

**DESPITE LATEST TERRORIST ATTACK,
CABINET RATIFIES NEXT AUTONOMY PHASE**
By Cynthia Mann

JERUSALEM, Aug. 28 (JTA) -- Pressing forward with the next phase of the Israeli-Palestinian peace initiative, the Israeli Cabinet has unanimously ratified an agreement that transfers control over civilian affairs to Palestinians throughout the West Bank.

The Cabinet took the step despite calls from Israeli opposition leaders for the ministers to suspend the accord because of a terrorist attack within Israel's borders over the weekend that left two Israelis dead.

The so-called "early empowerment" agreement, which was initialed last week by Israeli and Palestinian negotiators, provides for the transfer of control to the Palestinians over taxation, education, health, social welfare and tourism.

The timing for the implementation of the accord, which was approved Saturday by the Palestinian governing authority, still has to be worked out.

However, because of the start of the new school year on Sept. 1, responsibility for education in the West Bank's seven school districts officially fell under Palestinian control last week.

The overall agreement was scheduled to be signed Monday at the Erez checkpoint separating the Gaza Strip and Israel by the leaders of the two negotiating teams, Maj. Gen. Danny Rothchild for Israel and his Palestinian counterpart, Nabil Sha'ath.

Prime Minister Yitzhak Rabin and Palestine Liberation Organization Chairman Yasser Arafat had originally been scheduled to sign the accord at Erez. It was unclear whether the terrorist attack near Tel Aviv last Friday was responsible for the change.

In that incident, Shlomo Kepach, 22, of Holon, and his friend Gil Revah, 21, of Bat Yam, were found with their throats slashed at a construction site in Ramle, where they were working on the installation of an elevator for a new five-story building.

Hamas Claims Responsibility

A search began for the two when their families grew concerned that the men had not returned home from work at the usual hour. Police were summoned to the construction site after a foreman found the two bodies lying in pools of blood on the fourth and fifth stories of the newly constructed building.

Police found a blood-stained knife as well as a pack of cigarettes that had the word "Hamas" inscribed on it.

Members of the Islamic fundamentalist Hamas movement later claimed responsibility for the attack, saying it was the third of five attacks planned in reprisal for the Feb. 25 Hebron massacre. In that incident, Israeli settler Dr. Baruch Goldstein opened fire on Palestinians praying at a mosque at the Tomb of the Patriarchs, killing 29.

In April, Hamas claimed responsibility for two separate bomb attacks on buses in the Israeli

towns of Afula and Hadera. Fourteen Israelis died in the two attacks, which also left more than 80 wounded.

In its statement, Hamas said it would strike two more times before the end of the year.

Last Friday's attack was the first on a target within Israel since the implementation of Palestinian self-rule in Gaza and the West Bank enclave of Jericho in mid-May.

Police officials said no arrests were made, but that they suspected the murders were carried out by Palestinian workers. Police subsequently staged a nationwide sweep for Palestinians working within Israel without work permits.

According to police officials, more than 200 Palestinians without permits were detained. The police said their Israeli employers, who reap the financial benefits of hiring the low-paid workers, would be subject to heavy fines.

Following the murders, a group of angry Ramle residents gathered in the streets, where they burned tires, threw rocks at police, shouted anti-government slogans and pledged vengeance.

According to the police, 23 Israelis were arrested during the Ramle riots.

Residents of Holon and Bat Yam, the hometowns of the two victims, also held angry demonstrations.

The slain men were buried in the Holon cemetery Sunday afternoon.

Rabin Rejects Closure Of Borders

Israeli opposition leaders called on the government to seal off the territories to prevent Palestinians from working within Israel, a measure taken several times in the past, following terrorist acts against Israelis.

But Rabin rejected calls to impose another closure on the territories. At the Cabinet meeting, he called instead for a crackdown on Israeli employers who offer work to illegal Palestinian workers.

Foreign Minister Shimon Peres, responding to right-wing calls for the government to suspend the early empowerment agreement, urged a more low-key response. He said that terrorism could best be fought by improving the living conditions of Palestinians.

"There are those who believe we can shoot at Hamas with cannons or with guns and be done with them. We tried that route for many years with partial results," he told Army Radio. "In my opinion, the way to liquidate terrorism is by getting rid of the reasons for it, political and economic."

The agreement on early empowerment represents the second phase of the Israeli-Palestinian peace initiative outlined in the Palestinian self-rule accord signed last September in Washington. The first phase took place in May, with the granting of Palestinian autonomy in Gaza and Jericho.

During a Cabinet meeting recess on Sunday, Environment Minister Yossi Sarid said Israel had decided to go ahead with the latest agreement because it had already been initialed.

But he warned that if the Palestinian gov-

erning authority did not take steps to control violence against Israelis by Islamic militants, further phases of the peace process could be imperiled.

