

BAKER MAY RETURN TO MIDEAST TO FINALIZE PEACE CONFERENCE

By David Landau

JERUSALEM, Aug. 26 (JTA) -- Israeli officials have been advised by the Bush administration that Secretary of State James Baker may return to the Middle East as early as next week to lock up procedural agreements on the regional peace conference planned for October.

It would be Baker's sixth trip to the region since the Persian Gulf War ended in March. The trip hinges on whether the situation in the Soviet Union has stabilized sufficiently for Baker to absent himself from Washington.

The United States and Soviet Union agreed last month to co-sponsor the peace conference, which is intended to lead to direct talks between Israel and the Arab states and the Palestinians.

The failed military coup by Communist hard-liners in Moscow last week put the peace conference suddenly in doubt. But the two superpowers have since indicated they plan to hold the conference as scheduled.

Israeli officials expect Baker to focus on the still-unresolved question of Palestinian representation at the negotiating table.

The Palestinians insist on a representative from East Jerusalem. Israel is equally determined to exclude East Jerusalem, which it considers its sovereign territory, from any negotiations.

Various compromises have been proposed. One would have an East Jerusalem-born Palestinian who resides in Jordan attend as a member of the Jordanian contingent of the Jordanian-Palestinian delegation.

No Memorandum Of Understanding

Officials here are disappointed that the United States intends to give Israel only a letter of assurances regarding the terms of the conference, instead of a full-fledged memorandum of understanding between the two governments.

The letter is similar to what has been offered the Palestinians. Moreover, the Americans will not include in it an explicit understanding that Israel has the right to withdraw from the conference if the Palestinian delegates profess themselves to represent the Palestine Liberation Organization.

Baker's trip would come in the midst of a flurry of diplomatic activity. Prime Minister Yitzhak Shamir is scheduled to leave next week on an official visit to Bulgaria, the first ever by an Israeli prime minister.

Shamir will also play host to diplomats and heads of state from far-flung parts of the world during the next few weeks.

President Ion Iliescu of Romania is due here first on a historic state visit. He will be followed by the Italian foreign minister, Gianni De Michelis.

President Carlos Menem of Argentina will also visit Israel soon, returning President Chaim Herzog's visit to Buenos Aires 18 months ago.

It will be the first trip to Israel by an Argentine chief of state and is considered especially significant because Menem is of Syrian descent and has warm relations both with the Damascus government and Israel.

NEWS ANALYSIS:

BREAKUP OF THE SOVIET UNION COULD POSE DANGER TO ISRAEL

By Gil Sedan

JERUSALEM, Aug. 26 (JTA) -- As Israelis rejoice over the triumph of democratization and reform in the Soviet Union, some are warning that the Jewish state could be threatened if the 15 Soviet republics all declare their independence and go their separate ways.

Six of those republics are Moslem and could make common cause with Moslem countries such as Iran, where anti-Zionism and hostility to Israel have long been entrenched.

One of them, Azerbaijan, declared independence Monday. Another Moslem republic, Kazakhstan, the third largest after Russia and the Ukraine, is the repository of about 27,000 nuclear warheads deployed by the Soviet armed forces.

Soviet affairs experts have warned for years of a frightening scenario in which one republic threatens its neighbors with nuclear attack. Now there is concern that one or more of those republics could join Iran in a holy war against the Jewish state.

At best, the possibility that the Moslem republics will defect from the Soviet Union could mean the de facto expansion of the Middle East conflict both in geographical and political terms.

The internal crisis in the Soviet Union, therefore, could create some very serious problems for Israel, sooner than expected.

Israelis are still stewing, meanwhile, over the support Palestinians showed for the conservative hard-liners who tried and failed last week to unseat Soviet President Mikhail Gorbachev.

Many believed that a hard-line takeover in the Soviet Union would reverse the thaw in Soviet-Israeli relations and perhaps stop Soviet Jews from pouring into the country.

Not Just Arabs 'In The Street'

Once the attempted coup failed, Palestinian personalities tried to draw a distinction between the "emotional reaction" of Arabs "in the street" who cheered the coup and the circumspection of the Palestinian leadership.

But, in fact, there is little evidence of such a division in the Palestinian community.

