

**BUSH SAYS ARAB COUNTRIES WILL JOIN GULF DEFENSE; ISRAEL NOT MENTIONED**
**By David Friedman and Howard Rosenberg**

WASHINGTON, Aug. 8 (JTA) -- President Bush declared Wednesday that he believes other countries, including Arab states, will join the United States in sending forces into Saudi Arabia to defend the oil-rich kingdom from a possible attack by Iraq.

"It would not be at all surprising if there was an Arab force," Bush said at a White House news conference.

One country that has not been mentioned as part of the multinational force is Israel.

But a statement issued Wednesday by the Iraqi Armed Forces General Command said that the United States had established "detailed coordination with the Zionist entity," and had given Israeli pilots U.S. passports and repainted Israeli fighter planes with U.S. insignias.

The Israel Defense Force denied the charge, saying it was "another of President Saddam Hussein's lies intended to further his objectives."

Iraq's charge seems to be the reverse of that made after the 1967 Six-Day War and the 1973 Yom Kippur War, when Arab radio stations claimed that the Israeli planes were really repainted U.S. planes with American pilots.

Bush announced in a brief television address Wednesday morning that he had sent in U.S. land, air and naval forces to Saudi Arabia at that government's request.

**Britain Joins Troops**

He said at a news conference later that the Saudis would announce other countries that it had invited to join the multinational force. The only other country announcing its involvement so far is Britain.

For a time on Tuesday, after Defense Secretary Dick Cheney met with Egyptian President Hosni Mubarak and King Hassan II of Morocco, it appeared that both countries might send troops to help defend Saudi Arabia.

But both Arab leaders denied this Wednesday. Mubarak said he might send Egyptian troops if needed. Mubarak has scheduled an Arab League summit Thursday to deal with the situation.

Bush maintained that "we are in very close agreement" with Mubarak, and that Hassan has been very supportive.

As the first contingents from the 82nd Airborne Division and Air Force units began arriving in Saudi Arabia, Bush stressed that the U.S. troops are not there to force Iraqi President Saddam Hussein to move out of Kuwait, which he invaded Aug. 2.

He said the immediate aim was to safeguard Saudi Arabia, while the overall U.S. objective is the "immediate and complete withdrawal of all Iraqi forces from Kuwait" and the restoration of "Kuwait's legitimate government."

Bush said he believes this will be done not by force, but by the international trade embargo that has been placed against Iraq.

"I would think that if this international lesson is taught well, Saddam Hussein will behave differently in the future," Bush said.

He maintained that the economic sanctions,

which included the freezing of Iraqi and Kuwaiti assets in the United States and other countries, "should begin biting very soon." He added, "This embargo is going to be all encompassing, and that includes food."

Bush said that while Iraq is rich in oil, it has "squandered" its assets on arms. "Nobody can stand up forever to total economic deprivation," Bush said.

Bush admitted that his administration has tried "very hard" to improve U.S. relations with Iraq. "I have no regrets about having tried to have discussions that might have led to a better relationship."

While not directly calling Hussein a new Hitler, Bush seemed to imply comparison in his address. "As was the case in the 1930s, we see in Saddam Hussein an aggressive dictator threatening his neighbors," the president said, noting how "Iraq's tanks stormed in blitzkrieg fashion through Kuwait."

**SHAMIR, KEEPING LOW PROFILE, PRAISES U.S. FOR GULF STRATEGY**
**By David Landau**

JERUSALEM, Aug. 8 (JTA) -- Purposely keeping a low profile as the Persian Gulf crisis unfolds, Prime Minister Yitzhak Shamir nevertheless praised the United States on Wednesday for its firm action and determination in face of the Iraqi invasion of Kuwait.

In a conversation with Richard Schifter, U.S. assistant secretary of state for human rights and humanitarian affairs, Shamir asked that his sentiments be conveyed to President Bush.

The prime minister's remarks, as relayed later by his aides, contained no feeling of being slighted over Israel's being left out of American diplomatic and military moves, which reportedly include a multinational force to defend Gulf states against Iraq.

According to informed sources, Shamir and his advisers well understand that Israel must not be perceived to be involved in American preparations for a possible military confrontation with an Arab country.

Shamir said in an interview published Wednesday that Israel does not fear becoming a target of Iraqi aggression, as it can very well defend itself.

