

ISRAEL SAYS IRAN SHOULD ADMIT IT HOLDS MISSING AIRMAN HOSTAGE**By Hugh Orgel**

TEL AVIV, Aug. 29 (JTA) -- Israel urged Iran on Thursday to admit it is holding missing Israeli airman Ron Arad captive in Teheran.

He is one of seven missing Israeli servicemen about whom Israel demands information before it will consider exchanging prisoners for hostages.

"Israel calls on Iran to uphold basic norms of behavior of the international community and provide reliable information to the U.N. secretary-general on the fate of Ron Arad," an air force navigator shot down over Lebanon in 1986, said Danny Naveh, a media adviser to Defense Minister Moshe Arens.

According to Naveh, Israeli intelligence has known for some time of Arad's whereabouts. "Unfortunately, Iran refuses to admit to this and claims that it has no information regarding the fate of the navigator," Naveh said in a statement.

The statement was released after Beirut newspapers reported Wednesday that Arad was captured by the Shi'ite militia Amal when he bailed out of his Phantom jet on Oct. 16, 1986 and was later "sold" to the Iranian Revolutionary Guard for a half-million dollars.

The Beirut reports, credited to a senior Amal official, were greeted with skepticism by Israeli officials Wednesday.

They warned the public to beware of a disinformation propaganda campaign being conducted by Lebanese and Palestinian groups and to put little faith in their reports about the fate of the missing Israeli servicemen.

Israel has complained that it has yet to receive authentic information as to their condition and whereabouts.

U.N. Chief Praises Iran, Syria

But the Israeli daily Ha'aretz reported Thursday that Amal's disclosure corroborated what the defense establishment already knew.

An Amal spokesman in Beirut said the militia's former security chief, Mustafa Dirani, "several years ago sold" Arad to the Iranians for a half-million dollars.

The deal was made in Baalbek, northern Lebanon. Dirani subsequently left Amal to join an organization close to the pro-Iranian Hezbollah, Ha'aretz reported.

But Arad's whereabouts have been suspected for some time. Amal leader Nabih Berri, a Lebanese minister of state, reported to his government last month that the Israeli navigator was transferred to Iran on payment of \$500,000.

Arad's wife, Tami, said she had received information two months ago that her husband was a prisoner of the Iranians. She said she received a photograph proving he was alive.

But the Iranian U.N. ambassador in Geneva, Kamal Harazi, claimed Tuesday that his country had no information about the seven missing Israeli servicemen, including Arad.

He altered his story Wednesday, saying six of the seven had been killed.

Israel, meanwhile, expressed hope that the Iranians will be more forthcoming when U.N. Secretary-General Javier Perez de Cuellar visits

Teheran on Sept. 10, at the invitation of President Ali Akhbar Hashemi Rafsanjani.

Officials said they hoped the secretary-general would be able to persuade his hosts to allow representatives of the International Red Cross to visit Arad, or at least to provide details on his condition and whereabouts.

Perez de Cuellar held three days of apparently inconclusive talks on the hostage situation in Geneva this week. Before departing, he pledged to "keep working intensively on this subject," and said he would remain "in touch with all parties concerned."

He paid special tribute to the Iranian government, which he said had "always helped me very much and continues to help me. If we achieve some results, I would be, to a great extent, grateful to them."

He also praised the Syrian government's contribution and said he had "spoken by phone with the Israelis."

(JTA correspondent Tamar Levy in Geneva contributed to this report.)

EGYPT URGES ISRAEL TO RESTRAIN SHARON ON BUILDING OF SETTLEMENTS**By Gil Sedan**

JERUSALEM, Aug. 29 (JTA) -- Israeli officials are furious over a statement by the Egyptian Foreign Ministry urging them to "restrain" Housing Minister Ariel Sharon because his plans for a "bridge" of settlements between Jerusalem and the West Bank are "a danger to peace."

The statement was made in Cairo a day after Egyptian President Hosni Mubarak met with Palestine Liberation Organization chief Yasir Arafat. It was their first meeting since the Persian Gulf War, which found them on opposite sides.

Yossi Ahimeir, director general of the Prime Minister's Office, expressed regret over the Egyptian statement Thursday. He pointed out that Sharon is implementing the government's policy and that anyone attacking him is attacking the government.