Sameha Khalil, a Palestinian radical who heads the Family Rehabilitation Society in the West Bank town of El-Bireh, said last week that he did not regret the attempt to oust Gorbachev.

"I hope that the Soviet Union once more will be a powerful and great nation, that America will no more be the only strong nation and that it will stand by us as it always did before Gorbachev's reign," Khalil declared before the coup had ended.

When the coup failed, Dr. Ghasan Khatib, a lecturer at Bir Zeit University in the West Bank, who identifies as a Communist, said the "popular voices" hoped the change in the Soviet Union would lead to a cessation of Jewish immigration.

But the "responsible leadership," including the Palestine Liberation Organization, was careful not to take sides in the Soviet crisis, he claimed.

The truth is that the popular reaction was the authentic reaction of the Palestinian com-

munity. It was neither hysterical nor emotional. There was none of the dancing on the roofs, as happened last winter when Iraqi Scud missiles hit Israel during the Persian Gulf war.

Professor Amnon Rubinstein of Israel's dovish Center-Shinui Movement maintained that the Palestinians would have been no closer to their national goals had the coup succeeded.

Overwhelming Palestinian Frustration

He is probably right. But he neglects to view events from the Palestinian perspective.

In the Dehaishe refugee camp, near Bethlehem, and in the narrow alleys of East Jerusalem, the political fortunes of the Palestinians have sunk so low that almost anything can be seen as an improvement.

The political reality is that Israel is in firm control of the administered territories, the settlements there prosper, the intifada is stalled and Palestinian frustrations overwhelm their hopes.

Little wonder that the prospect of sudden radical changes in the Soviet Union created a stir.

Israelis taunt the Palestinians for invariably backing the wrong horse. But as long as there is no movement on the political front, the Palestinians will look to outside saviors, whether their name is Saddam Hussein or Gennady Yanayev, who for three days last week was acting president of the Soviet Union.

Nor can the Palestinians be faulted for not foreseeing the swift collapse of the Moscow coup. Few if any diplomats or commentators did.

Prime Minister Yitzhak Shamir prided himself on keeping silent, a tacit admission that he had no idea whether the coup would fail or succeed.

According to Israeli Soviet affairs expert Michael Agursky, the new Soviet state is not likely to end its by now modest involvement in the Middle East peace process. Agursky in fact, sees it as little more than "a front for the Pax Americana."

Soviet Middle East policy also is unlikely to change in the short term. Starved for cash, the Soviets will sell sophisticated weapons to whomever can pay, including Syria. The Soviets also will likely continue to support the Palestinian cause.

In the long term, the end of the Cold War relieves the Soviets of the fear that the Middle East could be the launching pad for a Western attack on them.

If the Soviet Union breaks up into 15 republics however, Western motives will be irrelevant to their policies.

USSR AND ISRAEL SIGN ACCORD TO REGULARIZE DIRECT FLIGHTS **By Gil Sedan and Hugh Orgel**

JERUSALEM, Aug. 26 (JTA) -- Regular direct flights between Israel's Ben-Gurion Airport and several Soviet cities are to begin this fall, according to an announcement made Monday by the Ministry of Transportation.

An agreement signed here Monday by El Al and Aeroflot, the two countries' national carriers, formalizes already existing, twice-weekly El Al charter flights between Tel Aviv and Moscow. In addition, El Al will begin weekly direct flights from Leningrad and Riga to Tel Aviv on Dec. 1.

Aeroflot will initiate weekly flights to Tel Aviv directly from Moscow, Riga, Leningrad, Tbilisi and an airport in the northern Caucasus.

Aeroflot flights are already taking place from Kiev and another destination, according to El Al.

The flights in existence are for businesspersons and tourists, not Soviets immigrating to Israel. Jewish immigrants bound for Israel must fly to an Eastern European capital, where they change planes for Tel Aviv.

Monday's announcement followed meetings two weeks ago in the Soviet Union between Israeli Transport Minister Moshe Katsav and Boris Panyukov, the Soviet minister of civil aviation. The two transportation officials signed an agreement calling for expansion of air routes.

SEMINAR FOR SOVIET JEWISH LEADERS GOES ON DESPITE TURMOIL IN USSR **By Michel Di Paz**

PARIS, Aug. 26 (JTA) -- The aborted coup in the Soviet Union did not deter a seminar for Soviet Jewish leaders with their counterparts from Western Europe.