"Although we don't want to intervene in the Iraq-Kuwait conflict, we consider the situation to be very serious, because it is practically certain that Saddam Hussein will not stop at Kuwait," the prime minister was quoted as saying in the weekly *Paris Match*.

However, Shamir said, the difference between Israel and Kuwait, "and it is a big one, is that the Jewish state is not Kuwait and Iraq better not forget it."

Meanwhile, a former Israeli ambassador to the United States, Simcha Diniz, advised Israel on Wednesday "to stay strong, stay cool and watch from the sidelines."

Diniz, chairman of the World Zionist Organization and Jewish Agency Executives, said inaction on Israel's part would help the United States enlist Arab support and Arab opinion behind its military build-up against Iraq.

"Israel is the strongest deterrent power in the region. But it has its own red lines. The red lines of other parties are not necessarily Israel's red lines," Dinitz said.

If the United States appears to be relying on its other allies and ignoring Israel in the latest Mideast crisis, that is all to the good, Dinitz said.

**E.C. CRACKING DOWN HARD ON IRAQ, DECLARES BOYCOTT OF COUNTRY'S GOODS**  
By Ruth E. Gruber

ROME, Aug. 8 (JTA) -- Italy and other European Community countries, at the risk of severe economic repercussions, are cracking down hard on Iraq with a series of punitive sanctions for its invasion of Kuwait.

They include an immediate total boycott of Iraqi and Kuwaiti oil, an embargo on arms and military equipment, and the suspension of military, technical and scientific collaboration with Iraq.

Iraqi assets in E.C. member states have been frozen and preferred trade status for Iraq suspended.

For the Europeans, this could well mean acute shortages of gasoline and other fuels, and galloping inflation.

The E.C. countries collectively rely on Iraq and Kuwait for about 10 percent of their oil requirements.

Some member states have a much larger stake. Denmark, for example, obtains 50 percent of its oil from Iraq and Kuwait.

Italy has extensive economic ties with the two Persian Gulf states. According to Foreign Minister Gianni de Michelis, Iraq owes Italy between \$10 billion to \$12 billion, including \$2.7 billion to the National Bank of Labor alone.

The embargo will deprive the Iraqi navy of 11 frigates it ordered from Italy in 1980, which are now ready for delivery, the foreign minister said.

In addition, the Italian Cabinet voted to freeze Kuwaiti assets here, which could have serious consequences. The "Q8" chain of gasoline stations, one of the country's biggest gasoline distributors, is Kuwaiti-owned.

**TEHIYA THREATENS TO QUIT COALITION UNLESS GOVERNMENT MOVES ON INTIFADA**  
By Gil Sedan

JERUSALEM, Aug. 8 (JTA) -- The leader of the right-wing Tehiya party has served notice that the party will quit the Likud-led coalition unless the government expels Palestinian leaders from East Jerusalem immediately and takes tougher measures to end the intifada.

Yuval Ne'eman, minister of science and energy, issued his ultimatum in a Voice of Israel radio interview Wednesday.

He spoke after the funerals Tuesday of the two Jewish teen-agers who were brutally murdered on the outskirts of Jerusalem on Saturday.

Ne'eman, a physicist of world renown, said he identified with rampaging Jewish mobs who randomly attacked and injured dozens of Arabs in Jerusalem before and after the funerals.

His call coincided with that of Ariel Sharon, the Likud housing minister, who urged the deportation of 150 Palestinian leaders and the use of harsh measures to end the intifada.

Although Tehiya commands only three seats in the 120-member Knesset, its defection could

imperil the narrow-based Likud government.

Ne'eman complained that the formation of a right-wing "national" government under Likud has brought no change in the way the intifada was being combatted.

Ne'eman said it was not enough just to apprehend the murderers. That, he said, would be nothing more than a "cops-and-robbers" approach.

The intifada is a war, he said, and therefore a strategy is needed "to win that war."

Ne'eman offered no specific strategy, but demanded the swift deportation of Palestinian leaders. He named Faisal Husseini, Radwan Abu-Ayyash, Sari Nusseibeh and Ziyad abu-Ziyyad as the "nucleus of the leadership of the intifada."

Those were the same Palestinians who Likud Knesset member Uzi Landau named ultimately responsible for the youths' deaths.