The Egyptian statement said, "We are of the opinion that the government of Israel should restrain Minister Sharon and his close circles," because he is acting deliberately against the peace process and contrary to U.N. Security Council Resolution 242.

The statement was seen as an Egyptian effort to please a PLO delegation visiting Cairo, headed by Mahmoud Abbas. Abbas met Thursday with the Egyptian foreign minister, Amr Moussa, to discuss the peace process.

Egypt appears to be trying to bring the PLO into the process, which is unacceptable to Israel. The PLO, meanwhile, is demanding U.S. guarantees that Israel will end settlement-building before the peace talks begin and that Israel will be required to withdraw from the territories.

Israel refuses to attend a conference in which the PLO is in any way involved.

Responding to the Egyptian complaint, Ahimeir stressed that the settlement issue is not on the agenda at the present stage of negotiations. He said that for the time being, both Israel and the United States are trying to resolve procedural questions.

NEWS ANALYSIS:

NEW SOVIET FOREIGN MINISTER UNLIKELY TO CHANGE USSR'S POLICY TOWARD ISRAEL

By Howard Rosenberg

WASHINGTON, Aug. 29 (JTA) -- Newly appointed Soviet Foreign Minister Boris Pankin, an avid golfer, probably will not be taking any swings at Israel in the near future, if for no other reason than his country is desperate to foster good relations abroad, say observers of the Soviet scene.

In the coming months, Soviet policy will be driven by a "total preoccupation" with obtaining outside aid, particularly from the West, a State Department official predicted.

"Personalities are far less important for determining Soviet policy" than they have been in recent memory, the official said.

Martin Wenick, a former State Department expert on the Soviet Union who is executive director of the National Conference on Soviet Jewry, agreed that "the Soviets are going to be consumed in the period ahead on their own internal problems and are not going to have much of an attention span for international affairs."

The appointment of Pankin, who was most recently the Soviet ambassador to Czechoslovakia, surprised the United States in that President Mikhail Gorbachev overlooked top Foreign Ministry officials for the job and went down to "an astonishing level to find this guy," said the State Department official.

Pankin, 60, succeeds Alexander Bessmertnykh, who was dismissed for not having spoken out publicly during last week's failed coup by Communist Party hard-liners.

Pankin was apparently the sole Soviet ambassador to criticize the coup plotters while Gorbachev was under house arrest in the Crimea.

The Washington Times reported Thursday that in 1989, while Pankin was ambassador to Sweden, he acknowledged "Soviet complicity in the disappearance of Raoul Wallenberg," the Swedish diplomat who helped hide as many as 100,000 Jews from the Nazis.

Pankin's ascension could ease the release of KGB files that may unveil Wallenberg's fate, the paper said.

No Change On Emigration Expected

Soviet Jewry experts do not expect any change in Soviet emigration policy or in its increasingly pro-Israel stance, unless some of the republics moving toward independence adopt their own contrary foreign policies.

"If they get the key republics on agreeing that the Soviet foreign minister will continue to represent Soviet interests abroad, I don't see a change in official policy either on the Middle East or on Soviet emigration," the State Department official said.

The one change that may take place in the coup's aftermath is that the Soviets could become "less engaged" in the Middle East peace conference planned for October, the official said.

But that would not particularly bother U.S. Secretary of State James Baker, the official said. Having the Soviets "basically doing nothing" is better than having various Soviet officials making contradictory statements, he said.

Baker may head back to the Middle East as early as the second week in September, to make arrangements for the conference.

Pankin, who founded the first golf course in

Moscow, is not considered a professional diplomat, but more the "intellectual, journalist type," said the State Department official. He got his first diplomatic job in 1982, when he was named ambassador to Sweden.

Pankin also does not have a reputation as a reformer. When he became ambassador to Czechoslovakia in 1990, Czechoslovaks were concerned that Pankin had possible ties to the KGB, the official said.

In his prior careers, Pankin was chief editor of Komsomolskaya Pravda, the newspaper of the Communist Youth Organization. In the 1970s, he headed the Soviet Union's copyright agency.

Pankin will apparently inherit from Bessmertnykh two deputy foreign ministers: Alexander Belonogov and Viktor Karpov, who has served as the Soviets' chief arms control negotiator.

