

75th ANNIVERSARY YEAR

WEDNESDAY, JUNE 10, 1992

VOL. 70, NO. 110

**ISRAEL BEHIND ATTACK ON EILAT,  
PLO WANTS INTELLIGENCE CHIEF SAYS**

By Hugh Orgel

TEL AVIV, June 9 (JTA) -- Although the Palestine Liberation Organization says it has abandoned terrorism, its mainstream Al Fatah branch was responsible for the attempted terrorist attack near Eilat last month, according to Israel's military intelligence chief.

The attack would have caused a bloodbath among civilians had it succeeded, Maj. Gen. Uri Saguy said Monday, on the occasion of Israel Defense Force Intelligence Day.

Saguy said the attackers were members of Yasir Arafat's Fatah organization and had been trained in Libya.

Saguy, speaking to military correspondents, also said that Atef Bseisu, the PLO security official murdered in Paris early Monday, was a well-known terrorist with a thick dossier.

However, Saguy flatly denied any Israeli connection with Bseisu's murder.

In his wide-ranging address, Saguy also warned that Iran will acquire nuclear capability by the end of the decade, posing a potentially grave danger to Israel.

Regarding the aborted attack near Eilat, Saguy absolved Jordan of responsibility for the terrorist infiltration, in which a night watchman was killed May 30 by heavily armed terrorist frogmen.

Saguy disclosed details of the interrogation of the sole survivor of the four intruders who had planned to kill beachgoers. The man was also interviewed by Israel Television from his hospital bed.

**Visited By Fatah Leaders**

The captured terrorist, initially identified as Mutazam Bin Mohamed al-Nabeh, was subsequently identified as Muayyad Nasser, a Palestinian born in the West Bank town of Hebron.

He said that he and his three companions trained in Libya and were affiliated with Fatah's "Western front." But they were instructed to identify themselves, if captured, as members of the Islamic Jihad or a similar fundamentalist organization to divert attention from Arafat's mainstream group.

During his training, he was visited by senior Fatah leaders, including the Fatah envoys to Libya and Kuwait, Nasser said.

He said the gang crossed the Red Sea by ferry from Nuqiba in Sinai to Aqaba, Jordan's port adjacent to Eilat. He said they remained in Aqaba 36 hours before donning scuba gear and swimming across the gulf, pushing supposedly watertight canisters containing weapons, ammunition and other items.

Two members of the expedition, including its leader, drowned en route after their canisters developed leaks.

Nasser and his companion gained shore, where they shot to death the Israeli night watchman who was making his rounds at a marine biology research unit. The shot attracted police and soldiers, who engaged the terrorists, killing one and wounding Nasser.

Nasser said the Jordanian authorities were

unaware of the gang's presence in Aqaba because they entered Jordan on forged passports.

Saguy agreed it was unlikely that either Jordan or Egypt had prior knowledge of the gang or its mission. Immediately after the attack was thwarted, however, Israeli Defense Minister Moshe Arens and Benjamin Netanyahu, a deputy minister in the Prime Minister's Office, held Jordan responsible. Jordan denied the charge.

**SHAMIR DENIES REPORTS PREDICTING  
OCTOBER ELECTIONS IN TERRITORIES**

By Gil Sedan

JERUSALEM, June 9 (JTA) -- There will be no Palestinian elections in the administered territories in October, Prime Minister Yitzhak Shamir declared this week.

Appearing Tuesday before the Knesset's Foreign Affairs and Defense Committee, Shamir flatly denied rumors emanating from Palestinian sources that local elections would be held in the territories this fall.

Israeli sources have linked that speculation to comments made by U.S. Secretary of State James Baker. When Arab-Israeli peace talks formally opened in Madrid on Oct. 30, Baker expressed hope that an autonomy agreement would be reached within a year.

But only four brief rounds of talks have been held since the opening Madrid peace conference, and no agreement is in sight on the nature of proposed Palestinian autonomy or the format for elections to the institutions of autonomy, Israeli sources point out.

They say that Israel stands by its original proposal to start with experimental municipal elections in the West Bank and Gaza Strip. If successful, they would be followed by general elections to an autonomy council.

