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**BOMB IN SOUTHERN LEBANON  
KILLS THREE ISRAELI SOLDIERS**

By Cynthia Mann

JERUSALEM, April 13 (JTA) -- Three Israeli soldiers were killed and two severely injured in a bomb ambush Tuesday in the southern Lebanon security zone, the deadliest incident of its kind there in six months.

Lebanese sources reported that the Shi'ite Hezbollah group took responsibility for the attack, which occurred while the Israeli soldiers were on foot patrol near Ataibe village.

The Israeli army subsequently launched heavy attacks against guerrilla positions in retaliation.

Sources said Prime Minister Yitzhak Rabin and the military commander of the northern front, Maj. Gen. Yitzhak Mordechai, visited northern Israel following the explosion and were briefed on the incident by the commanders involved.

So far this year, some 40 bombs have been discovered that were intended for Israel Defense Force targets and those of the Israeli-backed South Lebanon Army, according to IDF sources.

Most of these were dismantled before causing any damage, the army added.

A preliminary investigation indicated that the bomb in Tuesday's explosion may not have been planted recently, military sources said.

Capt. Elad Ben David of Ashkelon, Lt. Moshe Beri of Rehovot and Staff Sgt. Peter Rappaport of Beersheba were killed in the explosion.

Two other soldiers, critically wounded, were evacuated by helicopter and taken to the hospital in Haifa.

In an unrelated incident in Tel Aviv, a hand grenade attached to a private car blew up near a soldiers' recreation hall Tuesday, causing no injuries. Another grenade was found in a schoolyard.

Police were investigating both terrorist and criminal motivations in the two cases.

**PEACE TALKS LIKELY TO RESUME,  
AND U.S. HOPES WITHOUT BREAKS**

By David Landau

JERUSALEM, April 13 (JTA) -- With the Middle East peace talks almost certain to resume in Washington next Tuesday, the United States is reportedly proposing that there no longer be "rounds" of negotiations separated by long recesses, but rather that the talks be ongoing.

The Palestinians' reluctance so far to publicly announce they will return to the peace talks has apparently been overcome by Israel's readiness to accept Jerusalem resident Faisal Husseini as the official head of the Palestinian delegation.

An official announcement of the breakthrough was expected to come midweek.

The American suggestion to make negotiations continuous is designed to avoid a repetition of what has occurred since the last round: The talks lapsed in mid-December when Israel expelled 415 Moslem extremists from the administered territories, and major diplomatic efforts were required to resume the negotiations.

U.S. officials say the frequent recesses produce a "negative momentum," as the daily newspaper Davar put it.

The United States now favors an ongoing forum, with periodic breaks for rest and reporting home, according to Davar. Unlike the present format, such breaks would not necessarily occur simultaneously in each of the different bilateral talks.

Prime Minister Yitzhak Rabin's reported agreement to let Husseini take a formal role at the negotiating table has come under attack from the opposition Likud party, which fears the Labor-led government is making too many concessions.

Former Likud Prime Minister Yitzhak Shamir also took Rabin to task in a radio interview Tuesday for agreeing to meet Wednesday with Egyptian President Hosni Mubarak in the port city of Ismailia.

But Rabin's aides insisted that the prime minister will make no further concessions or "gestures" on the Palestinian front unless, and until, the Palestinians formally announce their intention to attend the resumed talks.

**Arafat Confers With Mubarak**

Reports from Cairo said the Egyptian president intends to seek an early end to the closure of the administered territories.

Rabin reiterated on Tuesday a Cabinet decision earlier in the week to keep the closure in effect for the time being, reviewing the situation on a weekly basis.

In practice, several thousand Palestinian workers are already being permitted back into Israel proper, but under strict security surveillance.

The government's intention is that even when the closure is finally ended, the number of Palestinians working here be substantially reduced from the pre-closure figure of around 120,000.

Meanwhile, Palestine Liberation Organization leader Yasir Arafat was in Cairo on Tuesday for talks with Mubarak and his aides in advance of the Rabin meeting. According to some reports, Arafat was accompanied by Husseini.

