans the points on which Israel could not give ground and those where progress was possible.

Levy said there are certain basic principles on which Israel and the United States see eye-to-eye. He noted that the highest levels of the American administration repeatedly have asserted U.S. opposition to a separate Palestinian state or to forcing Israel to accept the Palestine Liberation Organization as a negotiating partner.

What is needed is to reach a solid agreement on those two cardinal points and proceed from there, Levy said.

White House Defends Baker

In Washington, State Department spokeswoman Margaret Tutwiler defended Baker's rebuke to Israel, saying it was made in response to "very public comments" made by various officials in the new Likud government.

At the White House, press spokesman Marlin Fitzwater said President Bush "agrees with (Baker's) position absolutely."

"In the final analysis, the parties in the region have to want peace," Fitzwater said. "And what (Baker) was saying was basically that if they want peace enough to get a dialogue going, it will happen and give us a call."

Fitzwater revealed that after Baker announced the White House telephone number, it received 6,000 to 8,000 calls evenly divided about the secretary's remarks.

In the organized Jewish community, however, there was no such divide, as Jewish groups sprang to Israel's defense.

In New York, the Conference of Presidents of Major American Jewish Organizations said Baker's testimony was "both surprising and disturbing, coming as it did just one day after the new government took office in Israel."

B'nai B'rith urged the Bush administration to "give the newly constituted government of Israel a chance to formulate its peace program."

Likewise, the Anti-Defamation League of B'nai B'rith urged the U.S. government to "avoid prejudging the new administration until Mr. Shamir has the opportunity to clarify and develop his peace proposals."

The United Synagogue of America, while admitting that the Conservative movement had "reason to be wary of the new government," nevertheless urged Baker to tone down his criticism of Israel. "Tough talk is not what's needed now," it said.

The Zionist Organization of America said Baker's "words and manner show a disrespect to a friendly nation and should have been more properly directed to Yasir Arafat."

(JTA correspondent Howard Rosenberg in Washington contributed to this report.)

**NEWS ANALYSIS:
PROSPECTS FOR EARLY ELECTORAL REFORM
DIM WITH ADVENT OF SHAMIR GOVERNMENT
By David Landau**

JERUSALEM, June 14 (JTA) -- The prospects for speedy electoral reform in Israel dimmed significantly this week after Prime Minister Yitzhak Shamir's new coalition government was installed.

Despite rapidly growing public support for changes in the way Israel elects its leaders, Shamir was notably less than enthusiastic on the subject when he presented his new government to the Knesset on Monday.

While he did not object to reform "in principle," he cautioned against abandoning the present system without the most careful consideration of the alternatives.

Having achieved his goal of a Likud-led nationalistic regime by unabashed haggling and deal-making that many members of his own coalition have denounced as demeaning, Shamir appears in no hurry to change the system.

Some of his coalition partners actively oppose reform, notably the right-wing Tehiya party, the ultra-Orthodox Shas and, to a lesser degree, the National Religious Party.

Although they are minor parties with small constituencies, they wield disproportionate political power under the present electoral system and are loath to change it.

The addition of the ultra-Orthodox Agudat Yisrael party to the coalition, now confidently predicted by Likud, would be a further setback to electoral reform.

Agudah's four votes would give Shamir a comfortable 66-54 vote margin in the Knesset. That would enable him to renege on his promise to Rafael Eitan, leader of the two-seat Tsomet party, who demanded a commitment to electoral reform as a condition of joining the coalition.

NJCRC Supports Reform

The prime minister is bucking a popular trend toward reform that has been gathering momentum in Israel for months.

There is also growing support for Israeli electoral reform among influential Jewish groups overseas. The National Jewish Community Relations Advisory Council, meeting Monday in Indianapolis, called on Israel's leaders to give reform their urgent attention.

"NJCRC supports reform of the electoral system in Israel and will support the overwhelming majority of Israelis who seek such reform," said Arden Shenker, chairman of NJCRC, the coordinating, planning and advisory body for Jewish community relations in the United States.

Four bills providing for direct election of the prime minister were introduced in the Knesset last month and passed their first readings by substantial margins. They are now awaiting action in the Knesset Law Committee.

Other legislation may be introduced soon that would have at least part of the Knesset membership elected directly by region.

But Shamir was decidedly lukewarm about these ideas Monday. "I am concerned that too much enthusiasm for change, in the wake of the political crisis of the last few months, will cause things to be carried out hastily, throwing out the good with the bad, only to find ourselves trapped in a different system not necessarily any better than the present one," he told the Knesset.