Sarid also said Israel was demanding that the Palestinian officials catch and hand over to Israel the militants responsible for last Friday's terrorist attack.

(JTA correspondent Hugh Orgel in Tel Aviv contributed to this report.)

RABIN TO RUSSIAN ENVOY: NYET TO INVOLVEMENT ON JERUSALEM TALKS By David Landau

JERUSALEM, Aug. 28 (JTA) -- Prime Minister Yitzhak Rabin has rejected a Russian request to be involved in future Israeli-Palestinian negotiations on the status of Jerusalem.

Rabin turned down the request during a meeting last Friday with Viktor Posovalyuk, Russia's Middle East peace envoy. Russia and the United States are co-sponsors of the Middle East peace process launched in October 1991 in Madrid.

Arguing for a Russian role in the negotiations over Jerusalem, Posovalyuk cited the sizable number of properties in the city owned by the Russian Orthodox Church.

He also pointed to the substantial following the Orthodox churches have in Israel and to the fact that Russia is home to a large Muslim community.

All these factors, Posovalyuk said, give Russia the right to be involved in any future discussions centering on Jerusalem.

The envoy came to Israel Aug. 25 during the course of a Mideast tour that had taken him to Damascus, Beirut and Amman. During his visit to Israel, which ended Sunday, Posovalyuk met with Rabin, Foreign Minister Shimon Peres and Deputy Foreign Minister Yossi Beilin.

In his conversation with Rabin last Friday, Posovalyuk reportedly pledged Moscow's support for Israel's effort to hold high-level and direct negotiations with Syria.

Posovalyuk told Rabin that while there are "pockets of resistance" in Damascus to the peace process, the decision of Syrian President Hafez Assad to seek peace with Israel is widely supported.

'It Is Between Us And The Palestinians'

On the issue of Jerusalem, Rabin said that Russia, like other parties, had the right to be involved in discussions about religious aspects of the issue, but not in political discussions that would determine the future status of the city.

Peres, who met with the envoy in Tel Aviv, reportedly sought to put a more positive spin on the Israeli stance.

He stressed Israel's readiness to discuss any claim, demand or request of the Russian Orthodox Church regarding holy places within Jerusalem or regarding its church properties or adherents elsewhere in Israel.

But Peres, too, emphasized that the issue of Jerusalem, which Israel claims as its eternal, undivided capital, was not to be negotiated in the international arena.

"Israel won't place Jerusalem on the international negotiating table," Peres said on Israel Radio. "It is between us and the Palestinians."

Peres noted that Israel's commitment, under the terms of the declaration of principles signed last September in Washington, was to negotiate the issue of Jerusalem with the Palestinians when the proper time came.

The declaration of principles calls for negotiations on the question of Jerusalem, along with the status of Israeli settlements, to begin no later than May 1996, two years after the official launch of Palestinian self-rule in the Gaza Strip and the West Bank enclave of Jericho.

FAMILY OF INDIAN ORPHANS IMMIGRATE AMID EFFORTS TO KEEP KIDS TOGETHER By Cynthia Mann

JERUSALEM, Aug. 28 (JTA) -- Six orphaned brothers and sisters from India have arrived in Israel to begin an unusual absorption process that will enable them to remain together.

The Malvankar youngsters, ages 10 to 19, are members of Bene Israel, or Indian Jews, who lost both parents within two months in 1990. They had lived in the village of Pali, five hours from Bombay, where their family had owned a vegetable store.

They were cared for by two uncles and a representative of the American Jewish Joint Distribution Committee, which provided them a monthly stipend. After moving to Bombay a year ago, the family became more involved in organized Jewish life and decided to come to Israel, which has 50,000 Bene Israel members, according to Deborah Lipson, JDC public relations director.

With the help of the Jewish Agency, they immigrated to Israel on Sunday.

But their absorption "posed a unique challenge," according to Lipson, who said most young immigrants are sent to boarding schools and are thereby separated from their families.

To avoid separating the Indian youngsters, a committee of representatives from the JDC, the Jewish Agency and several government ministries worked together to find a way for them to stay together and manage without an adult family member in a completely unfamiliar society, Lipson said.

The children have two aunts in Israel, but neither of them can provide homes for the children, she said.

"There was a special degree of cooperation among all the entities to find a solution," Lipson said. "Everyone went above and beyond to meet the challenge."

The children were given an apartment in a public housing complex in Ashkelon and will be provided a "care-giver" eight hours each day as well as a social worker. A legal guardian will also be appointed for them.

The Israeli media reported Sunday that neighbors around the housing complex expressed reservations in anticipation of the youngsters' arrival.

But Lipson said this was no reflection on the way the children were or would continue to be received. "The apartment is not in the best area of Ashkelon" and the neighbors expressed the fear "that bringing young kids to live in this environment without parents would not make their absorption easy," Lipson said.