Arab foreign ministers are to meet Friday to give their final consent to return to the peace talks and work out a common platform.

In Washington, meanwhile, the United States began a series of preliminary meetings Monday with diplomats of the participating countries.

Sources here said Israeli diplomats will present to the Americans, and afterward to the Arab negotiators, new and more flexible Israeli positions on control of land resources and water in the administered territories during the planned interim autonomy period.

Still unknown, however -- and still the key question as the talks resume -- is whether Israel and Syria will come any closer to reaching common ground between their respective positions.

Israel is still insisting on a clearer and more comprehensive Syrian definition of "peace." But Syria wants a prior Israeli commitment to withdrawal from the Golan Heights.

Israeli sources said this week that the Americans basically endorse Jerusalem's view that the Syrian position is unsatisfactory, and that until Damascus spells out its definition of peace, there need be no substantive discussion on the territorial question.

# **BEHIND THE HEADLINES: TERRITORIES CLOSURE MAKES LIFE SAFER FOR ISRAELIS, HARDER FOR PALESTINIANS** By Gil Sedan

**EREZ CHECKPOINT**, Gaza Strip, April 13 (JTA) -- The Erez checkpoint, separating the Gaza Strip from Israel proper, appeared deserted.

A few bored soldiers stood by the road's entry lanes, normally busy but nearly empty for the past two weeks following a government decision to seal off the administered territories and ban Palestinian laborers from reaching jobs in Israel.

Every now and then, a car approached the checkpoint from inside the Strip, carrying a few thankful workers who held coveted special entry passes into Israel.

Periodically, a disappointed Arab was forced back home. The soldiers looked at the papers and said: "It won't do. You can't enter."

The general closure of the territories, now in its third week, has continued to be successful in its goal of ending the wave of violence that engulfed Israel last month.

But it has become more and more painful economically for both Palestinian workers and Israeli employers.

A group of Palestinian women, eager for work, tugged on an Israeli farmer on the Gaza side of the checkpoint.

Five women managed to get in his pickup truck, but five others were left out.

The government is killing us, the Israeli farmer said.

"We are losing tens of thousands of shekels. Our produce is left out in the fields with no one to pick it," he said.

"Rabin must make up his mind. If he wants to continue the closure, then let us do away with agriculture. This can't go on anymore," the farmer added.

Inside the Strip, the Palestinian population, dependent on wages earned in Israel, was suffering from a cash shortage.

A few miles down the road from this checkpoint, scores of Palestinians gathered outside military-run administration offices, hoping to get a special permit to enter Israel.

## **Little Hope Of Finding Work**

Local Gaza grocery stores were no longer willing to give credit, even to longtime customers. Palestinian families began cutting down on food.

The Palestinian laborers were standing outside the fence around the government offices, begging officers to let them inside and grant them work permits to enter Israel proper.

But there was little hope. From the 110,000 workers who used to enter Israel daily from both the Gaza Strip and the West Bank, only a few thousand permits have been issued for workers in agriculture and construction.

On Tuesday, for example, only 3,300 work permits were issued. Another 1,700 entry permits were given to those who needed medical treatment in Israel or who planned to travel abroad.

Israeli construction companies have submitted requests to allow more than 4,000 Palestinians to enter Israel to help the housing industry get out of the forced standstill. By Wednesday, the number of requests was expected to reach 10,000.

But for the time being, the authorities were strictly enforcing the closure, apparently determined to create a new economic reality and

separate the territories from Israel, even if the costs are high.

The Cabinet decided this week to extend the closure "indefinitely," reviewing the situation on a week-by-week basis.

But pressure on the government was mounting by midweek. Building contractors and the farmers were crying that they were on the verge of collapse and the army reported a "very difficult atmosphere" in the territories.

Although Prime Minister Yitzhak Rabin reiterated Tuesday that the people's security was higher on his agenda than any other consideration, economists expected a gradual relaxation of the closure -- with more and more permits granted daily.

## **Idle Men, 'Uncontrollable Rage'**

But there appears to be no doubt here that a return to the situation that existed prior to the closure was out of the question.