**JEWISH BOY STABBED IN JERUSALEM
IN SECOND KNIFE ATTACK THIS WEEK
By Gil Sedan**

JERUSALEM, June 14 (JTA) -- Enraged Jews took to the streets demanding revenge Thursday after the stabbing of an 11-year-old Jewish boy by an Arab girl, apparently in her teens, at a Jerusalem bus stop.

It was the fourth Arab stabbing in Jerusalem this year and the second in a week.

The victim, Idan Mizrahi of East Talpiot, underwent surgery at the Hadassah-Hebrew University Hospital in Ein Kerem for a back wound. He was not seriously hurt and was expected to be released from the hospital Friday.

Police sealed off Sur Bahir, an Arab village near the bus stop where the assailant reportedly escaped. At least 25 suspects were detained for questioning.

The police also rushed reinforcements to the adjacent Jewish neighborhoods to prevent residents from accosting Arabs.

Jerusalem Police Commander Arye Bibi visited the scene to try to calm tempers. He said that while he was not surprised to hear of another knife attack, he was surprised that the attacker chose to stab an 11-year-old.

The alleged assailant was described by an eyewitness, 8-year-old Nir Avrahami, as a curly-haired girl of about 16, dressed in white and wearing dark glasses. She sat next to Mizrahi.

"Suddenly, she pulled out a knife, stabbed the boy in the back and ran toward Sur Bahir," Avrahami recounted.

The victim told his father, Yitzhak Mizrahi, that he dropped his bus ticket and was stabbed as he bent down to pick it up. He said he saw the girl run away.

Doctors said the wound was superficial because the knife did not penetrate deeply.

Ursurge Of Arson Reported

The incident raised tempers to fever heat only two days after 18-year-old yeshiva student Yosef Edri was stabbed near Damascus Gate in the Old City. Edri was hospitalized, but his wounds were not serious. His assailant fled and is still the object of a manhunt.

Meanwhile, a wave of intifada-related arson against Jewish crops has sparked concern in Israel, drawing a threat of collective punishment for Arab villages from the new minister of agriculture, Rafael Eitan.

Crop fires have become an almost daily occurrence along Wadi Ara, in the Jezreel Valley and the Mount Gilboa region.

An acre of olive trees was set afire Wednesday night, near Kibbutz Magal, southeast of Hadera.

Eitan, who was Israel Defense Force chief of staff during the invasion of Lebanon and now heads the right-wing Tsomet party, said punitive measures would be taken for damage caused agricultural products.

Eitan visited Kibbutz Nir Eliahu near the Arab town of Kalkilya, which lies in the West Bank just across the Green Line from Israel proper. A cornfield there had been set on fire, and damage was done to agricultural implements.

"Kalkilya will pay a thousand times over for every water sprinkler that will be damaged," Eitan said. He said water quotas of neighboring Arab villages should be reduced and fines imposed on the residents.

WEST GERMAN ADMITS HE HELPED LIBYA WITH PLANT, BUT NOT FOR POISON GAS

By David Kantor

BONN, June 14 (JTA) -- A West German industrialist admitted in court Wednesday that he had illegally sold Libya equipment, substances and know-how to build a chemical plant in the remote desert town of Rabta.

But Jurgen Hippenstiel-Imhausen, founder and former manager of Imhausen-Chemie, stopped short of admitting that the heavily guarded plant was built to produce poison gas and other chemical warfare weapons.

In the third day of his trial, which is being held in the city of Mannheim, Imhausen dropped a political bombshell when he implicated the largely state-owned chemical giant, Salzgitter A.G., in his admittedly illegal transactions.

Imhausen said that Salzgitter, as a subcontractor for Imhausen-Chemie, had been deeply involved in shipping equipment and substances to Rabta.

The Bundestag, as West Germany's parliament is called, was expected to examine Salzgitter's role in the affair on Friday.

Imhausen, who spent more than a year in jail in Mannheim before going to trial, is accused of tax fraud and evading the export laws. He admitted failure to pay taxes on \$16 million of undeclared profits from his Libyan deals.

The prosecutor said Thursday that he would try to extract an admission from Imhausen that he knew he was helping the Libyans produce poison gas. But failing that, he would prove the charge, the prosecutor said.

He noted that Imhausen has already conceded he tried to conceal his activities by setting up a dummy company in Hong Kong to ship materials to Libya. He did that, he said, to avoid further damage to West Germany's image abroad.