Belonogov coordinated Soviet reaction to Iraq's invasion of Kuwait last August. In the subsequent months, he spoke of trying to maintain Soviet interests in the region.

Belonogov drew the wrath of American Jewish groups during his stint as Soviet ambassador to the United Nations in the late 1980s, when he forcefully defended Soviet emigration restrictions.

Belonogov said Wednesday that his country's Middle East policy will not change any time soon, the independent Soviet news agency Interfax reported. At the same time, Belonogov conceded that Soviet diplomacy had declined considerably following the coup.

GERMANY CONFIRMS TALKS UNDER WAY WITH ISRAEL ON AID FOR IMMIGRANTS

By David Kantor

BONN, Aug. 29 (JTA) -- The German government confirmed Thursday that it has been negotiating for some time with Israel over requests for German economic aid to build housing for Soviet Jewish immigrants.

Dieter Vogel, a government spokesman, said that no decisions have been reached, but that another round of talks with Israeli officials is scheduled for next month.

His announcement was the first official acknowledgment that Germany was even discussing the subject with Israel. Bonn has denied until now that such talks were under way, while stressing that it has long since fulfilled its financial obligations to the Jewish state.

Israel's request was first made in March, during a visit by Foreign Minister David Levy.

The Israeli daily Ha'aretz said a formal request was submitted by the director general of the Israeli Finance Ministry, Shalom Zinger, who asked for 10 billion marks (about \$5.74 billion).

The Finance Ministry in Jerusalem declined to comment on the report.

The discussions here were kept secret to avoid possible protests from the German public.

The Israelis based their request on the assumption that Bonn would be prepared to assume the political and financial responsibilities of former East Germany.

During its 40 years under Communist rule, East Germany paid no reparations to victims of Nazi persecution. By contrast, billions of dollars were paid by West Germany to Israel and to individual Jewish victims or their heirs.

REMINDER: The JTA Daily News Bulletin will not be published on Monday, Sept. 2.

**JEWS FACE NO SPECIAL PERIL
IN YUGOSLAVIA'S CIVIL WAR****By Ruth E. Gruber**

ROME, Aug. 29 (JTA) -- Small enclaves of Jews have been caught in the cross fire of Yugoslavia's civil war in Croatia, Slovenia and elsewhere in the strife-torn Balkan nation.

Yet for the time being, Jews seem in no greater peril than the general population, according to a spokesperson for the community.

"The situation for Jews is the same as the situation for everyone -- bad, particularly in Croatia," Luci Petrovic, secretary of the Yugoslav Federation of Jewish Communities, said in a telephone call from Belgrade on Thursday.

Belgrade, the national capital, is calm but tense, Petrovic said. "We are working normally. You don't feel the violence directly, but you see it in the news," she said.

In Zagreb, capital of Croatia, Jews are still stunned by the two bomb blasts early on Aug. 19 that severely damaged the community headquarters building in the center of town and the Jewish section of the municipal cemetery.

No one was hurt but the psychological effects were devastating. The perpetrators remain at large despite an intensive police investigation, Petrovic reported.

There have been no other direct attacks on Jews. But security precautions have been taken around Jewish sites. There is a round-the-clock guard at the Jewish home for the aged in Zagreb.

So far, the violence has affected Jews directly only in Croatia and, to some extent, in Slovenia, where there was some brief fighting earlier this summer.

The fiercest fighting now is in Croatia, where the republic's bid for independence is opposed by the Yugoslav army and Serbian guerrillas.

About 200 Jews live in and around Osijek, in eastern Croatia, where the fighting has been intense in the past two days. There is an impressive monument to Holocaust victims outside Jewish community headquarters in Osijek.

A few dozen Jews are scattered in the nearby towns of Vukovar and Borovo.

Petrovic said at least one Jewish family is known to have joined the growing exodus of refugees from the area. But the federation does not have "precise information" on the situation of every Jew there.

The civil strife has forced closure of the Jewish summer camp at Pirovac on the Dalmatian coast, Petrovic said.

"There was too much risk. Also, it would have been difficult for young people from all over Yugoslavia to get there," she said.