Senior army officers estimated that even after the complete closure is lifted, only 70,000 workers would be permitted back, with 40,000 forced to find alternative jobs inside the territories.

The catch is that there are few such jobs in the territories.

Unemployment in the territories, even before the closure, reached the high rate of 18 percent. An additional 40,000 jobless Palestinians would bring unemployment in the territories to an impossible rate of over 30 percent.

Tuesday was a hot day in Gaza. Scores of unemployed young men crowded the beautiful beach and used their forced vacation to cool off in the calm Mediterranean.

Ma'amoun Khozendar, 39, a local businessman, was standing on a hill overlooking the beach, and said: "Look at the sea, it's a treasure. You can develop a local harbor, build ships, make the sea turn around the entire Gaza economy.

"But if you stand idle -- see all these young men? The closure will not calm them down. It will make them angrier than ever and make their rage uncontrollable."

## **MAN WHO SHOT ARAB FREED ON BAIL AMID QUESTIONS ON WHEN TO FIRE** By Cynthia Mann

**JERUSALEM**, April 13 (JTA) -- A Jerusalem man who shot and killed an Arab car thief who he thought was armed has been released on bail.

The weekend incident has prompted calls for clearer government guidelines about when Israeli civilians are allowed to fire their personal weapons, an issue that was hotly debated last month during a wave of Palestinian attacks on Jews.

The civilian in this latest shooting works as a security guard and told police he opened fire during a pursuit of Rad Mohammed Sha'aban, 18, of the West Bank city of Ramallah, who had broken into a car and was fleeing the scene with two other Arab youths.

He said Sha'aban turned at one point and appeared ready to use a weapon, prompting him to fire a single fatal shot to Sha'aban's head.

Police said no weapon was found near the site of the shooting.

The Justice Ministry has come under criticism for failing to clarify what the regulations are for civilian use of guns at a time when police have called on Israelis to carry their weapons in an effort to combat terrorist attacks.

# PROGRAMS OF JEWISH INTEREST FARE WELL IN CLINTON BUDGET

By Deborah Kalb  
States News Service

WASHINGTON, April 13 (JTA) -- President Clinton's 1994 budget, sent to Capitol Hill last week, keeps funding for various programs of Jewish interest at the same or higher levels than the current fiscal year.

Although country-by-country expenditures in the foreign aid section of the budget were not spelled out, aid to Israel is expected to remain at its current annual level of \$3 billion.

Clinton and his foreign policy team have said on numerous occasions that aid to Israel, the largest recipient of American aid, and to Egypt, the second-largest recipient at \$2.1 billion a year, would remain constant for at least another year.

Some in the Jewish community were initially worried that the troubled American economic climate could result in budget cuts affecting aid to Israel or other programs of concern to American Jews. But for the most part, such programs seem to have been spared.

For instance, funding for domestic resettlement of refugees, including Jews from the former Soviet Union, will actually increase after being cut back this past year.

That, of course, assumes that Congress will pass the administration's budget intact, which it never does. In fact, in recent years, the president's budget has been regarded as more of a policy blueprint and "wish list" that is drastically revised in the yearlong congressional allocations and appropriations process.

The State Department budget reflects the administration's focus on changing its foreign assistance priorities in the post-Cold War world.

The budget for the department is based on five objectives: building democracy, promoting and maintaining peace, promoting economic growth and sustainable development, addressing global problems, and providing humanitarian assistance.

As expected, the Soviet successor states received a boost of over \$300 million in additional aid, which was backed by many Jewish groups.

## Funding For VOA Station Cut

Funding for Israel and Egypt's aid packages falls under the category of promoting and maintaining peace. The administration has placed a high priority on the Middle East peace process.

Aid to Israel and Egypt now totals 87 percent of the entire U.S. security assistance budget, the State Department said, up from 70 percent in the late 1980s, because of shrinking overall levels of aid.

But in real dollars, Israel's annual infusion of U.S. aid, which has remained constant since the mid-1980s, has been shrinking because of inflation.