A two-week seminar began Sunday aboard a motorship, the Lev Tolstoi, cruising the Volga River. It will continue in Moscow until Sept. 5.

The project, undertaken by the European Jewish Congress, a World Jewish Congress affiliate, was planned some time ago. It started on schedule despite the turmoil arising from the aborted coup, which began Aug. 19 and ended 72 hours later with the Soviet government in disarray.

The seminar was organized in cooperation with the Vaad, the federation of Jewish organizations and communities in the Soviet Union.

The Western Jewish leaders are headed by Jean Kahn, president of the EJC, and accompanied by French philosopher Bernard-Henri Levy.

The seminar was inaugurated in the presence of Soviet government officials and the mayor of Moscow, Gavril Popov.

It includes discussions on contemporary world Jewry and Judaism, the history of Jews in Russia, Israel today and women in Judaism, as well as a screening of the documentary film, "Pillar of Fire," about the establishment of the Zionist movement and the Jewish state.

SOVIET OLEH A SUICIDE IN CAIRO **By Hugh Orgel**

TEL AVIV, Aug. 26 (JTA) -- Israel is seeking details about the purported suicide in Cairo of an immigrant from the Soviet Union who entered Egypt illegally.

Israel's ambassador to Egypt, Ephraim Dubek, said he would lodge a formal complaint with the Egyptian government for failing to inform him that an Israeli citizen was being detained.

The immigrant, Gennady Schinitzky, reportedly jumped from a window at the Egyptian Interior Ministry. The Israeli envoy said he learned of the incident from the Cairo newspapers.

According to reports, Schinitzky slipped across the Egyptian border recently because he could find neither housing nor employment in Israel and was disillusioned with his new homeland.

The newspaper accounts said that when the Interior Ministry told him he would be returned to Israel, Schinitzky leaped from a window and cracked his skull on the pavement below.

Dubek said he would demand return of the body for burial in Israel.

NO-CONFIDENCE MOTION ON ECONOMY DEFEATED, BUT BUDGET FIGHT LOOMS**By David Landau and Gil Sedan**

JERUSALEM, Aug. 26 (JTA) -- Israel's Likud-led government easily defeated a Knesset no-confidence motion on the economy Monday, but economic battles loom as the Cabinet prepares to discuss the state budget for fiscal 1992.

The Knesset, which is in summer recess, was called into special session at the insistence of the Labor Party and other opposition factions.

The reason was the unexpected 3 percent hike in the cost-of-living index for July, which was announced Aug. 15. It was the highest July increase since a Labor-Likud unity government introduced drastic economic reforms in 1985.

Most of the rise reflected an increase in construction and housing costs. Building costs alone rose 10.7 percent in July, raising fears of a new round of soaring inflation.

But Finance Minister Yitzhak Moda'i accused the Labor Party of "playing politics" with the figures. "Anyone who draws far-reaching conclusions from one or two months' inflation rate doesn't know what he's talking about," he said.

Laborite Micha Harish accused Prime Minister Yitzhak Shamir of "doing his favorite thing" with the economic crisis -- "keeping silent."

He was alluding to Shamir's remark last week that he was glad he had refrained from commenting publicly on the military coup in the Soviet Union until it collapsed.

Shamir's silence was criticized by media commentators who thought he should have spoken out along with other world leaders against the attempt by Communist hard-liners to take over the Soviet government.

Meanwhile, major battles are shaping up in the Cabinet, where Moda'i will attempt to cut costs in fiscal 1992 in face of increases demanded by Housing Minister Ariel Sharon and Defense Minister Moshe Arens.

Sharon told the Knesset that 85,000 homes are under construction. He said there is no one in Israel who can be described as homeless today.

For his part, Arens said he will seek a \$40.9 million increase in military spending. "I am not bargaining like in a bazaar. You can't intercept Scud missiles with new roads or schoolhouses," the defense chief said.

SCHWAMMBERGER BOASTED KILLING JEWS**By David Kantor**

BONN, Aug. 26 (JTA) -- Josef Schwammberger reportedly boasted to a fellow inmate that he personally shot Jews when he was a commandant of concentration camps in Poland in World War II, a charge he has denied in the Stuttgart court where he is now on trial.