Meanwhile, the school-age Malvankar children were set to begin school this week.

ENVOY IN MOROCCO URGES U.S. JEWS: INVEST IN THIS NORTH AFRICAN NATION

By Janet Silver Ghent

Jewish Bulletin of Northern California

RABAT, Morocco, Aug. 28 (JTA) -- The same forces driving young Jews out of Morocco -- a lack of jobs and economic instability -- are taking a toll on all Moroccans, according to Marc Ginsberg, the U.S. ambassador to Morocco.

For that reason, Ginsberg, the first Jew to hold his post, would like the United States to work in partnership with Morocco to increase trade and economic opportunities.

"Thousands and thousands of young Moroccans need jobs," said Ginsberg during a recent group interview at the U.S. Embassy in Rabat.

"The American Jewish community should understand that Morocco is open for business," he said. "The best way, the most tangible way, is not only to come here, but to come here and invest and support the political process."

An international trade lawyer who has served in both the Carter and Clinton administrations, Ginsberg came to his post with distinctive credentials.

Educated as a child in Israel, Ginsberg speaks Hebrew and Arabic, and holds degrees in both law and Islamic affairs from Georgetown University.

Part of the circle of young Democrats who have taken prominent positions in the Clinton administration, Ginsberg served as a Middle Eastern adviser to Al Gore during his bid for president in 1988.

During the 1992 presidential campaign, he served as Bill Clinton's liaison to the Jewish community.

According to Ginsberg, Morocco's King Hassan II brings to his position 30 years of experience as a statesman, with a "vision and understanding and appreciation of the Middle East."

'Morocco Is A Pivotal Player'

As a result of the king's experience, Ginsberg said, Hassan was able to serve as a mediator between Israel and the Palestinians and ease the way for last September's signing of the declaration of principles in Washington.

"The importance of Morocco is as a pivotal player in the peace process," Ginsberg said. "The American Jewish community needs to (hear) more that Morocco deserves credit."

Despite the fact that Israel and Morocco do not yet have diplomatic relations, the ambassador said, plans for \$100 million in trade between the two countries are in the works, including aviation, telephone and postal links. Currently, Moroccans cannot send letters or make telephone calls directly to Israel.

And although Morocco has "technically not renounced the (Arab) boycott of Israel," he said, "for all purposes, it no longer observes" the prohibitions.

By participating as a mediator in the peace process, King Hassan, from the Moroccan perspective, has taken a "politically risky" position, given opposition to his moves from major parties in the country's parliament.

"American Jewish leaders should line up behind the king," Ginsberg said, letting him and

the opposition know that "the American public applauds his effort."

In addition to serving as a mediator in the Middle East, he said, Morocco also is dealing with other critical issues closer to home. One is the future of Western Sahara, a former Spanish colony reclaimed by Morocco in 1975 and now seeking its independence. Algerian-backed guerrilla fighters have led rebellions in the region, on and off, for the last two decades.

In addition, the resurgence of religious fundamentalism in neighboring Algeria has posed challenges to Morocco, which has long held cordial relations with the West, Ginsberg said.

The challenge for Morocco, according to Ginsberg, is to "balance the competing forces of Islam, democracy and the West. Islam is not an incompatible force with economic growth and Westernization.

"We in the United States have an obligation to remember who our friends are, who our friends were for the last 200 years, and who our friends will be."

CLOCK CHANGE REVIVES TIME DEBATE

By Hugh Orgel

TEL AVIV, Aug. 28 (JTA) -- Israelis set their clocks back one hour at midnight Saturday, reverting to Standard Time while the country was still sweltering under unusually warm days.

The timing of the change from summer to winter time at a point when the country would normally expect at least a month more of summer weather has once again heightened tension between the secular majority and the Orthodox minority.

The Orthodox, who represent an estimated 10 percent of the population, demanded the early changeover to facilitate the recitation of pre-Rosh Hashanah selichot prayers before dawn each day.

A large majority of Israeli Jews, as illustrated by person-in-the-street interviews in the media, prefer the continuation of summer time for at least another month, to coincide with the United States and most of the rest of the world, and to provide for reduced electricity costs and more daylight hours for sport and recreation.

YOUNG ISRAELIS VISIT AUSTRIA

By Marta S. Halpert

VIENNA, Aug. 25 (JTA) -- Austria's minister for youth, family and environmental affairs, believes that Jewish youth with family ties to Austria know both too little and too much about her country.

That's why Maria Rauch-Kallat invited a group of Israelis with roots in Austria to come see the country for themselves.

She extended the invitation last spring when she was an official guest of Yossi Sarid, Israel's minister of the environment.

A group of 20 Israelis, ages 15 to 27, arrived this week for a two-week visit.

"I want these young people to look for the roots of their own family histories," she said. "This confrontation with one's own past is a big challenge, because this past was so painful."