The four were among the 26 Palestinians and left-wing Israeli Knesset members who met at a Jerusalem hotel Sunday but failed to agree on a joint statement on the Israeli-Palestinian dispute.

In addition, 32 right-wing Knesset members have signed a petition to bring Faisal Husseini, founder of the Arab Studies Institute, to trial. They claim "overwhelming evidence that Husseini has been involved in the leadership of the uprising."

The current climate on the right supports Sharon's argument that Israel can now act with impunity against the intifada because of the world's preoccupation with the Persian Gulf crisis and the fury at home over the murders of Ronen Karamani and Lior Tubol.

Meanwhile, anti-Arab rioting continued in Jerusalem on Wednesday, despite pleas from Karamani's father, Eliahu Karamani, not to hurt innocent people.

In some cases, Jews mistaken for Arabs were badly beaten.

Ne'eman refused to condemn the mob violence. "I feel like these crowds," he told Voice of Israel radio.

**JERUSALEM RETURNS TO NORMAL AFTER BURIAL OF MURDERED TEENS**  
By Gil Sedan

JERUSALEM, Aug. 8 (JTA) -- Jerusalem gradually returned to normal Wednesday after two days of anti-Arab rioting, but sporadic violence continued in some districts.

Jewish youths stoned Arab cars at the Patt-Gilo junction in the southern part of the city. Two passengers were treated for slight injuries.

Arab workers were attacked and several more Jews were taken into custody for rioting.

Random attacks on Arabs erupted Monday afternoon, after the mutilated bodies of two Jewish teen-agers, Ronen Karamani and Lior Tubol, were discovered in an isolated area north of the city.

Contrary to police expectations, the riots did not diminish after the funerals on Tuesday. In many instances, violent mobs were egged on by followers of Rabbi Meir Kahane's Kach movement.

Police denied they made a deal with Kach to release its followers, who were detained for rioting Tuesday. The police deal was rumored after Kach ordered its members Wednesday to avoid confrontations with the police.

Jerusalem Police Chief Arye Bibi talked to Kach leaders to try to calm the situation but no promises were made, police said.

**U.S. DENIES IT URGED BRITAIN  
TO CONTINUE CONTACTS WITH PLO**  
London Jewish Chronicle

LONDON, Aug. 8 (JTA) -- The American Embassy in London has denied that the United States urged Britain to maintain its contacts with the Palestine Liberation Organization, as Prime Minister Margaret Thatcher claims.

The embassy told The Jewish Chronicle that Washington asked no other country "to either acquiesce in our decision or to follow suit."

According to the State Department, "The relationship which other nations have with the PLO is a matter for them to decide," the Chronicle was told.

Asked if that meant the U.S. government denied making an approach to Britain, the embassy press officer replied, "This is quite clear."

The United States suspended its talks with the PLO on June 20, denies because it refused to directly condemn an attempted terrorist attack on May 30 by one of its constituent organizations on beaches near Tel Aviv.

The dialogue, which began in December 1988, was conditional on the PLO's renunciation of terrorism.

The president of the Board of Deputies of British Jews, Lionel Kopelowitz, wrote to Thatcher asking Britain to emulate the American move.

The prime minister replied last month, "We do not think it would be wise to break off our contacts with the PLO. Indeed, the Americans have urged us to maintain them."

A spokesman for Thatcher told the Chronicle, "We stand by what the prime minister said."

**E.C. COMMISSION RECOMMENDS  
CREATION OF PALESTINIAN STATE**  
By Yossi Lempkowicz

BRUSSELS, Aug. 8 (JTA) -- A recommendation calling for the creation of a Palestinian state and the deployment of a European peace force to protect the Arab population in the administered territories will be presented next month to the European Parliament at its plenary session in Strasbourg, France.

The measures, contained in a report approved by the Parliament's Political Commission, was presented by Fernando Perez-Royo of Spain, who represented a leftist bloc.

"A just and lasting peace in the Middle East cannot be established as long as the legitimate rights of the Palestinians are not recognized, notably their right to self-determination, which implies the creation of a Palestinian state," the report says.

The commission also appealed to the Arab world to accept that "Israel is not an ephemeral phenomenon," and that "only the reconciliation between the Jewish and Arab people offers prospects for the future in the Middle East."