The prosecution has petitioned the court to permit the inmate to testify at the war crimes trial of the former SS officer.

The prosecution said it had evidence that Schwammberger boasted of killing Jews in a conversation with another prisoner at the beginning of the year and that he added, "I should have killed more of them."

The prisoner has not been identified. He is serving time for involvement in a traffic accident.

Schwammberger, 79, was extradited from Argentina last year. He is charged with murdering at least 45 people and with complicity in the murders of 3,377 others, most of them Jews.

GERMANY'S GOVERNING PARTY REJECTS CALL FOR COURTS TO TRY NEO-NAZIS**By David Kantor**

BONN, Aug. 26 (JTA) -- Germany's governing Christian Democratic Union has rejected a proposal by the Jewish community to introduce summary courts to deal with the alarming rise in neo-Nazi violence.

Norbert Geis, the CDU's parliamentary spokesman, said such a course would run the risk of making neo-Nazis seem like persecuted heroes.

Summary courts proceed without the usual legal formalities to speedily dispose of cases of minor importance.

But Heinz Galinski, chairman of the German Jewish community, argued that they are needed now to confront increasing right-wing violence and to curb the circulation of anti-Semitic and other racist propaganda.

He said the situation is most serious in former East Germany, where democratic practices and traditions have yet to take hold after 40 years of Communist government.

Geis replied that the introduction of summary courts would bring back terrible memories of the Nazi past.

He suggested, however, that the judicial system should make new efforts to deal efficiently with politically motivated violence.

Geis explained that many of the courts in eastern Germany are not functioning because the Communist judges who were dismissed have not yet been replaced.

CONVICTED IMHAUSEN WON'T TESTIFY AT EMPLOYEES' TRIAL ON LIBYA PLANT**By David Kantor**

BONN, Aug. 26 (JTA) -- The founder of a chemical firm that sent Libya the material and technology to manufacture poison gas has refused to testify at the trial of three former executives charged with complicity in the illegal enterprise.

Jurgen Hippenstiel-Imhausen, founder and former manager of Imhausen Chemie A.G., is serving a five-year prison term in Mannheim for his role in equipping a plant at Rabta, Libya, to produce chemical weapons.

The three former Imhausen executives are currently on trial in Mannheim.

A fourth, Hans-Joachim Renner, was arrested on Aug. 20 and is scheduled to testify on Wednesday.

The judges acknowledged that Imhausen could incriminate himself if he took the witness stand.

Although he pleaded guilty in June 1990 to evading the export laws of what was then West Germany, he still faces proceedings over his alleged role in building a second chemical plant in Libya and misusing research grants made available by the Bonn government.

Imhausen never admitted supplying substances for the manufacture of poison gas.

Renner, who has agreed to testify at the trial of his former colleagues, will go on trial himself later this year.

The prosecution said he will be charged with knowingly supplying Libya with facilities, material and know-how to produce chemical weapons.

His actions, according to the prosecution, flouted the Research Ministry in Bonn, the tax authorities and the government office responsible for keeping tabs on German exports.

CROWN HEIGHTS REMAINS RESTIVE AS VIOLENCE AND RIOTING DIE DOWN

By Debra Nussbaum Cohen

NEW YORK, Aug. 26 (JTA) -- The mood in Crown Heights, after the funeral of 7-year-old Gavin Cato, is restive.

Those attending the funeral were restrained, but highly supportive of the incendiary rhetoric offered from the pulpit by the Rev. Al Sharpton and other radical black leaders.

For now, no further demonstrations by the black community are planned, but the tension remains, even if the sense of imminent danger that has blanketed the Brooklyn neighborhood since last week, when a Hasidic Jew killed the black child in a traffic accident, is waning.

The accident sparked several days of riots by blacks.

The weeklong rampage that left an innocent Jewish bystander dead, more than 200 people injured and 155 arrested, seems to be petering out. Slowly reasserting itself is the quiescent coexistence that has enabled blacks and Hasidim to live side by side here for 30 years, sharing small talk and an occasional fragile friendship.

All but three or four of those arrested were black, according to the police department's public information department, and 164 of the 229 people injured were police officers.

Those who live in the neighborhood are weary of the rioting -- or pogroms, according to many Jews -- and of an extraordinarily heavy police presence.