But Palestinian leaders, notably Faisal Husseini, have said Palestinians would hold elections without Israeli participation. Husseini serves as adviser to the Palestinian negotiating team participating in bilateral talks with Israel, but is widely regarded as its de facto leader.

Yasser Abed Rabo, head of the Palestine Liberation Organization's information department, said the Palestinians would ask Moscow and Washington to supervise the elections to prevent Israeli interference.

Israel has always rejected an international presence in any elections held in the territories.

Shamir told the Knesset committee that all Israel is willing to do at this time is to negotiate over the nature of elections.

**Looking For Alternatives In Gaza**

Shamir also referred to the situation in the Gaza Strip, where a two-week ban on the entry of Palestinian workers into Israel was partially lifted Monday.

But so far, only a few hundred workers have entered, compared to the 40,000 a day who normally commute to jobs in Israel. That is due in large measure to the fact that entry is restricted to Palestinians over age 28 who hold permanent permits to work in Israel.

Several other restrictions also apply, much to the exasperation of Israeli employers who

depend on Palestinian labor. Several dozen of them demonstrated Tuesday at the Erez checkpoint at the Gaza Strip to protest the refusal of the authorities to grant entry permits to their employees.

But the dearth of workers was also caused by a half-day strike called by the intifada Unified Command to mark the 55th month since the start of the Palestinian uprising.

Apart from frustrated employers, Israeli military and security authorities have warned that continued restrictions on the movement of Gaza Strip residents would create an explosive situation.

The ban was imposed after the May 24 slaying of Helena Rapp, an Israeli schoolgirl stabbed to death outside her home in Bat Yam by an unemployed day laborer from the Gaza Strip.

Since then, Gaza Strip Arabs who depend on jobs in Israel have been unable to earn a livelihood and disturbances have already erupted in the territory.

Shamir told the Knesset members that Israel's policy in the Gaza Strip is to "eat the cake and have it, too."

He said the restrictions on movement into Israel are not an "absolute solution" and by no means the only solution. The government is seeking other ways to prevent hunger in the territory, on the one hand, and terrorism in Israel on the other, Shamir said.

#### NEWS ANALYSIS:

#### **10 YEARS AFTER THE WAR IN LEBANON, MENACE IS BACK IN DIFFERENT GUISE**

By Gil Sedan

JERUSALEM, June 9 (JTA) -- Ten years after the Israel Defense Force invaded Lebanon, the menace that prompted the Jewish state's most unpopular war has returned.

It is no longer Yasir Arafat's Palestine Liberation Organization that threatens Israel's northern border towns and settlements with Katyusha rocket fire and incursion.

The enemy today is the Shi'ite fundamentalist Hezbollah, a fanatical Islamic organization that acts from nationalist-religious motivations and is just as brutal and just as hostile to Israel as the PLO.

On the eve of the Lebanon war in June 1982, the PLO dominated most of southern Lebanon. It was, in effect, a heavily armed mini-state extending from the Litani River to Beirut, from the Mediterranean coast to Mount Hermon.

But the PLO had been observing a cease-fire agreement with Israel reached in July 1981, through the mediation of the late U.S. diplomat Philip Habib, and there was no "casus belli" compelling Israel to go to war in Lebanon.

While the PLO posed no strategic threat, and its mini-army was certainly no match for the IDF, Israel's leaders believed that the Jewish state could not live under a potential threat in the north.

The threat was mainly psychological -- the worry that Katyusha rockets could at any moment make life unbearable for the inhabitants of Israel's northern region.

Even a potential threat was not acceptable to Israel, which was determined never to engage in a political dialogue with the PLO.

A pretext for going to war occurred when gunmen severely wounded Israel's ambassador to Britain, Shlomo Argov, in London on June 3, 1982.

Israel retaliated the next day with massive air raids on the PLO in southern Lebanon, soon followed by the full-force invasion by the IDF.

The officially stated goal of the war was swiftly achieved. The PLO's military infrastructure in Lebanon was utterly destroyed in a few days.

But Israel's more ambitious agenda was not achieved. It failed to establish a friendly state in Lebanon, ruled by the pro-Israel Christian minority faction it had arduously cultivated and supported. Instead, the country was plunged once more into a deadly civil war.