OSI SEEKS TO STRIP CITIZENSHIP FROM 82-YEAR-OLD FORMER SS GUARD

By Susan Birnbaum

NEW YORK, June 14 (JTA) -- The Justice Department's Office of Special Investigations has begun proceedings to strip a southern California man of his U.S. citizenship for concealing his wartime service in the Nazi SS.

OSI filed a denaturalization complaint Thursday in Los Angeles against Johann Ziegler, 82, a native of Kuzura, now Yugoslavia, but at the time of his birth the Austro-Hungarian Empire. He now lives in the southern California desert town of Hemet.

Ziegler allegedly served as an SS guard at the concentration camp in Kaunas (Kovno), Lithuania, and at the Stutthof concentration camp and its slave-labor subcamp, Gotenhafen, near what was then Danzig, Germany, and is now Gdansk, Poland.

Neal Sher, director of OSI, said the complaint, filed with the help of the U.S. attorney's office in Los Angeles, alleges that Ziegler wilfully concealed his service as an armed guard and his membership in the SS Death's Head Battalion units at those camps when he applied to immigrate to the United States in 1953 and again when he applied in 1960 for U.S. citizenship.

Ziegler entered the United States from Vienna, according to the Simon Wiesenthal Center in Los Angeles. He claimed at the time to have been a German soldier.

According to the complaint, Ziegler served at the three camps between November 1943 and March 1945, when thousands of prisoners died from executions and the rigors of slave labor under inhumane conditions.

The Stutthof camp had a small crematorium, according to Aaron Breitbart, senior research associate at the Wiesenthal Center.

The complaint alleges that Ziegler personally participated in the persecution of civilians on the basis of their race, religion, political opinion or national origin.

The U.S. government said Ziegler's citizenship must be revoked because it was illegally obtained by misrepresentation of his wartime activities.

The complaint further alleges that Ziegler lacked the good moral character required of petitioners for U.S. citizenship.

Ziegler's name came up on documents that disclose his service in the SS as part of ongoing OSI research efforts, said Sher.

To date, 32 Nazi war criminals have been stripped of their citizenship and 27 have been removed from the United States. OSI is currently investigating more than 600 persons for war crimes.

Ziegler has 60 days within which to answer the complaint.

JTS CHANCELLOR PRAISES GERMANS FOR COURAGE IN CONFRONTING PAST

NEW YORK, June 14 (JTA) -- A leading Conservative rabbi praised the Federal Republic of Germany on Wednesday for its "moral courage" in accepting responsibility for the crimes of its past.

In a departure from traditional Jewish statements about the German role in the Holocaust, Ismar Schorsch, chancellor of the Jewish Theological Seminary, lauded German willingness to accept the blame for the crimes of the Third Reich.

"Never has a country gone to such lengths to atone for past crimes," Schorsch said at a ceremony in Heppenheim, West Germany, honoring the 25th anniversary of the death of Jewish philosopher and theologian Martin Buber. A text of his remarks was made available by the seminary here.

"The government of Konrad Adenauer admitted the full extent of German culpability for the Holocaust and inaugurated a vast, and still ongoing, program of reparations. The spirit of that unprecedented act of moral courage eventually permeated to nearly all corners of German society."

Citing a Talmudic saying, "Happy is the generation whose leader brings a sacrifice (of atonement) for his errors," Schorsch credited West Germany for serving as a "noble example" to other countries.

He referred specifically to East Germany, whose first freely elected, non-Communist government on April 12 declared its shared responsibility for the crimes of the Holocaust and promised to institute just compensation for material losses.

It was an astonishing admission from a country which, until very recently, had maintained no responsibility for Nazi crimes.

Although such apologies have not served to "undo the dark past," said Schorsch, they have made possible a "wholesome future in which a united Germany will remain a steadfast ally of Israel and the Jewish people."

**WORK STOPPAGE PARALYZES ISRAEL
IN FIRST WEEK OF NEW GOVERNMENT**

By Hugh Orgel

TEL AVIV, June 14 (JTA) -- Prime Minister Yitzhak Shamir's new government weathered its first labor crisis Thursday.

Close to a million workers were idled by a general strike called by Histadrut, the trade union federation. It was fully observed in some quarters but amounted to little more than token work stoppages in others.

Fisticuffs erupted at a textile plant in Afula, where some 200 employees reported for work in defiance of strike orders. Six workers were injured and received first aid. Police detained eight local union officials for questioning.

No other violent incidents were reported.

Finance Minister Yitzhak Moda'i, who was sworn into office Monday, estimated the walkout cost the economy \$750,000.