In addition to \$1.8 billion in military aid and \$1.2 billion in economic assistance for Israel, the budget earmarks \$55 million in U.S. aid for the resettlement of refugees in Israel, down from \$80 million the year before.

The 1994 budget also includes a new request for \$5 million to support the multilateral working groups of the Middle East peace process.

Another provision in the budget calls for canceling the Voice of America relay station that had been scheduled to be built in Israel's Negev desert. The cut had been expected.

The station had triggered controversy in

Israel, in part because of concern about its environmental impact.

The new budget also calls for the deletion of provisions included in previous budgets that barred the State and Defense departments from awarding contracts to firms complying with terms of the Arab boycott against Israel.

"We are dismayed that the administration's budget proposal calls for the deletion of two provisions to fight the Arab boycott," Phil Baum, associate executive director of the American Jewish Congress, said in a statement protesting the move.

## More Funds For Refugees

Baum said the proposed deletions are "particularly puzzling" because Vice President Al Gore and State Department counsel Tim Wirth co-sponsored the provisions when they served in the Senate.

The Bush administration also called for the deletion of the provisions, AJCongress officials said, but Congress retained them last year.

Other sources, however, said that the deletions would not have much practical effect and did not represent a change in policy, because the provisions are already written into law for the Defense Department, at least.

On the domestic side, refugee assistance, which was cut back this past year to approximately \$380 million, was increased to approximately \$420 million for 1994. Some of that money will go to federation agencies around the country that are involved in resettling Jews from Russia and the other former Soviet republics.

Another program providing for emergency refugee funding will remain constant at around \$49 million. The emergency program can be used to help refugees from turbulent places like Bosnia-Herzegovina.

The United States Holocaust Memorial Museum, which will open later this month, had its funding for operations increased from \$11 million to \$21 million.

A program providing emergency food and shelter, which is important to Jewish federations across the country, saw its funding increased from \$100 million in the 1993 budget to \$123 million.

## JEW NAMED TO SOUTH AFRICAN CABINET

By Suzanne Belling

JOHANNESBURG (JTA) -- A South African businessman has become the first Jew in 50 years to be appointed to the nation's Cabinet.

President F.W. de Klerk announced last week that Louis Shill, 62, will take office June 1 as minister of national housing and public works.

His appointment is expected to last at least until this country's first universal franchise general election -- in which both blacks and whites will vote -- probably in the first half of 1994.

Shill faces a major challenge in this post, as housing and urbanization are among the key issues facing South Africa today.

The only other Jew to hold Cabinet office was Dr. Henry Gluckman, who served as minister of health and housing under Field Marshal Jan Smuts from 1945 to 1948.

Shill founded the Sage group of companies in 1965, South Africa's first mutual fund. Since that time he has built the group into a major player in life insurance, finance and real estate.

**NUNS REMAIN AT AUSCHWITZ CONVENT,  
MAY NOT LEAVE BY GHETTO ANNIVERSARY**  
By Debra Nussbaum Cohen

NEW YORK, April 13 (JTA) -- The expected transfer of Carmelite nuns from a convent at Auschwitz to a location nearby has not yet taken place, despite indications from Catholic officials over the last several weeks that the move was imminent.

Polish Catholic officials reiterated Tuesday that the relocation of the 14 nuns living at the convent would take place within a matter of days.

But Jewish officials here, who had hoped the move would happen before commemorations of the 50th anniversary of the Warsaw Ghetto uprising begin in the Polish capital next week, say they are concerned by reports that the nuns are resisting efforts to have them vacate the premises.

"Everybody in the Vatican, from the pope on down, has long been committed to this, and the (Polish) episcopate is, but the nuns are complaining they've not been consulted," said Rabbi A. James Rudin, director of interreligious affairs at the American Jewish Committee.

The nuns have the sympathy and support of some local Catholics, who regard the transfer of the Carmelite convent to a new facility across the road and off the grounds of the death camp as an affront to Polish dignity, he said.

In sermons, a local priest has preached that the nuns should not leave and that to do so would be to submit to outside pressure, according to Rudin.