ISRAELI ENVOY TO HUNGARY BIDS ADIEU**By Agnes Bohm**

BUDAPEST, Aug. 29 (JTA) -- Israel's first ambassador to Hungary in 25 years held a farewell news conference here Tuesday.

Shlomo Marom is leaving after a three-and-a-half-year tour of duty that witnessed Hungary's peaceful transition from a Communist to a democratic society.

Born in Budapest, Marom was Israel's first diplomatic representative here since the Communist regime severed ties with Israel during the 1967 Six-Day War.

He was a popular figure, appearing often on

Hungarian television. During the Persian Gulf War, he was in great demand as a Middle East expert.

Marom's successor is David Kraus, retired Israeli police chief, who, like Marom, is of Hungarian origin and speaks the language fluently.

The two envoys will meet in Vienna next week to compare notes.

**IDF CHIEF GOES ON TELEVISION
TO PITCH FOR DEFENSE BUDGET****By Hugh Orgel**

TEL AVIV, Aug. 29 (JTA) -- The battle of the budget left the confines of the Cabinet for the mass media Wednesday night.

Israel Defense Force Chief of Staff Ehud Barak appeared on television to make a strong pitch for the half-billion dollar hike in the military budget the Defense Ministry is seeking for fiscal 1992.

He was countered Thursday by Finance Minister Yitzhak Moda'i, who warned of economic disaster unless the entire budget is pared, including defense.

Moda'i deplored Barak's television appearance as an attempt to influence the public over the heads of the Cabinet ministers, a "grave matter in a democracy."

The chief of staff, who has been a controversial figure since he took the job in May, appeared on a prestigious interview program. The broadcast followed a news conference with military correspondents.

Barak used both platforms to stress Israel's defense needs. He said that while the Persian Gulf War last winter and present developments in the Soviet Union may have temporarily reduced the risk of war for Israel, the IDF must make long-range plans, which demand very large investments in new equipment and technologies.

Barak rejected the Treasury's contention that the absorption of new immigrants, housing and education were equally important elements of future defense.

Moda'i responded Thursday at his own news conference for military correspondents.

He said he had no argument with the defense establishment regarding its needs. But his responsibility is the overall economy, which at the moment is in far from good shape.

The bottom line, Moda'i said, is that unless drastic action is taken now, Israel will soon face a budget deficit that no country could bear.

He said present plans to provide housing, jobs and educational facilities for new immigrants and veteran Israelis alike would be completed by 1993.

Until then, across-the-board spending cuts must be made in all sectors, including the army.

Moda'i called it a pity that the chief of staff, whose job is to advise the defense minister, thought it necessary to carry on the budget dispute in public. He said he would like to see the creation of a national security council to provide independent, expert advice to the government on defense, economic and other matters.

The fight over the defense budget is taking place in the absence of Prime Minister Yitzhak Shamir, who is visiting Bulgaria this week.

Foreign Minister David Levy, who is acting prime minister, tried unsuccessfully to prevent Barak's television appearance. However, the interview was taped in advance and aired in its entirety, despite Levy's appeal to the Broadcast Authority to edit out references to the budget.

HATZOLAH VOLUNTEER SAYS HE TRIED TO AID CHILD STRUCK IN ACCIDENT

By Stewart Ain

The New York Jewish Week

NEW YORK, Aug. 29 (JTA) -- A member of Chevra Hatzolah, a Jewish ambulance service, claims he helped provide emergency first aid to one of two black children struck by a car last week in Brooklyn's Crown Heights neighborhood, while two other attendants assisted the Hasidic driver being beaten and robbed by an angry mob.

The volunteer, who wished to remain anonymous, told The Jewish Week he drove his car to the scene of the car accident at Utica and President streets on Aug. 19, where he found a "crowd of 150 people running all over the place."

He said he saw Emergency Medical Service technicians administering CPR to Gavin Cato, 7, as they wheeled him away on a stretcher. Cato's subsequent death sparked neighborhood riots.

He said he rushed to the other child, Gavin's cousin, Angela, 7, who was being tended to by another EMS technician. He said he identified himself and asked, "What do you need?"

"An airway," he said the technician replied.

He radioed the request to two attendants in a nearby Hatzolah ambulance. "But they didn't hear me, I guess because of all the commotion," he said. "So I went to my car, got my trauma bag and gave (the technician) my own airway."

