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**KIBBUTZNIK KILLED AND 3 WOUNDED
IN SECOND INFILTRATION THIS WEEK**
By Hugh Orgel

TEL AVIV, April 17 (JTA) -- A kibbutz worker was killed Wednesday morning and three others were wounded by an armed infiltrator from Jordan.

The gunman, one of a pair who managed to cross the border undetected, was killed shortly afterward in a brief exchange of fire with an Israel Defense Force unit, in which an officer was slightly wounded.

According to unconfirmed reports, the second intruder was also tracked down and killed by the IDF.

The shooting, at Kibbutz Neveh Ur in the Beit She'an Valley, less than a mile from the Jordanian border, was the second there in three days.

On Monday night, an armed infiltrator lying in ambush near the kibbutz seriously wounded a soldier before he was gunned down. The soldier, 1st Sgt. Doron Brauner, 22, was reported still in critical condition with chest wounds at Rambam Hospital in Haifa.

Wednesday's victim was identified as Gideon Ezra, 32, an unmarried kibbutz member who was killed instantly by automatic fire.

Three of his companions, one a volunteer from Britain, were wounded. They were rushed to area hospitals, where their conditions were reported not serious.

The four men were riding in a tractor-towed cart to work in a field west of the kibbutz when the assault occurred at about 8:45 a.m. local time.

The killer emerged from hiding, smiled broadly and sprayed the kibbutz members with automatic fire, eyewitnesses said.

The tractor driver, initially identified only as Daniel, was chased by the marauder but managed to escape unharmed and sounded the alarm.

Ninth Such Incident This Year

IDF units and helicopter gunships converged on the area to conduct a massive search. All towns and settlements in the area were put on high alert.

The intruder was traced by Bedouin trackers of the IDF and killed after a short gunfight. Documents on his body identified him as a Jordanian member of the Popular Palestinian Army.

Like the gunman killed in the same area Monday night, he carried a pamphlet from Hamas, the Islamic extremist movement active in the Palestinian uprising.

The infiltration was the ninth this year across the long-quiet Jordanian border and the first in which an Israeli civilian was killed.

Defense Minister Moshe Arens visited the scene Wednesday, accompanied by Lt. Gen. Ehud Barak, the IDF chief of staff, and Maj. Gen. Danny Yatom, commander of the central region.

They ordered an inquiry to find out how armed terrorists are managing to cross the border undetected in a densely populated region crisscrossed by well-traveled roads.

Yatom told reporters that the IDF held the Jordanian authorities fully responsible for preventing the attacks.

**NEWS ANALYSIS:
COMPLAINTS OF A U.S. POLICY SHIFT
SURFACE AS BAKER HEADS FOR ISRAEL**
By David Landau

JERUSALEM, April 17 (JTA) -- The latest round of talks between Secretary of State James Baker and Israeli leaders gets underway here Friday in an atmosphere troubled by fundamental policy differences between key Cabinet members and unofficial Israeli accusations that the United States is renegeing on some of its previous agreements.

In an off-the-record briefing in Washington this week, an unnamed "senior Israeli diplomat" claimed that the Bush administration seemed to be "backing away" from two major points discussed with Baker during his visit to Israel last week.

According to the anonymous official, the points at issue are Palestinian representation and the scope of the proposed regional peace conference that Israel has agreed to in principle.

The briefing, which must have received a "green light" from Jerusalem, appeared to be a way of drawing attention, before the talks with Baker resume, to what Israel finds unacceptable.

Officially, government sources here refused to comment Wednesday, saying they will wait until Baker raises the points.

Nevertheless, complaints have surfaced here that the Americans are not sufficiently discouraging their European allies from pressing for a role in the peace conference. Since Israel opposes a broader international conference, it does not want the Europeans to get involved.

The Israeli diplomat attributed the perceived American shift to the influence of Syrian President Hafez Assad, with whom Baker had a lengthy talk after leaving Jerusalem last week.

Assad reportedly demanded that the conference framework remain intact beyond the ceremonial opening session and that there be a United Nations or European Community component in addition to the United States and Soviet Union.