The commission said "the revision of the Palestinian national charter and the formal recognition of the state of Israel, within the framework of a dialogue that Israel would accept with the Palestinians, would represent new confidence measures which would facilitate the peace process."

The commission called on the United States to maintain higher-level contacts with the Palestine Liberation Organization, and recommended the Soviet Union re-establish diplomatic relations with Israel.

Meanwhile, the commission affirmed the Algiers statement of the Palestine National Council of April 1988 that named the PLO as the legitimate representative of the Palestinian people, and their sole interlocutor in the framework of the peace process.

It also called on the E.C. to send a European peace force under U.N. mandate to the Israel-administered territories to protect the population.

**SOVIET EDITOR SAYS HE SUPPORTS  
THOSE OPPOSING PALESTINIAN STATE**  
By Hugh Orgel

TEL AVIV, Aug 8 (JTA) -- A visiting Soviet editor who supports the policies of President Mikhail Gorbachev says he fully accepts Israel's position opposing a Palestinian state.

Anatoly Golovkov, associate editor of the influential Soviet weekly Ogonyok, emerged from a 90-minute meeting with Ariel Sharon, Likud minister of housing, convinced that a Palestinian state in the West Bank and Gaza Strip would pose too great a security risk for Israel to accept.

He was also impressed by Sharon's argument that "Jordan is Palestine," Golovkov said in an interview published Wednesday in the Jerusalem Post.

That argument, advanced by Israel's right wing, maintains that since Palestinians constitute a majority of Jordan's population, they already have a state of their own.

Golovkov said he would report to his 10 million readers that Israel is not sending Soviet Jewish immigrants to settle in the administered territories, an allegation made by Arab countries and the Palestine Liberation Organization.

Golovkov said his weeklong working visit to Israel, which ended Wednesday, "shattered" his preconceived notions about Israel.

Golovkov said he plans to write an analysis of the Israeli-Palestinian conflict unlike any hitherto found in the Soviet media.

During his visit, Golovkov met with a wide range of Israeli leaders and personalities, including immigrants from the Soviet Union.

He met no Palestinians, explaining that he had plenty of opportunity to meet them in Moscow.

"Every time there is a fascist rally in Moscow, which ultimately takes on anti-Semitic and anti-Israel tones, Palestinians come to take part. I can speak to them there," he said.

Golovkov, who writes on Communist Party affairs and ethnic relations for his magazine's internal policy department, said he would try to change the anti-Semitic, anti-Israel feelings that have gripped much of the Soviet population.

Golovkov's visit was sponsored by Satec, a high-technology firm founded in Jerusalem two years ago for Soviet olim by Professor Herman Branover, a world-renowned physicist who emigrated from the Soviet Union 1972.

Golovkov said that when he arrived in Israel, he was unprepared for the "flowering, quiet and pleasant country" he found.

"There is a relaxed atmosphere here, and the feeling of a good life," the Russian visitor said.

Regarding the intifada, he said it cannot achieve anything, and praised the Israel Defense Force, saying it was not an aggressive army. "It is the best army in the Middle East," Golovkov said. "If it's an aggressive force, why isn't it going after more land?"

**HOUSE COMMITTEE, SENATE APPROVE  
MORE ISRAELI RESEARCH ON MISSILES**  
By Howard Rosenberg

WASHINGTON, Aug. 8 (JTA) -- Israel's hopes to continue research on the Arrow anti-tactical ballistic missile received two boosts last week, when the full Senate along with the House Armed Services Committee approved \$42 million to fund the program.

But the United States and Israel still need to negotiate a memorandum of understanding that lays out technology sharing, cost sharing and security arrangements. The Arrow was conceived to protect Israel's largest cities against incoming Soviet-made SS-21 or Scud missiles from Iraq or Syria.

The memorandum must be signed before the second research phase begins next spring, which will include testing of several Arrow components, including the rocket propulsion and intercept systems.

Approval of the Arrow funds came despite deep cuts in the overall "Star Wars" program, from the \$4.7 billion that President Bush requested, to \$3.7 billion in the Senate and \$2.9 billion in the House Armed Services Committee.

The Arrow funding was included in amendments to the 1991 Defense Authorization Bill introduced by Sens. Jeff Bingaman (D-N.M.) and John Warner (R-Va.).

