



IN MEETING WITH U.S. JEWISH GROUP, ARAFAT PLEDGES TO CURB TERRORISTS

By Cynthia Mann

JERUSALEM, Oct. 6 (JTA) -- Palestine Liberation Organization Chairman Yasser Arafat told a visiting group of American Jews this week that he would crack down on terrorists seeking to derail the peace process.

Meeting with a leadership delegation of the National Jewish Community Relations Advisory Council on Thursday at his beachfront office in Gaza, Arafat singled out Syria, Libya and Iran for supporting rejectionist groups such as Hamas and Islamic Jihad.

"They're getting more money than we're getting," Arafat said, referring to his financially strapped Palestinian Authority, which governs the autonomous Gaza Strip and Jericho enclave in the West Bank.

Help from the international community has been painfully slow in coming, he told the officials from NJCRAC, the umbrella body, which represents national and local Jewish organizations.

One year after the self-rule accord was signed with Israel in Washington, Arafat complained, the Palestinians have received nothing with which to rebuild the "infrastructure that was completely destroyed by the occupation.

"After one year, promises and nothing but promises," he said, referring to pledges of aid from foreign nations that have been delayed.

Arafat also said there has to be a "very practical" solution to the question of Jerusalem, which is slated to be discussed in the final-status negotiations between Israel and the Palestinians. While those negotiations are not scheduled to begin until 1996, Israel has steadfastly maintained that Jerusalem will remain as Israel's eternal and undivided capital.

Arafat Compares Jerusalem To Rome

Arafat said Jerusalem could be the undivided capital of two states, "like Rome is for the Vatican and for the Italian government." He added that Israel and the Palestinians could share the city without setting up "a Berlin Wall."

Arafat also told the American delegation that there is no turning back in the peace process, despite all the obstacles.

"There is no other alternative," he said.

The group also met with Nabil Sha'ath, chief negotiator in the Israeli-PLO talks for implementing Palestinian self-rule and minister of economic affairs for the Palestinian Authority.

Sha'ath told the Jewish leaders there was not enough support within the Palestine National Council to abrogate the clause in its charter calling for Israel's destruction. But he predicted such a vote could take place after Palestinian elections, the terms over which Israel and the PLO are currently negotiating.

More than a year ago, as part of the Israeli-PLO mutual recognition pact that led up to the signing of the self-rule accord, Arafat had vowed to convene the PNC to delete the anti-Israel clauses from its charter.

Sha'ath also said Jewish settlers currently living in the West Bank and Gaza should not be permitted to remain there under a final agreement on Palestinian self-rule. He said U.S. loan guarantees could help compensate them for relocation.

Following the meetings, the group expressed satisfaction.

"It was an important day," said Lynn Lyss, chair of NJCRAC. "We're very supportive of the peace process, and we came to (get) a better understanding of Arafat's views on issues of concern to us."

"Not only did we hear from them, but they also had an opportunity to hear from us," she said.

NJCRAC's executive committee adopted a policy statement earlier this week expressing strong support for the peace process and for what they described as Prime Minister Yitzhak Rabin's "bold efforts to achieve security for the Israeli people and normalized relations with Israel's neighbors."

At the same time, the statement called for "additional efforts" on the part of the PLO to "curb terrorism and to develop the kind of economic institutions that will give confidence to an international community committed to Palestinian development."

It also called for the PLO to hold democratic elections in Gaza and the West Bank as soon as possible, and to rescind the clause in its covenant calling for Israel's elimination.

SHAS MOVES TOWARD REJOINING COALITION, PROMPTING AN INTENSE POLITICAL DEBATE

By David Landau and Cynthia Mann

JERUSALEM, Oct. 6 (JTA) -- As the fervently Orthodox Shas Party moves closer to rejoining the Labor-led government, a bitter debate has erupted over the political and religious implications of what such a move would mean.

To the delight of Prime Minister Yitzhak Rabin, who wants to shore up his governing coalition, the Labor Party executive this week approved a agreement that would bring Shas back into the government.

Shas withdrew from the Labor-led coalition last September when the party's political leader, Aryeh Deri, was forced from his post as interior minister to face charges relating to bribery and abuse of his office. Deri is currently on trial.

"That's the first hurdle overcome," Rabin said Tuesday, smiling with satisfaction after his executive voted 55-20 to support the agreement.

But as Rabin himself implied, the pact still has several hurdles looming before the agreement can go into effect.

The main points of contention over the agreement involve clauses that accede greater authority to the religious establishment.

Opponents of the pact from within Labor appealed to the party's Central Committee, Labor's largest and highest policymaking forum, which was scheduled to vote on the agreement late this week.

In addition, three separate petitions were

filed to the High Court of Justice on Tuesday -- two by secular citizens, claiming the Labor-Shas deal infringed upon their civil rights, and the other by an opposition group within Shas.