Europeans Want A Role

Reports from Brussels and Luxembourg indicated that the E.C. leaders were also insisting on a leading role in the peace conference. They were expected to press Baker on the matter at a meeting with him Wednesday evening in Luxembourg.

The E.C. leaders reportedly rejected an offer, made earlier this week in London by Israeli Prime Minister Yitzhak Shamir, to grant the E.C. observer status at the proposed conference.

Israel says the agreement it reached with Baker last week was that the conference would be a brief ceremonial opening hosted jointly by the two superpowers. It would then dissolve permanently while Israel engaged in separate but parallel talks with the Arab states and the Palestinians.

Jerusalem says its agreement to the conference in fact hinges on its entirely ceremonial and temporary nature. Israel would not accept a conference able to reconvene and impose its views on the parties in case of dispute.

The Israelis also firmly oppose the inclusion of Arab residents of East Jerusalem in the Pales-

tinian negotiating team. They say that would implicitly undermine their claim to sovereignty over the entire city.

Yet Baker is now reported to be suggesting the inclusion of such personalities as Palestinian activist Faisal Husseini, an East Jerusalem resident, who could be part of a joint Jordanian-Palestinian delegation because he carries a Jordanian passport. According to the Israelis, that would be a legalistic attempt to get around their objections.

Baker is scheduled to meet again Saturday with the Palestinian group, led by Husseini.

'Ready To Dance' With Palestinians

Meanwhile, two rivals in the ruling Likud bloc, Foreign Minister David Levy and Housing Minister Ariel Sharon, feuded publicly this week, creating the impression of a government seriously divided over peace issues, just as U.S. shuttle diplomacy seemed to be gathering steam.

Levy accused his hard-line colleague Tuesday of "destructive conduct" that will "torpedo the ongoing peace efforts."

He was responding to Sharon's speech to the Likud party foreign affairs committee Monday night, in which he attacked Levy's "zigzag policies."

Sharon said the foreign minister, a former opponent of the official government peace plan, had become the party's "biggest maker of concessions."

Sharon leads forces within and outside the government who make no bones about their opposition to Baker's peace moves and Israel's positive responses to them so far.

He is also pushing a new settlement drive in the administered territories, in open defiance of U.S. policy.

The outspoken general and former defense minister accused Levy of being "ready to dance a debka with those Palestinians who danced on the roofs as the Scuds landed in Tel Aviv."

A debka is an Arab folk dance.

Sharon targeted Levy's strong advocacy of the government's May 1989 plan, which would grant a modicum of self-government to Palestinians in the territories, and his support of the proposed regional peace conference.

Levy, in a spirited reply, insisted that his policies are fully consistent with the government's guidelines. He said Israel has made no commitments "to anyone" not to build new settlements. But the questions of timing and rhetoric are important.

Without mentioning Sharon by name, the foreign minister deplored "those who make rash declarations and blow with shofars."

Friction With Shamir

But in addition to confrontations with Sharon, signs of strain are developing in Levy's relations with Prime Minister Shamir.

Sources close to Levy have complained to reporters that Shamir and his aides are often dismissive or even contemptuous of the foreign minister.

Levy also feels he is not being kept fully informed of Shamir's separate conversations with Baker, the sources said. And the very fact that Shamir has excluded his foreign minister from his meetings with Baker is also deeply troubling to Levy.

Political observers say Levy's high-profile espousal of a pro-peace position has become an

embarrassment to Shamir, who must hold his right-wing coalition partners in line to preserve his government.

Sharon, for his part, also derided Defense Minister Moshe Arens for his decision last week to release some 1,200 Palestinians detained for intifada-related activity. The move was widely seen as a gesture toward U.S. opinion on the eve of Baker's arrival.

The housing minister was cautious in his comments about Shamir, who was in London when the Likud committee meeting took place Monday night.

But he faulted the Likud leader for agreeing to use the term "self-government," a switch Shamir said he made because "the Arabs don't like the word 'autonomy.'"

"Is this the Likud?" Sharon asked, shaking his head in simulated bewilderment.

(JTA correspondent Yossi Lempkowitz in Brussels contributed to this report.)