The Polish Catholic newspaper *The Word* recently ran an editorial charging that the only time convents have been closed has been under occupiers of Poland -- the Russians, the Prussians and the Austrians. From the Polish point of view, "this is the worst company anyone could be in," Rudin said.

And in a letter to the editor recently reprinted in another, secular newspaper, a senior member of the Polish Catholic hierarchy wrote "if and when the nuns move," according to Rudin, who termed the language "ominous."

**Rabin Going To Warsaw Regardless**

It is up to the Polish episcopate -- their version of a bishops conference -- to initiate the move, and it may be paralyzed by an internal debate over whether transferring the nuns is the correct thing to do.

"Inside the church in Poland there's a struggle going on," said Rudin. "What's disturbing is this main obstacle has been played out now for six years," since the issue of nuns living and praying at Auschwitz first came to widespread public attention.

"I know the nuns will move, but the question is when," he said.

The Vatican reportedly sent a letter of instructions for moving the convent to Tadeusz Rakoczy, the bishop of the area that includes Oswiecim, the Polish town where Auschwitz is located. According to Rudin, the bishop received that letter.

But Rabbi Avi Weiss, president of Amcha, the Coalition for Jewish Concerns, said he doubts the letter's existence. "No one we have contacted, whether Catholic or Polish officials, has been able to produce the text" of the letter, Weiss said.

According to Rudin, the 50th anniversary of the Warsaw Ghetto uprising provides a "natural

deadline" for the nuns' transfer, though he doubts they will be out by then.

The anniversary of the uprising will be marked by official ceremonies involving members of the Polish government, a state visit by Israeli Prime Minister Yitzhak Rabin, and commemorations in churches and synagogues across Poland.

According to Rudin, Rabin has said that the problem with the convent and commemorations of the uprising should not be linked, and that he will go to Warsaw regardless of whether or not the convent problem is resolved.

**ISRAELI AND INDIAN AIRLINES  
SETTING UP DIRECT AIR LINK**  
By Hugh Orgel

TEL AVIV, April 13 (JTA) -- El Al and Air India are working out the final details of an agreement to introduce a direct air link between Israel and India in 1994.

Agreement between the two national airlines has already been reached on schedules: Each airline will operate two flights a week.

El Al officials are also completing the necessary security arrangements in India.

Air traffic between the two countries is currently reported to run at several thousand passengers a year, but travelers must take a circuitous route, via Copenhagen and Bangkok, with foreign airlines picking up a considerable share of the income.

In other news related to El Al, the American subsidiary of the Japanese Matsushita conglomerate has won a contract to supply on-board television and video systems for two aircraft ordered by El Al from Boeing.

Israel's Transportation Ministry expressed satisfaction with the deal since Matsushita, as a condition for winning the contract, agreed to buy Israeli products worth 25 percent of the multimillion dollar contract for use in the equipment.

**BAXTER, FINED FOR ANTI-ISRAEL BOYCOTT,  
AGREES TO INVEST \$10 MILLION IN ISRAEL**  
By Deborah Kalb  
States News Service

WASHINGTON, April 13 (JTA) -- Baxter International Inc., the Illinois-based medical supply company assessed a record fine last month by the U.S. government for compliance with the Arab boycott of Israel, has agreed to invest \$10 million in the Jewish state.

Under terms of a combined settlement of three shareholder suits brought against Baxter in the past two years, the company will, within five years, invest the money in research and development projects in Israel, Baxter spokesman Geoffrey Fenton said last Friday.

The shareholder lawsuits were spurred by the government's investigation of the firm, which began in 1990. The terms of the settlement are subject to approval by shareholders and the Delaware Chancery Court.

Seventy-five percent of the profits from the investment will be reinvested in similar projects in Israel over a period of 15 years.

"We are delighted," said Will Maslow, editor of the American Jewish Congress publication Boycott Report.

Baxter, two of its subsidiaries and a top Baxter executive agreed to pay a total of \$6,060,600 in civil penalties, and another \$500,000 in criminal penalties last month.