The Warner amendment allows the United States to spend as much as \$50 million on the program during the 1991 fiscal year, which begins Oct. 1. Further action on the Defense Authorization Bill will not occur until after Congress returns after Labor Day.

**A Worthwhile Shield**

Although Soviet glasnost and U.S. budget constraints have eliminated U.S. aspirations for a shield such as the Arrow, the Bush administration, backed by U.S. Jewish groups, finds it worthwhile to explore a shield that could protect a smaller country like Israel.

However, Israelis outside the large cities would not be shielded by the Arrow. A pro-Israel lobbyist explained that if a missile hit Israel's rural areas, "You are more likely to kill sheep than people."

The United States has previously spent \$158 million on the program, with Israel spending nearly \$40 million under an 80 percent to 20 percent split in the cost-sharing formula.

The latest \$42 million is part of a \$198 million second-phase program. Any decision to build the Arrow would not be made until 1994 or 1995, and would cost roughly \$600 million, said a pro-Israel lobbyist.

The lobbyist said Israel would bear all of that cost, to be expended over a 10-year period.

Israeli Defense Minister Moshe Arens, after meeting here last month with Defense Secretary Dick Cheney, announced U.S. support for the second phase. Arens also asked Cheney to consider buying the Lavi fighter plane and to scrap U.S. plans to buy another plane capable of protecting ground troops, the Washington weekly Defense News revealed.

An Israeli defense analyst here, however, dismissed the possibility of a U.S. purchase of the Lavi, which Israel ceased developing in 1987 after high costs consumed \$1.5 billion in U.S. military aid.

Dov Zakheim, former deputy undersecretary

of defense for planning and resources, told Defense News that "injecting the Lavi now is as much a non-starter as it ever was. We told the Israelis very clearly there wasn't the slightest bit of interest in the Lavi."

Zakheim was the Pentagon official responsible for terminating the Lavi, a decision the Israeli government reluctantly accepted at the time.

A less-ambitious prospect is that Lavi technology could be sold to U.S. defense contractors.

In other news, Israeli Transport Minister Moshe Katsav arrived in the United States last Thursday for a week of meetings on shipping and civil aviation issues, including the concept of a joint Soviet, U.S. and Israeli passenger airplane.

Soviet President Mikhail Gorbachev, during a meeting with members of Congress in June, said the Soviet Union could build the bodies, the United States the engines and Israel the avionics and cockpit instruments.

Accompanying Katsav were officials from El Al Airlines and Israel Aircraft Industries.

This spring, El Al purchased two 747s from the Boeing Co., and has the option to buy two additional 747s as well as two 757s. Besides visiting Boeing plants in Seattle, the minister and company officials will also be touring a Pratt and Whitney airplane plant.

Katsav will conclude his visit this Thursday by meeting Transportation Secretary Samuel Skinner. Among the issues to be discussed are U.S. licensing of aircraft parts manufactured in Israel.

In addition, Katsav may ask about any departmental interest in a new high-speed gunboat that was built this year by Israel Shipyards, called the Shaldag.

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

**EXHIBITION ON NEO-NAZIS AT FRANK HOUSE  
PROMPTS PROTESTS FROM ACCUSED GROUPS**  
By Henrietta Boas

AMSTERDAM, Aug. 8 (JTA) -- An exhibition at the Anne Frank House exposing neo-Nazism in Holland and other Western European countries triggered angry protests this week from groups that said they were unfairly accused.

Police in Dordrecht arrested 18 people trying to hold a news conference Wednesday after it was prohibited by the mayor in order to avoid possible disturbances.

The exhibition, titled "Our own people first," deals with neo-Nazism in France, West Germany, Belgium and Holland. It will be on display until Nov. 11.

The Flemish Nationalist Party of Belgium and the Center Party of Holland objected that the exhibition unfairly depicted them as anti-Semitic when their opposition is only to large-scale immigration of people from Third World countries and the expansion of Islam in their countries.

A request to hold a news conference was rejected by the mayor of Amsterdam.

The protesters decided to hold it instead at the home of the Center Party's secretary-general in Dordrecht, a city south of Rotterdam. But it was barred by the local mayor after the anarchist Squatters Movement threatened to create a disturbance.

Police prevented reporters from entering the house, whereupon the activists inside resorted to loudspeakers. At that point the arrests were made. All detainees were released a few hours later.