ISRAEL'S JEWISH POPULATION GREW BY 6.4 PERCENT IN THE LAST YEAR By Hugh Orgel

TEL AVIV, April 17 (JTA) -- Israel's Jewish population, put at 4 million, or 86 percent of the country's total populace, has been given a healthy boost by the influx of some 220,000 immigrants in the last year, most of them from the Soviet Union.

The latest population figures were released by the Central Bureau of Statistics on Wednesday, the eve of Israel Independence Day, marking the 43rd year of statehood.

Buoyed by the Soviet Jewish arrivals, the Jewish population grew faster than the overall population. Jewish population growth was 6.4 percent, compared with 5.9 percent for the population as a whole.

The demographics in Galilee, Israel's northern region, heralded the most dramatic change.

The Interior Ministry disclosed that 806,000 Jews now live there. While the Arab population is still larger in Galilee, its majority has been reduced to 51 percent of the total, down from 52 percent a year ago.

Interior Ministry sources said the continued immigration trend should result in parity between Jews and Arabs in Galilee within a year.

In fact, immigrant absorption was the theme of this year's Independence Day celebrations. In Jerusalem on Wednesday evening, a spectacular fireworks display marked the abrupt transition from the sober aspect of Yom Hazikaron, the Memorial Day for Israel's war dead, to the carnival atmosphere of Yom Ha'atzmaut.

The theme of immigrant absorption was stressed by President Chaim Herzog and Prime Minister Yitzhak Shamir, who spoke at the official opening ceremonies on Mount Herzl.

Veteran citizens and newcomers alike were selected to kindle each of the 12 Mount Herzl beacons, which symbolize the 12 tribes of Israel and the ingathering of the exiles.

Unlike as in earlier years, Israel no longer feels it necessary to parade its military might on Independence Day.

It is a festive occasion in which thousands of families take off for the beaches and parks, partaking in picnics and fun. There is, however, no relaxation of guard for the hundreds of soldiers and police assigned extra duty to protect the holiday-makers.

FIRM ALLOWED TO PLEAD NO CONTEST TO MATZAH PRICE-FIXING CHARGES

By Ron Ostroff

The Baltimore Jewish Times

BALTIMORE, April 17 (JTA) -- A federal judge has decided to allow the B. Manischewitz Co. to plead no contest to charges that it conspired with other firms to set the wholesale prices of Passover matzah products.

U.S. District Court Judge Harold Ackerman has set a hearing for April 26 in Newark, N.J., to formally accept the kosher food company's plea, which was opposed by federal prosecutors.

The judge made his decision April 11 in a two-paragraph order, received by attorneys in the case this week.

His action comes less than a year after he rejected a similar plea application, saying it would not be in the public interest. The judge's order gave no indication of his reasons for deciding to accept the new plea.

Under strict legal definition, a no-contest plea in a criminal case is equivalent to an admission of guilt in that case only. The defendant can still deny the same allegations in any other proceedings, such as civil lawsuits for damages.

Government lawyers argued against the no-contest plea because they said that, in the eyes of the public, it lacks the stigma of a guilty plea.

The prosecutors argued that such a plea -- even though it might bring a fine of up to \$1 million -- could signal to other companies that price-fixing is just a cost of doing business.

Gina Talamona, a Justice Department spokeswoman, said the government would not comment on the judge's decision to accept the plea.

Manischewitz, which claims to be the largest matzah maker in the world, has denied the charges of price-fixing. But it wanted to plead no contest to get the case behind it.

Five Class-Action Lawsuits

Lawyers for the company, which is based in Jersey City, N.J., argued that the firm had suffered enough because of the massive adverse publicity following the one-count indictment and the fine expected to be levied by the judge.

"It's an appropriate resolution of the case," Jim Plaisted, an attorney for Manischewitz, said of the no-contest plea.

"In essence, the company tried to practically resolve the situation so the company could move on and conduct its business," he said. "It's not pleading guilty to any offense."

Plaisted said five class-action lawsuits -- four by retailers and one by a California caterer -- asking for triple their damages caused by the alleged price-fixing "have been resolved in principle."