Meretz, Labor's other coalition partner, is also opposed to aspects of the agreement, and as of midweek, had not yet decided how it will vote.

Political observers predict that the High Court will dismiss the three actions, and that Rabin will easily win the Central Committee's approval.

Tuesday's vote by the Labor Party executive ratified an agreement with Shas initialed earlier this year.

Among the controversial elements of the agreement is a pledge to pass special legislation to annul any Supreme Court ruling that Shas believes violates the status quo on religious affairs in Israel.

That pledge will be enshrined in a law stipulating that a special Knesset majority will be required to overrule such legislation.

Another clause provides that the "Basic Law: Human Rights" be amended so as not to clash with "religious sensibilities."

The first clause, which preserves the religious status quo, essentially gives the Orthodox religious and political establishment sole control over religious matters.

Shas, which has six members serving in the Knesset, maintains the new agreement is necessary to counter recent rulings that have threatened this arrangement.

For example, the court ruled earlier this year that Reform and Conservative rabbis could not be barred from serving on local religious councils.

Another court ruling, hailed by advocates of women's rights, decided that property division in divorce cases must be settled according to the laws of the civil courts and not the rabbinical courts.

Shas' Return Would Yield A 'Jewish Majority'

Shas faction leader Shlomo Benizri welcomed Tuesday's decision and pledged that his party intends no tightening of religious legislation.

He said the original agreement that brought Shas into the coalition in 1992 was based on the maintenance by all sides of the present "status quo."

This, he said, was still Shas' position and commitment.

Proponents of the agreement say that the return of Shas to the coalition will give Rabin a clear majority in the Knesset for his peace initiatives.

After Shas withdrew from the coalition last September, a move denying Rabin a "Jewish majority" in the Knesset, the government had to depend on the support of Arab Israelis within the Knesset.

Opponents of the Labor Party's coalition deal with Shas say they resent being told that going against the agreement means going against the peace process.

They stress that they support the peace process and recognize the importance of Shas' return to the coalition to shore up support for the tough deals that lie ahead in the peace process.

However, these opponents strongly object to

the price Shas has exacted as a condition for its return, which essentially grants Shas the power to demand the annulment of Supreme Court decisions it finds objectionable.

Opponents contend that such concessions will damage Israeli democracy for generations to come. Shas, they say, could have been brought into the coalition without such radical concessions.

Among the opponents are two ministers from Rabin's own Labor Party, Justice Minister David Libai and Police Minister Moshe Shahal.

Libai argued Tuesday that the agreement was an improper encroachment upon the powers of the Supreme Court, and imposed an unacceptable limitation upon the Basic Law, which eventually is to become part of a now-evolving written constitution.

'The Price Is Impossible'

"I am not against Shas (rejoining) the coalition, I am against the agreement because the price is impossible and not necessary," said Libai.

The minister made the comments at a demonstration by opponents of the agreement in the Rose Garden opposite the Knesset just prior to the Tuesday vote.

"The agreement gives preference to Orthodox religious feelings (over) the feelings of all other citizens, no matter whether Reform or secular," he said.

Communications Minister Shulamit Aloni of the Meretz bloc, the left-wing partner in the Labor-led coalition, is meanwhile leading the opposition to the agreement coming from within her party.

Stressing that Meretz wants to see the Labor-Meretz-Shas coalition restored in the interests of the peace process, Aloni said Tuesday that Meretz would not back out of the coalition at this stage.

But she warned there would be a crisis when and if Shas insisted on the agreed-upon legislation being passed.

Miriam Isserow, attorney and advocacy coordinator for the Israel Women's Network, said the deal will mean that legal advances in women's rights that have been in the works for years can suddenly be undone at the discretion of Shas.

Isserow criticized Rabin for the deal, saying, "He doesn't care about democracy."

Naomi Chazan, a Meretz Knesset member, also joined Tuesday's demonstrators.

"Peace is not only an objective, it's also a means for the creation of a just and enlightened society in Israel," she said. "If, on the road to peace, we handicap the possibility of creating a more fully democratic and just society, we've done very little."

Knesset opponents within Meretz and Labor vow that even if the Labor Party Central Committee ratifies the deal later this week, they will continue to wage the war and fight each piece of legislation Shas proposes.

There is also a possibility the Supreme Court will rule on whether the agreement itself has legal standing.

There will be no Daily News Bulletin published on Monday, Oct. 10, due to the Columbus Day holiday.

ARMY RESCINDS LETTER URGING CADETS TO JOIN CHRISTIAN GROUPS

By Jennifer Batog

WASHINGTON, Oct. 6 (JTA) -- The U.S. Army has rescinded an ROTC memo suggesting that cadets join certain Christian organizations.

The move came in response to a complaint filed by the American Jewish Congress, whose Washington representative, Mark Pelavin, said he was "pleased" with the decision.