#### Syrian Threat More Daunting

Israel paid dearly to achieve even its limited success -- the ouster of the PLO from southern Lebanon. The war cost the IDF about 650 dead and thousands wounded, and was a tremendous drain on the national treasury.

It seriously divided the country. It was the first Israeli war that did not enjoy the support of the overwhelming majority of Israelis.

The tragedy is that for all of the blood and treasure, the northern border is hardly safer today than it was 10 years ago.

Israel's avowed enemy, Syria, has replaced the PLO as the main military force in Lebanon, and it is a much larger and more powerful force than the PLO ever could be.

Terrorist activity has been taken over by the Iranian-backed Hezbollah.

Before Israel's final withdrawal from Lebanon in 1985, there was a dispute in the IDF's high command over how best to ensure calm on the border.

Ehud Barak, head of military intelligence at the time, proposed that Israel withdraw behind its international boundary with Lebanon and keep only minimally involved in that country's affairs.

But the chief of staff at the time, Lt. Gen. Moshe Levy, and Maj. Gen. Ori Orr, then commander of the northern sector, wanted a broad security zone on the Lebanese side of the border to serve as a buffer and a corridor for IDF troops.

Barak, on the other hand, wanted to avoid a further rift with the Shi'ite population in southern Lebanon, which had been considered neutral toward the Israeli-Palestinian conflict. He understood that Israel's continued presence on Lebanese soil would only create a new enemy.

And the general, who is now IDF chief of staff, turned out to be right.

#### Using Lebanon As Bait

Having wiped out the PLO mini-state, Israel is confronted with new forces in Lebanon, this time composed of the local population, which is just as hostile as the PLO.

Ten years after the war, the Hezbollah militia has become Israel's worst enemy in the north. It gets its orders directly from Teheran. Although the Syrians, who are in de facto control of Lebanon, are quite capable of restraining Hezbollah, they have no interest in doing so at the present time.

After all, Damascus says, "the people of southern Lebanon have a legitimate right to remove the occupiers."

The Syrians are using Lebanon as bait for Israel. Once the peace talks resume after the Israeli elections, Damascus is expected to offer a deal: peace and security along Israel's northern border as partial payment for Israel's withdrawal from the Golan Heights.

## JEWISH GROUPS TURNING UP THE HEAT AGAINST BALANCED BUDGET AMENDMENT

By Cynthia Mann  
States News Service

WASHINGTON, June 9 (JTA) -- Jewish groups have joined the chorus of protests on Capitol Hill against a proposed constitutional amendment to require a balanced federal budget, charging it would eviscerate critical social programs and could jeopardize foreign aid.

In a high-gear campaign waged both inside Washington and at the grass-roots level, they have sounded a warning against trivializing the Constitution by imposing on it specific fiscal policies.

The House of Representatives was scheduled to vote Thursday on the amendment and several alternatives to it. While passage looked sure only two weeks ago, fierce last-minute lobbying by members and outside coalitions made the results too close to call.

A two-thirds majority in both the House and Senate is required for passage of the amendment, which must then be ratified by state legislatures.

The proposal has garnered broad support among House members, who are eager to demonstrate fiscal responsibility to a public cynical about their leadership and increasingly disturbed by a deficit projected to reach a record \$400 billion this year.

But Jewish activists and other opponents of the measure claim the amendment is a quick political fix and no substitute for the hard choices real leadership requires. They argue that legislating sound budgets, not tampering with the Constitution, is the way to conduct sound fiscal policy.

### Concern About Drastic Cuts

"A balanced budget amendment is no substitute for the political courage needed to make the tough policy decisions necessary to reduce the budget deficit," Robert Lifton, president of the American Jewish Congress, said in a letter circulated to all members of Congress.

"We strongly believe that deficit reductions should be achieved through the legislative process, and not by enshrining one particular economic policy in the Constitution," he wrote.

"As people who rely on the Constitution to protect our rights, we believe it is bad to monkey around with the Constitution," echoed Julie Nusbaum, legislative coordinator for the National Council of Jewish Women.

The council on Tuesday spearheaded a letter drop on Capitol Hill from Jewish organizations protesting the amendment, prompted not only by concern for the Constitution.

"We are concerned about drastic and indiscriminate cuts, and that critically needed federal programs will be eliminated," Nusbaum explained. "We thought it was important to weigh in."