As the EMS technician inserted the breathing tube, the Hatzolah volunteer said he asked, "What else do you need?"

"Get a message to my partner to get a back board here," the technician responded.

The volunteer said he rose to relay the message when a policeman said he would do it.

"The officer then said, 'Get your (trauma) bag, get in your car and get out of here.'"

Asked if he believed his life was in danger while he attended to the stricken youngster, the attendant replied: "One hundred percent."

'People Screaming And Crying'

The first Hatzolah attendants had arrived moments earlier -- at 8:22 p.m.

"When we arrived, there were 100 to 150 black people screaming and crying," said one, who also asked to remain anonymous. "We got out and ran through the crowd calling, 'Where's the patient? Where's the patient?'"

"A policewoman and a black man came over and said, 'Go over there and get that man (driver Yosef Lifsh) out of here. They're going to kill him.'"

The attendant said he was told the patient was "being taken care of."

Black spectators later charged that the Hatzolah ambulance ignored the children.

When the two attendants raced to the driver's side of the station wagon that had struck the Catos, they found Lifsh seated behind the wheel.

"Three or four black people were trying to get him out and were beating him," the attendant recalled. "He was in the station wagon -- halfway in -- and he was bleeding from the face and head. The policewoman said, 'Please, get this man out of here and get yourself out of here.'"

"As we took him out of the station wagon, a real big black man banged him on the head with full force. I don't know if he had anything in his hand, but it was a big blow."

The attendant said the other two men in the station wagon also appeared to have been struck,

but were not seriously hurt. He said they also left the scene in the Hatzolah ambulance.

In addition to being savagely beaten, the attendant said Lifsh was also "robbed of his wallet and all of his money and of a cellular phone he had in his car."

Asked if he had been afraid, the attendant said: "Yes, but it didn't mean anything to me."

Later, the attendant said he and his partner wondered aloud how they survived unscathed.

"My partner said we should go to the synagogue and recite a blessing for getting out with our lives."

RIOTS ARE OVER IN CROWN HEIGHTS, BUT ANTI-JEWISH VIOLENCE GOES ON

By Debra Nussbaum Cohen

NEW YORK, Aug. 29 (JTA) -- While the rioting in Crown Heights is apparently over for now, black hostility toward Jews is still taking a toll on the beleaguered Brooklyn neighborhood.

A 21-year-old Lubavitch student, Berel Actipis, was attacked by six or seven black teenagers Monday evening as he walked to his apartment.

One assailant was wielding a broken bottle. When another of the teenagers cried out "let's get him now," Actipis' face was slashed with the bottle, according to Rabbi Shmuel Butman, a spokesman for the Lubavitch community.

Actipis needed stitches "to hold his nose on his face," Butman said.

None of the attackers has been arrested.

And early Monday morning, Brockha Estrin, a 68-year old Holocaust survivor, jumped from the window of her third-story apartment on the street where Gavin Cato was killed and the riots began a week before. She died in the fall.

She had been reportedly telling neighbors that she couldn't stand what was going on and was afraid of the blacks coming to get her.

"She had mental problems," said David Pollock, associate executive director of the New York Jewish Community Relations Council. "Her neighbors felt, because of the comments she had made, that the attacks in the neighborhood drove her over the edge."

BUDAPEST'S MAYOR REJECTS JIBE FROM A MEMBER OF PARLIAMENT

By Agnes Bohm

BUDAPEST, Aug. 29 (JTA) -- Mayor Gabor Demszky of Budapest has rejected a complaint with anti-Semitic overtones by a popular writer and member of Parliament.

In fact, the mayor said he would bring legal action against Istvan Csurka, a leading figure in the powerful Hungarian Democratic Forum.

Csurka publicly criticized a Sunday morning radio program for favoring a plan to let the Yad Vashem Holocaust museum in Jerusalem conduct research at the Hungarian National Archive.

He complained that it was being given preference over the Central Office of Compensation, for which no space was made available at the archive.

Csurka and his party colleagues have made a major issue of a recently passed law to compensate Hungarians for property nationalized by the former Communist regime, starting in 1949.

The writer-politician has been accused before of anti-Semitic innuendo. He has called for freeing the Hungarian press from "liberalism," by which he means Jewish journalists.