"This is the kind of response that we both hoped for, and anticipated," he said.

A July 15 memo from an ROTC commander said, in part, "The officer's Christian Fellowship and Campus Crusade for Christ's Military Ministry offer religious activities that stress values essential to effective leadership development."

The memo, signed by the ROTC First Region commanding officer, Maj. Gen. James Lyle, also gave the group's phone numbers and said participation in them was voluntary. The First Region is based at Ft. Bragg, N.C. Lyle sent the memo to the program's three region commanders.

The Reserve Officers' Training Corps is a standardized program of instruction done in coordination with universities around the country, whereby college students receive training that qualifies them to be commissioned officers in the military.

'Well Beyond Bounds Of Army Practice'

AJCongress President David Kahn wrote to Army Secretary Togo West Jr. on July 21, after the memo was brought to the attention of the Jewish group, Pelavin said.

Kahn noted in his letter that AJCongress had no problem with the memo's proposition that the Army's future leadership should understand the importance of religion to members of the military.

AJCongress was concerned, however, with the memo's singling out Christian organizations to the exclusion of others, Pelavin said.

"The original memo clearly went well beyond the bounds of Army practice or government practice," he said.

In a Sept. 16 letter to Kahn, Sara Lister, assistant secretary of the Army for manpower and reserve affairs, said the memo was rescinded because of "legitimate concern."

The Army rescinded the original memo and any memos that may have been prompted by the original memo, Lister said.

Writing on behalf of West, Lister noted in her letter, "I understand your concern that however well-intentioned, the ROTC cadet memorandum focuses on two Christian organizations to the exclusion of other religious faiths and other organizations."

No other groups complained about the memo, and Lister said that as far as the Army knew, the memo was the first of its kind.

In an AJCongress news release, Kahn said, "Secretary Lister's assurance that 'Army policy does not favor the establishment of one faith or faith group over another' is particularly welcome."

Said Pelavin: "Having the memo rescinded is quite positive. We've sent the message not only to the person who sent this memo, but to commanders throughout the military."

OMANI FOREIGN MINISTER GOES PUBLIC AS HE MEETS FACE TO FACE WITH PERES

By Matthew Dorf

WASHINGTON, Oct. 6 (JTA) -- In a continuing sign that the Arab world is warming up to Israel, the Omani foreign minister met with his Israeli counterpart for the first time this week.

Originally slated as a closed meeting, Omani Foreign Minister Yusuf Bin Alawi agreed at the last minute to allow photographers into his session here with Foreign Minister Shimon Peres on Tuesday.

An Israeli delegation visited the Persian Gulf nation last April to participate in the Middle East multilateral talks on water rights.

The meeting between Peres and Alawi, however, marked the highest public contact between the two states.

While no concrete decisions were reached at the meeting here, the two ministers agreed to continued the dialogue.

Their goal is the future exchange of economic liaison officers, an Israeli Embassy official said.

The latest meeting capped off a whirlwind week in the world of Arab-Israel relations.

Earlier in the week, Tunisia and Israel initiated relations by announcing that the two nations would exchange economic liaison offices.

Last Friday, the Gulf Cooperation Council, including Saudi Arabia and Oman, announced it would end the secondary and tertiary boycotts of Israel and pledged to discuss ending the boycott altogether at the next Arab League meeting.

And last month, Morocco agreed to an exchange of low-level diplomatic officers.

RIGHT-WING SETTLERS CHARGED WITH ATTEMPTING TO MURDER ARABS

By Hugh Orgel

TEL AVIV, Oct. 6 (JTA) -- Two members of a Jewish right-wing underground movement suspected of planning terror attacks against Palestinians were formally charged with attempted murder this week in Jerusalem District Court.

In addition to the attempted murder charges, brothers Eitan and Yehoyada Kahalani, from the West Bank settlement of Kiryat Arba, were charged Wednesday with conspiracy and illegal possession of firearms.

The brothers were among 13 members of the underground movement who have been detained over the past month on suspicions of planning attacks on Palestinians.

All but four of the group have since been released pending possible trials.

The Jerusalem District Attorney's Office said it also intends to indict Rabbi Ido Elba, also of Kiryat Arba, on conspiracy charges.

The Jerusalem District Court extended Elba's detention in custody until next week, to allow more time for preparation of a charge sheet against him.

During Wednesday's hearing, the brothers' attorney, Likud Knesset Member David Mena, alleged that Kiryat Arba resident Yves Tibi, one of those detained and since released, was a "mole" planted within the suspected terror group by the General Security Services and had been used in efforts to implicate his clients.

BEHIND THE HEADLINES:**ISRAELI REAL ESTATE MARKET STARTS TO FEEL POSITIVE EFFECTS OF PEACE**

By Michele Chabin

JERUSALEM, Oct. 6 (JTA) -- The real estate industry, like most other sectors of the Israeli economy, is feeling the effects of the peace process, according to industry insiders.