The leading amendment, sponsored by conservative Rep. Charles Stenholm (D-Texas), would bar government spending in excess of revenues, unless approved by three-fifths of the House and Senate. It also would require a three-fifths majority in both bodies to increase the limit on the federal debt.

Congress would be required by the amendment to enact roughly \$560 billion in spending cuts or tax increases over five years, according to the House Budget Committee.

The brunt of the cuts would fall on non-

defense discretionary programs, such as education and social services, and would likely slow economic growth and increase unemployment, according to many prominent economists.

"We are persuaded that an amendment requiring the federal budget be balanced every year is likely to damage the economy rather than strengthen it," Diana Aviv, associate executive vice chair of the National Jewish Community Relations Advisory Council, and Gary Rubin, director of national affairs at the American Jewish Committee, said in a recent opinion piece.

### NJCRC Galvanized Action

They argued that the poor would be the hardest hit, while there could be grave consequences for U.S. aid to Israel.

Aviv and Rubin said more responsible deficit reduction could be achieved through containing rising health care costs, shifting defense spending to domestic programs and promoting economic growth through investment in education and the country's infrastructure.

In an interview, Aviv said the amendment would pit Jewish advocacy groups against each other for scarce resources, "and that would be a catastrophe."

Jewish opposition to a balanced budget amendment has been long held, but was galvanized two weeks ago at a meeting organized by NJCRAC in New York.

That meeting was called, Aviv said, when it became clear congressional momentum in support of the amendment had mounted, even among "stalwarts" traditionally against it.

Aviv said the support for the amendment was driven by fear in a tense political climate. She said members were reluctant to go on record against what looked like a tough vote for fiscal discipline. In fact, she argued, it was a "free and easy vote" because the hard choices on spending cuts and tax hikes were deferred.

Aviv arranged for dozens of representatives of Jewish organizations and service providers at the NJCRAC meeting to hear Robert Greenstein, director of the Center on Budget and Policy Priorities, analyze the amendment. It was after the analysis that they "agreed to turn up the heat," said Mark Pelavin, Washington representative of the American Jewish Congress.

"At that point, it was not something the Jewish community was talking about that much," said Pelavin. After the Greenstein presentation, "we decided to place it squarely at the top of the Jewish agenda. It cuts across all the issues of concern to the Jewish community," he said.

### 'Devastating' Consequences

Greenstein has argued the amendment could damage the economy, distort national priorities and result in reductions in needed investments.

The amendment "would do irreparable damage to our nation's already ailing economy," Rabbi David Saperstein, director of the Religious Action Center of Reform Judaism, wrote in a letter to members of Congress.

"Rather than being the panacea some purport it can be," the amendment would have consequences that "would be devastating to both domestic and international programs," he wrote.

In the Senate, the amendment's prospects for passage are dimmed by the vehement opposition of Senate Majority Leader George Mitchell (D-Maine) and Appropriations Committee Chairman Robert Byrd (D-W.Va.).

**DEMJanJUK CONVICTION WON'T STAND IF IDENTITY IN DOUBT, COURT WARNS**

By Gil Sedan

JERUSALEM, June 9 (JTA) -- Israel's High Court of Justice has given its first hint that it could overturn the conviction and death sentence of John Demjanjuk for war crimes allegedly committed at the Treblinka death camp.

That possibility was raised Monday when Justice Aharon Barak told the Israeli prosecutor in the case that the conviction would not hold up if there were reasonable doubt that Demjanjuk was indeed the sadistic Treblinka death camp guard, known as "Ivan the Terrible," who tortured Jews on their way to the gas chambers.

The Ukrainian-born Demjanjuk, 72, was convicted in 1988 by a special panel of the Jerusalem District Court and sentenced to hang. But new evidence acquired from the archives of the former Soviet Union might support the defense contention that he is a victim of mistaken identity.

That viewpoint suddenly gained credibility last week when a U.S. appeals court in Ohio ordered the reopening of the case that resulted in the 1986 extradition of Demjanjuk, a longtime resident of Cleveland, to stand trial in Israel.

The federal Court of Appeals for the Sixth Circuit in Cincinnati, acting independent of any request for a rehearing from either side, called June 5 for reconsideration of the case on the grounds that the extradition warrant "may have been imprudently issued because it was based on erroneous information."