He proved powerless to avert it. Although Histadrut Secretary-General Yisrael Kessar was prepared to postpone the strike as a goodwill gesture, he was overruled by Chaim Haberfeld, head of Histadrut's Trades Union Department, and by the central and local strike committees.

The general strike was called more than two weeks ago to protest the government's alleged procrastination of negotiations for new wage contracts. The trade union federation also expressed its displeasure over Israel's worsening economic situation and record unemployment.

But according to Histadrut, the strike was not aimed specifically at the new right-wing coalition government, which had not even been formed when it was called.

All central and local government employees observed the strike, except for a handful at the Finance Ministry. Every bank in the country was closed, except the Mizrahi Bank owned by the National Religious Party. The Tel Aviv Stock Exchange was closed, too.

The Egged and Dan bus cooperatives operated normally by arrangement with the central strike committee. But rail services were halted.

Airport, Radio And TV Shut Down

Ben-Gurion Airport was shut down from 9 a.m. to 5 p.m. El Al suspended departures for that period. But Arkia, Israel's domestic airline, maintained limited service to Eilat.

The Israel Broadcasting Authority's radio and television programing was suspended. The army radio station continued to broadcast news and entertainment. But daily newspapers published on Thursday, contrary to an announcement that they would shut down.

High schools were closed, but elementary schools and kindergartens conducted classes as usual, though they started late because of a two-hour symbolic work stoppage by the teachers.

Major industrial enterprises were shut down by the strike, including the government-owned Israel Aircraft Industries and defense plants. An exception was Tadiran, a major manufacturer of communications equipment, whose employees "punished" Histadrut for its failure to back their special wage demands.

Histadrut-owned supermarket chains as well as private chains closed for only two hours, in a token observance of the strike.

Many workers spent their unscheduled holiday at the beaches, where lifeguards were on the job by special permission of their union.

DNC LEADER URGES END TO PLO TALKS

By Allison Kaplan

NEW YORK, June 14 (JTA) -- Democratic National Committee Chairman Ron Brown called on the Bush administration Thursday to suspend its talks with the Palestine Liberation Organization.

"This administration must suspend negotiations with the PLO until it lives up to its commitments, and it must do so right now," Brown told the Anti-Defamation League of B'nai B'rith, accepting its Civil Rights Achievement Award.

Brown's speech at ADL's 77th annual national commission meeting here focused on racism and anti-Semitism in domestic politics. He lashed into the Republican Party as he denounced David Duke, the white supremacist Louisiana state representative who is running for a U.S. Senate seat.

But he also had harsh words for anti-Semitism within his own party. He pointed out that when Rep. Gus Savage (D-Ill.) recently "resorted to blatantly anti-Semitic campaign tactics, I immediately condemned him. As I said at the time, I deplore this type of campaigning. I did not and do not support his candidacy for office."

Brown said blacks and Jews must work to maintain their alliance from the days of the civil rights movement. "We cannot let the bond disappear," he said.

JABRIL SAYS PRISONER SWAP IN THE WORKS

By Hugh Orgel

TEL AVIV, June 14 (JTA) -- A Palestinian terrorist leader claims the biggest prisoner exchange deal ever with Israel will take place within the next few months.

Ahmed Jabril, who heads the Popular Front for the Liberation of Palestine-General Command, said his organization is playing a key role, but it is too early to disclose the details.

Jabril was quoted in an interview published Tuesday in the international edition of the Kuwaiti newspaper Al-Kabas, which appeared in London. Ha'aretz picked up the story and reported it in Israel on Thursday.

Jabril stressed that Israeli prisoners held by Hezbollah, the pro-Iranian fundamentalist group in Lebanon, would not be released unless his organization agreed.

E.C. URGES PARDON FOR VANUNU

By Edwin Eytan

PARIS, June 14 (JTA) -- The European Parliament appealed to Israeli President Chaim Herzog on Thursday to pardon Mordechai Vanunu or at least commute the 18-year prison sentence imposed on Israel's convicted nuclear spy.

The 12-nation parliament, based in Strasbourg, France, agreed to take up the issue again in three months and review other possible courses of action.

Vanunu, a technician employed at the Israeli nuclear facility in Dimona, was convicted of espionage and treason for giving documents exposing Israel's alleged nuclear weapons capabilities to the Sunday Times of London for publication.

An appeal against his sentence was dismissed by Israel's High Court of Justice on May 27.

The European Parliament acted on a resolution introduced by two members of the British Parliament, representing the governing Conservative Party and the opposition Labor Party. A vote on it will be taken after the summer recess.