The federal indictment, brought in March 1990, just weeks before Passover, alleged that between "sometime in 1981 and continuing at least through April 1986," Manischewitz and unnamed others conspired "to suppress competition by fixing prices of kosher for Passover matzah products in the United States."

The indictment charged that Manischewitz and other conspirators made agreements about how much Passover matzah product prices would be increased.

The indictment said Manischewitz and the unnamed co-conspirators sold approximately \$25 million of Passover matzah products between 1981 and 1986.

ROMANIAN LEADER SAYS NATIONALISTS REVIVING IRON GUARD LEADER'S IMAGE

By Debra Nussbaum Cohen

NEW YORK, April 17 (JTA) -- Romanian Prime Minister Peter Roman told American Jewish leaders here Wednesday that while his government will not assist attempts by Romanian nationalists to resuscitate the image of a wartime fascist leader, the efforts are legitimate.

Romanian nationalists are working to rehabilitate the historical image of Gen. Ion Antonescu, whom they consider a hero for his efforts to fend off the communists, who took power in Romania in 1948.

Antonescu, leader of the Iron Guard, enacted anti-Semitic legislation and massacred Romanian Jews soon after coming to power through a bloodless coup in September 1940.

"Official rehabilitation is out of the question," said Roman, whose father was Jewish. But he added that "attempts to rehabilitate Antonescu are related to his actions against the Soviet menace, and that is true."

"Antonescu had a bad attitude toward Jews during the first moments of power," but "later he proved to be much more tolerant," Roman told members of the Conference of Presidents of Major American Jewish Organizations.

"As you know, the Jewish community in Romania did not suffer deportation. Only those who remained in northern Transylvania were deported," he said.

Roman "guaranteed that the government will not be part of giving Antonescu official hero's status," Abraham Foxman, national director of the Anti-Defamation League of B'nai B'rith, said after the prime minister's appearance.

"If Romania is moving toward democracy, we can't expect (the government) to take an active role in stopping nationalist groups from printing books and literature" about Antonescu, Foxman said.

The prime minister was joined at the meeting by Romania's permanent representative to the United Nations, Arel Draguls Munteanu, who is Jewish.

Munteanu told the Jewish leaders that Romania will vote to rescind the 1975 U.N. General Assembly resolution denigrating Zionism as a form of racism when the matter comes up for vote again at the United Nations.

He also said he is working to convince other nations to do the same.

AT&T SHAREHOLDERS DEFEAT PROPOSAL

By Debra Nussbaum Cohen

NEW YORK, April 17 (JTA) -- As expected, American Telephone & Telegraph Co. shareholders voted overwhelmingly Wednesday against a proxy proposal put forth by the National Alliance, a neo-Nazi hate group, that would have required the phone company to stop doing business in Israel.

Fully 96 percent of the votes came in against the proposal, according to reports from Chicago, where the company's annual shareholders meeting took place.

The AT&T board of directors recommended voting against the proposal.

The National Alliance proposal received 4 percent of the shareholders' 1.09 billion votes, just over the 3 percent required by the Securities and Exchange Commission to get the proposal included in next year's AT&T proxy statement.

B'NAI B'RITH, FACING LARGE DEFICIT, PLANNING LAYOFFS, BIG BUDGET CUTS

By Debra Nussbaum Cohen

NEW YORK, April 17 (JTA) -- The latest American Jewish organization to fall victim to the economic pressures that have forced several national Jewish groups to retrench is B'nai B'rith International.

B'nai B'rith, which bills itself as the largest Jewish organization in the world, is facing a \$2 million deficit this fiscal year, which ends June 30, and a \$2 million cut from next year's budget.

The organization is laying off 28 staff people, closing three regional offices of the B'nai B'rith Youth Organization and cutting 10 percent across the board from the B'nai B'rith Hillel Foundation budget.

The current \$2 million shortfall is being covered by drawing from what one B'nai B'rith leader called the organization's "considerable cash reserves, which are in excess of \$8 million."

Drawing from interest-earning cash reserves is generally considered a measure of last resort, explained Seymour Reich, the group's immediate past international president, because "you need to generate the income, and you can't use your principle as an operating account."