That touched the core of the case, since Demjanjuk's extradition and his later conviction here were both based on the testimony of eyewitnesses, survivors of Treblinka who identified him as the dreaded "Ivan."

**Sobibor Evidence At Issue**

The new evidence included the testimony of "wachmanner," Soviet prisoners of war who worked as concentration camp guards for their Nazi captors. They pointed to another Ukrainian, Ivan Marchenko, as the Treblinka killer.

Chief prosecutor Michael Shaked argued forcefully before the High Court on Monday that the new evidence was irrelevant and the testimony of the wachmanner was especially suspect.

He said the court should uphold the word of Treblinka survivors over that of the wachmanner, many of whom were executed by the Soviets for war crimes more than 40 years ago.

But Justice Barak observed that even if their testimony was questionable, it could raise the reasonable doubt sought by the defense. That suggestion indicated that Israel's supreme court may have doubts about the identity of "Ivan."

Shaked also introduced new evidence that Demjanjuk was a guard at the Sobibor death camp in Poland, where some 250,000 Jews perished, as well as at Treblinka, where at least 800,000 died.

He said Demjanjuk should be tried for offenses committed at Sobibor even if the charges against him at Treblinka are not proven beyond reasonable doubt.

But legal experts here said the court would hesitate to convict Demjanjuk for other offenses lest that create the impression that Israel's legal system is out to convict the man at any price.

Demjanjuk's Israeli attorney, Yoram Sheftel, demanded last week that the court disregard the evidence of alleged offenses at Sobibor because it was not mentioned in the indictment.

**POLYUKHOVICH TO STAND TRIAL FOR SIX DEATHS, NOT MASSACRE**

By Jeremy Jones

SYDNEY, Australia, June 9 (JTA) -- Ivan Polyukhovich, the first suspect charged under Australia's amended war crimes statute, has been ordered to stand trial on two of six murder charges brought by the government.

But the alleged war criminal will not face prosecution for the mass murder of 850 Jews from the Ukrainian village of Serniki.

The ruling means that under Australia's strict rules of evidence, a case exists against Polyukhovich, 76, for the murder of six individuals. He will be tried for knowing participation in the Nazi campaign of genocide.

The order, by Magistrate Kelyvn Prescott, followed the failure of Polyukhovich's appeal against the charges and his efforts to get the war crimes law declared invalid.

The 28-month-long court procedure that has been ongoing in Australia is akin to a preliminary hearing in a U.S. criminal case, and is not the trial per se.

In Australia, before a trial is ordered, the court wants to see the prosecution's evidence, including the witnesses, who are subject to cross-examination.

Polyukhovich's actual trial is expected to begin later this year. But the opening may depend on the health of elderly witnesses in the United States, Europe, Israel and Australia, who must repeat in court the testimony they gave at the lengthy committal hearings.

Jewish leaders have not commented on the outcome of the hearing process, noting that the case is now in the hands of the courts.

But privately they say they expect an "all or nothing" outcome. They are glad there was enough evidence presented to keep up the momentum of the war crimes process and its public support.

A second man charged with war crimes, Heinrich Wagner, 67, appeared briefly in court this week to hear charges that he murdered 20 people and participated in the deaths of 104 others in the Ukraine in 1942 and 1943.

Committal hearings of a third suspect, Mikolay Beresowsky, opened Tuesday in Adelaide.

**KAHANE SUCCESSOR PARTIES CAN'T RUN**

By Gil Sedan

JERUSALEM, June 9 (JTA) -- Israel's High Court of Justice has rejected the appeals of two extremist political factions against the Central Elections Committee's decision banning them from the June 23 Knesset elections.

The appeals were filed by the rival Kach and Kahane Chai parties, both self-proclaimed heirs of the original Kach party founded by the late Rabbi Meir Kahane.

In ruling against their appeals, a five-justice panel of the High Court said Tuesday it is convinced that the platforms offered by both movements, and their actual behavior, conflict with the law banning incitement to racism.

Kahane's Kach party was elected to the Knesset in 1984 on a platform calling for the expulsion of all Arabs from Israel and the administered territories.

It was barred from re-election in 1988 because of its racist polemics. Kahane was killed in New York in November 1990.