During the past year, Israel's real estate market has benefited from the optimism generated by peace agreements with the Palestine Liberation Organization and Jordan. Foreign investment in commercial real estate is booming, and realtors attribute at least part of this upward trend to the peace process.

Yet while momentum at the negotiating table has translated into profits in the business sphere, the private housing market is more ambivalent.

Despite daily headlines proclaiming that the government has secretly offered compensation to some settlers in the Gaza Strip and the Golan Heights -- reports that the government has firmly denied -- few settlers appear to be preparing to leave.

Whereas local real estate agents say they anticipate a time when many residents of the territories will seek property within Israel's pre-1967 borders, they report that very few settlers have made inquiries to date.

Furthermore, the question of when, or even if, Israel will relinquish control over the territories has added a measure of uncertainty to the country's real estate market -- something many homeowners and potential buyers find unnerving.

Still, even with this uncertainty, real estate agents predict that, at least in the long term, the peace process will be good for business.

In a recent interview with the Jerusalem Post, Haim Kaufman, chairman of the Israel Real Estate Association, predicted that "foreign investment in real estate, including investment by Israelis who have been living abroad, will increase as the influence of the peace process takes firmer hold."

Investors See Israel As Commerce Center

Evidently, realtors here are already witnessing this trend. Albert Rimi, of Kenyan Realtors in Tel Aviv, said that "the peace process has already made a difference in the commercial market. Many foreign investors think that peace is around the corner and believe that Israel will become a center of world commerce."

During the past year, Rimi said, "commercial property sales have gone up 20 percent, and prices have jumped at least 20 percent. Many properties that were dead (undeveloped) have been sold to overseas firms in the area between Tel Aviv and Jerusalem."

"We have definitely seen more business inquiries since the start of the peace process," said David Blumberg, of Anglo-Saxon Realty in Herzliya. "Midsized companies, especially from the United States, are purchasing more offices, shops and factories."

To take advantage of this investment, the Herzliya Pituach Industrial Zone, one of the largest industrial parks in the country, plans to build 2.2 million square feet of high-tech office space over the next five years, Blumberg said.

Both Blumberg and Rimi report that a grow-

ing number of Diaspora Jews, including Israelis living abroad, are feeling out Israel's residential real estate market.

"We are getting quite a few inquiries, especially from Israelis," said Blumberg, who added that "right after the earthquake in California, Israelis living there began to show a real interest in coming back."

"There is definitely a feeling of optimism about Israel, and Jews from abroad are looking to buy," Rimi agreed. "What's new is the fact that they seem to be looking at apartments that will not only serve as investments, but also as their homes sometime in the future."

"Until recently, purchases by Diaspora Jews had been confined almost exclusively to Tel Aviv, Netanya and Jerusalem. Now they're looking in other parts of the country as well," Rimi said.

Unfortunately, this upbeat mood has not spread to Israelis at home -- at least not yet.

With territorial compromise a distinct possibility, most prospective buyers are wary about buying beyond the pre-1967 borders, said Karen Goldman of Jerusalem's Narkiss Agency. This fact, along with the limited supply of homes within the Green Line, is raising inflated prices even higher.

"The situation is very unclear, and people are feeling the uncertainty," Goldman said. "It's hard to know what the future will bring, and whether the settlers will move to property within the Green Line."

May Have To Settle For Smaller Apartments

If they do, she predicted, "they may not have enough money to buy the type of home they had in the territories. Property there is much cheaper and people who have beautiful, large homes may have to settle for much smaller apartments, perhaps outside of the city."

"This, of course, will push up the price of less expensive apartments. Really, everything depends on whether the government provides the settlers with compensation."

According to most realtors, very few residents of the territories are actively looking to move.

"I've had only a handful of settlers come into the office," said Blumberg, "but in truth, it's hard to know who lives in the territories and who doesn't. If a settler is preparing to leave, he doesn't necessarily want others to know."

While the majority of realtors also say that the real estate market in the territories has become virtually stagnant over the past year, and note that the Rabin government halted all new housing starts when it came into power, there have been some exceptions.

Miriam Armon, owner of Miriam Realty in the West Bank town of Efrat, said that "a lot of people" moved to Efrat this year. Although some people moved into houses bought prior to the start of peace negotiations, she said, "many bought homes just a few months ago."

"People are drawn to Efrat by the education and are looking for a quiet life near Jerusalem. The prices are good -- just \$120,000 for a three-bedroom apartment with a garden -- and we're just 15 to 17 minutes to the city by car."

Asked if her clients worry that further steps in the peace process could endanger their homes, she said, "There isn't a single apartment available for rent in Efrat. Personally, I'm not worried."