Looking to next year, B'nai B'rith officials predict no increase in income from fund raising, which has been flat for the last three years, and an increase in expenses because of inflation.

Based on these forecasts, the amount needed to maintain the size and strength of B'nai B'rith's staff and programs for the 1991-92 fiscal year would have been \$16 million.

But since the organization's fiscal management committee foresees another \$2 million deficit, it has proposed a budget cutback of that amount, which requires staff layoffs, regional office closings and program cutbacks.

At Least 28 Staff Layoffs

The proposed budget will be considered by B'nai B'rith's 104-member Board of Governors at its next semi-annual meeting in Washington on May 4 to 6.

At least 28 employees, both professional and clerical staff, are being laid off as of July 1. They are being taken from B'nai B'rith and BBYO offices across the country, according to Sidney Clearfield, B'nai B'rith's recently appointed executive vice president.

Three regional BBYO offices, in the Pacific Northwest, Central New York state and Illinois, will close, as well. BBYO runs programs for high school students.

Fully half of B'nai B'rith's yearly budget goes toward funding BBYO and the B'nai B'rith Hillel Foundation.

The impact of the youth-program cuts is that "there will be a void in BBYO and Hillel programs," admits Reich, who remains a member of the Board of Governors and is a member of the financial management committee.

BBYO and Hillel each receive about \$3.5 million annually from B'nai B'rith, a sum which is expected to be slashed by between \$280,000 and \$350,000. For Hillel, that means that the part of each chapter's budget that comes from B'nai B'rith will be cut by 10 percent.

Hillel has chapters on 105 campuses that are led by professionals and receive funding from B'nai B'rith. There are also student-led affiliates on 300 campuses, which do not receive funding.

The cutbacks will also impact all of Hillel's eight regional offices.

"Ours are not agencies with a lot of fat to trim from the budgets," said Richard Joel, international director of Hillel.

"We will not do across-the-board cuts again. We are not a salami," he said. "We felt right now the system would bear this cut."

Declining Membership Cited

While the \$3.5 million annual B'nai B'rith contribution to Hillel's budget is a relatively small part of Hillel's \$18.5 million funding, the 10 percent cut means some Hillel chapters will have to offer fewer activities to students, Joel said.

But he indicated that no Hillel offices would be closed.

Local Hillel boards of directors will raise the shortfall in some communities, Joel said. And Hillel "will have to look more aggressively in the future for major gifts and endowments," he said.

Up until the 1970s, Hillel was wholly funded by B'nai B'rith International. But now about \$8 million of funding comes from local federations, and another \$6 million to \$7 million is raised from parents and alumni, Joel said.

While Hillel and BBYO receive half of B'nai B'rith's annual budget, they are being spared, to some extent, the budget paring that the rest of the B'nai B'rith organization is facing.

Saving BBYO and Hillel from the harshest cuts is part of B'nai B'rith's emphasis on its youth programs.

Membership, organized through 1,400 lodges and units around the country, has historically been B'nai B'rith's focus. It is a system that suited a generation of Jews who were excluded from other fraternal organizations and clubs.

But some say the current generation of young Americans is looking for a different type of organization.

"People don't want to go to meetings any more," observed Reich. "They're perfectly happy to contribute their money and will only get involved in dramatic issues, like Israel."

B'nai B'rith's membership levels have been sinking for years.

Just five years ago, said Clearfield, the organization had 140,000 dues-paying members. Today that number is 115,000.

"Most lodges and units aren't functioning," said one former B'nai B'rith staff member, citing attrition as a major factor.

The Lodge 'Has Seen Its Day'

"A big internal study conducted three or four years ago found that the average age of members is 65," the former staffer said. "How many of the members today are under 50?"

"Leadership is going to take a real strong look at the efficacy of lodges and units," said Hillel's Richard Joel.

"There are lodges around the country which serve real strong roles in their communities. But as the basic social structure of the community, it has seen its day," he said.

While B'nai B'rith's executive vice president pledges the organization will not diminish its commitment to public affairs, education and culture, and serving senior citizens, Clearfield says B'nai B'rith's shrinking resources are being directed to programs for high school and college students for a clear reason.

"In the end," he said, "all we have is our young people."