On Saturday, 2,000 police officers in riot gear carpeted the area on foot, motorcycle and horseback. Others circled overhead in helicopters, all in an attempt to prevent demonstrating blacks, led in a march by Sharpton, from continuing the riots that kept the neighborhood's Jews barricaded inside their homes earlier in the week.

The police presence was increased dramatically mid-week after the 300 to 400 officers who were on the scene Monday and Tuesday were unable to keep rampaging blacks from throwing bricks and Molotov cocktails from rooftops.

Shouts Of 'Heil Hitler'

During that violence, rocks were thrown at Jews near the corner of Kingston Ave. and Eastern Parkway, where the headquarters of the Lubavitch movement is located, as blacks yelled "Heil Hitler," and "Hitler didn't finish the job."

Jews, police and reporters were attacked by roaming gangs of blacks.

Yankel Rosenbaum, a 29-year old Australian Talmud student with no connection to the accident, was stabbed to death by a gang of 10 black youth just three hours after Cato was killed.

Only one of the 10 has been charged in the murder. The others are still at large, according to Lubavitch sources.

Attorney Barry Slotnick, retained by the Lubavitcher community as legal adviser, is planning to ask federal authorities to file civil-rights charges against those involved in Rosenbaum's murder, he announced Sunday.

"The Jews of this community will not be scapegoated," Slotnick said. "The racist hustlers from the outside would like to make this an issue of race. It is not. It is an issue of justice."

Ironically, a call for justice has been the battle cry of the black community throughout the last week -- a community that feels that its Hasidic neighbors are awarded preferential treat-

ment by police and walk away with more than their fair share of public housing.

Those charges are being investigated, Mayor David Dinkins said in a speech at the First Baptist Church in Crown Heights on Sunday.

Dinkins also met Sunday with the Lubavitcher rebbe, Rabbi Menachem Mendel Schneerson.

During their three-minute meeting, the rebbe, who in his public remarks has not directly discussed the violence plaguing his neighborhood, urged the mayor to "use your influence in the quiet atmosphere."

One People, Protected By One God

"It's not two sides," the frail rabbi said. "It's one side, because we are one people in the city of New York under one administration protected by one God."

Windows in Crown Heights remain boarded up in the aftermath of the week's terror and a dozen burned-out cars and vans still stand where they were firebombed, mute testimony to the rancor and chaos that overtook the area.

The threat of more violence has not completely passed -- about 500 police officers patrolling the neighborhood attest to that.

And even when it has, it will take "Mashiach and a lot of hard work by people of good will" to get things in Crown Heights back to the way they were, said Herbert Block, the assistant to Mayor Dinkins who serves as the main liaison to the Jewish community.

A grand jury is presently considering whether to indict Yosef Lifsh, the driver of the car which killed Gavin Cato.

The black community is demanding his indictment.

But the grand jury is unlikely to do so, because running a red light -- the only violation Lifsh is alleged to have committed -- is not considered sufficient to establish the requisite criminal negligence.

On Aug. 19, at about 8:30 p.m., Lifsh, who had two passengers in his car, ran a red light trying to keep up with the other cars in a motorcade escorting the Lubavitcher rebbe home from a visit to his wife's grave.

Lifsh lost control of the car and jumped the curb, fatally striking Cato and injuring the boy's 7-year-old cousin, Angela, both of whom were playing on the sidewalk.

When an ambulance from Hatzolah, a Jewish volunteer service, arrived, the driver was told by police to "take your guy and get out of here," as the black crowd at the scene grew more agitated.

Two city ambulances were at the scene taking care of the children, the Hatzolah medics were told.

Flowers and Condolences

When blacks in the crowd saw the Hatzolah ambulance leave, a rumor spread that the Jews had ignored the injured children.

Chaos was not as widespread by week's end, and last Friday there was little unrest as black community leaders, including Sharpton, Alton Maddox Jr. and Sonny Carson, met with Dinkins.

They did not agree to call off Saturday's march, which took place and was, for the most part, peaceful.

On Sunday, Ruvain and Saura Brenenson, neighbors of the Cato family, took flowers and a letter of condolence to the mourners. They would have gone earlier, they said, but they had been told that it would not be safe for them to do so.