The trip will include an extensive tour of the Austrian provinces, a rock concert and a meeting with Vienna Mayor Helmut Zilk.

PRESAGING CLOSER TIES TO ISRAEL, TWO E.U. STATES SUPPORT SCIENCE LINK By Joseph Kopel

BRUSSELS, Aug. 28 (JTA) -- In a step that promises closer ties between Israel and the 12 member states of the European Union, England and France have agreed to Israel's full participation in the E.U.'s scientific research and development programs.

The step, which had been previously opposed for protectionist reasons, came only days after Foreign Minister Shimon Peres secured a promise from German authorities that they would help push forward Israel's request to upgrade its overall trading status with the European Union.

According to an Israeli source, the agreement by France and England to allow Israel's participation in the E.U.'s five-year scientific research programs paves the way for a final decision by the remaining members of the E.U. at a meeting next month of the European Research Ministers Council.

Participation in the E.U.'s scientific programs could give Israel some \$30 million in annual benefits.

The speeding up of technological and scientific links with the E.U. is also of great importance to Israel since it could help close its current \$5 billion trade deficit with the E.U., which is its main trading partner.

Israel's participation in scientific research could also open the door for European companies to profit more from the high technological level of Israeli industry.

For months, Israel has been engaged in negotiations with the E.U. to update its 1975 trade and economic agreement with the European body, particularly in the area of research and development projects.

Negotiations Proceeding Slowly

The E.U. decided to strengthen relations with Israel after it signed the Palestinian self-rule accord last fall.

But, according to several sources, negotiations on the formalization of a new agreement are proceeding slowly.

One of the problems appears to be the scope of the agreement both parties would reach for cooperating in the scientific and technological arena.

In a statement issued at their biannual European Summit Conference, held in June at the Greek island of Corfu, the leaders of the E.U. expressed their desire that any updating of the 1975 agreement with Israel be coupled with a separate agreement on scientific and technical cooperation.

They also asked the European Council of Ministers to "do their utmost that these two agreements may be completed before the end of the year."

In June, Peres met with the E.U.'s Council of Foreign Ministers in Luxembourg in an effort to establish closer economic ties with the 12 European states that comprise the E.U., which was formerly known as the European Community.

Israel is seeking to have an associate status with the E.U., similar to that of such countries as Switzerland and Iceland, which are not full members of the organization.

This status would give Israel similar benefits to those of the union's regular members, except that it would have no voting rights within the organization.

Before Israel and the E.U. agree on a new overall trade pact, negotiations will continue on a number of issues, including Israeli agricultural exports and telecommunications.

More meetings involving experts from both sides are expected before any agreement is concluded.

YEHOSHAFAT HARKABI, ACADEMIC AND MILITARY MAN, DIES OF CANCER By Hugh Orgel

TEL AVIV, Aug. 28 (JTA) -- Yehoshafat Harkabi, a former intelligence chief of the Israel Defense Forces and one of the country's premier specialists on the Arab-Israeli conflict, died early last Friday morning at the age of 72.

He had been admitted to Hadassah Hospital in Jerusalem a few months ago, at his own request, when he was diagnosed with terminal bone cancer.

An acclaimed authority on Middle Eastern affairs and a professor of international relations at the Hebrew University, Harkabi, popularly known by his nickname "Fatti," was adviser to several prime ministers, including Yitzhak Rabin and the late Menachem Begin.

A third-generation Israeli, Harkabi was born in Haifa.

He won the prestigious Israel Prize last year for his writings on the Middle East.

Harkabi had a checkered military career, beginning in 1947 when he was commander of a company of students for the Palmach, Israel's pre-state army.

In 1949, he was a member of the Israeli delegation to the Rhodes talks negotiating cease-fire agreements with Jordan and Egypt. During that period he made a secret visit to Jordan with the late Moshe Dayan.

A decade later he was forced to step down as army intelligence chief, as a result of a mistaken military call-up broadcast over Israel Radio.

He then switched from a military to an academic career, focusing on philosophy and history, particularly the history of the Arab-Israeli conflict.

In 1969, Harkabi was the first to translate the Palestine National Covenant, the Palestine Liberation Organization's charter that called for the destruction of Israel and the expulsion of all Jews who had come here after the state was established.

It is that same charter that PLO chairman Yasser Arafat promised to amend as part of his agreements with Israel, but so far the PLO has refused to do so.

Following the 1973 Yom Kippur War, Harkabi turned from a hawk to a dove, becoming one of the first Israelis to call for negotiations with the PLO and for withdrawal from the territories captured in the 1967 Six-Day War.

He became even more outspoken about withdrawal from the territories following the outbreak of the Palestinian uprising, or intifada, in 1987.

He was buried Sunday, in a military funeral at the Mount Herzl Military Cemetery in Jerusalem.