

IRAQI LEADER'S OVERTURE TO IRAN IS SOURCE OF CONCERN FOR ISRAEL

By David Landau

JERUSALEM, Aug. 15 (JTA) -- Saddam Hussein's sudden peace overture toward Iran has heightened concern here that two of Israel's most implacable foes may act jointly to embroil it in the Persian Gulf crisis.

Defense Minister Moshe Arens said Wednesday that he did not see how Iraq's move could have a direct influence on Israel. Nevertheless, in a briefing for members of the Knesset Foreign Affairs and Defense Committee, he outlined scenarios that could involve Israel in war with Iraq.

Housing Minister Ariel Sharon, a former defense minister and retired Israel Defense Force general, said he did not believe the "eternal enmity" between Iraq and Iran would evaporate merely as the result of an expedient gesture by Saddam Hussein.

Hussein, in a letter to Iranian President Hashemi Rafsanjani read on Baghdad Radio, said Iran was accepting Teheran's terms for a peace treaty formally ending their eight-year war, which began with Iraq's attack on Iran in 1980. A cease-fire but no peace treaty was signed in 1988.

Specifically, Hussein agreed to withdraw Iraqi troops from Iranian territory, free Iranian prisoners of war and accept the 1975 U.N. Security Council resolution that assigned the eastern half of the Shatt-al-Arab waterway to Iran.

It was in order to seize the entire waterway for Iraq that Hussein sent his armies into Iran, sacrificed hundreds of thousands of men and devastated the Iraqi economy.

It was partly to recoup his economic losses by gaining control of oil prices that Hussein invaded and annexed his oil-rich, but militarily weak, neighbor Kuwait on Aug. 2.

A Crusade Against Israel

His willingness now to accept Iran's terms is clearly a tactical move aimed at freeing all of his million-man army to confront the mainly American international ground forces rapidly building up in Saudi Arabia and the naval blockade aimed at punishing Iraq for the invasion and possibly rolling it back.

Israeli interests are not directly affected by quarrels among the Gulf states, all of which are in a technical state of war with Israel.

But Israel felt easier when Arab Iraq and the non-Arab, Islamic fundamentalist Iran were locked in mortal combat. Now that their war is over, Hussein has threatened several times to destroy Israel with chemical weapons.

What worries Israelis most now is Hussein's apparent interest in transforming his aggression against Kuwait into a crusade against Israel.

Were Israel to be involved in active hostilities with Iraq, Hussein might well succeed in turning the Arab League states now arrayed against him into his allies against their common enemy, the Jewish state.

Some Israelis fear Iran may now try to help Iraq achieve those aims.

Meanwhile, Arens told the Knesset committee that U.S. air power in the Gulf region is already on par with Iraq's and will soon exceed it.

He repeated that Israel would respond "harshly" to an Iraqi air attack and would "not acquiesce" in an Iraqi penetration of Jordanian territory.

"Saddam Hussein knows full well what we would do" if either of those "red lines" established by Israel was crossed, the defense minister said.

But he said he doubted that either of those scenarios would unfold in the context of Iraqi military action in the Gulf region.

Arens also noted that the rapprochement between Egypt and Syria occurred before the Gulf crisis and that now the two former rivals find themselves on the same side against Iraq.

The Israeli defense minister expressed hope that Egypt, the only Arab country that has a peace treaty with Israel, will draw Syria into the peace process as their relationship develops.

Arens also raised a troubling prospect in his appearance before the Knesset panel.

He said the enormous expenditure entailed by the deployment of U.S. forces in the Persian Gulf may force the American administration to cut foreign aid if it is strapped for cash. Israel is the largest recipient of U.S. foreign aid.

JEWES AMONG U.S. FORCES IN SAUDI ARABIA DESPITE THE KINGDOM'S EXCLUSION POLICY
By Donna Lurie

Northern California Jewish Bulletin

SAN FRANCISCO, Aug. 15 (JTA) -- Despite Saudi Arabia's official policy of refusing entry to Jews, the Pentagon says Jewish soldiers and chaplains are being sent there with U.S. forces to repel any Iraqi invasion.

"No one is taken out of a unit because of religion. Units go as units," Pentagon public affairs spokesman Tom Green said in Washington.

Another Pentagon official, who requested anonymity, said there are "no restrictions on religious services" for U.S. troops inside Saudi Arabia.

The official, however, said he had no information on the number of Jewish chaplains being sent to the vicinity of the kingdom.

Rabbi David Lapp, director of the JWB Jewish Chaplains Council, said Wednesday that no U.S. Jewish military chaplains are currently in Saudi Arabia, but that the nearby U.S. Sixth Fleet and the USS Saratoga, a battleship, have Jewish chaplains.

Jewish chaplains in the Marines and infantry units have been placed on alert, but have yet to leave the United States, he said.

200 Jewish Soldiers May Be There

Lapp said that if Jewish chaplains did land in the Saudi kingdom, "that would be history," marking the first such deployment in an Arab country.

According to Lapp, roughly 1 percent of U.S. armed forces personnel are Jewish. If that same ratio applied to the contingent of U.S. troops dispatched to the Persian Gulf, that would mean approximately 200 Jewish soldiers are now stationed in or near Saudi Arabia.

Until the late 1970s, the Pentagon screened out Jews from participation in military contracts

with the Saudis, according to Steven Emerson, author of the "American House of Saud."

Congressional hearings in 1975 revealed that the U.S. Army Corps of Engineers had agreed to Saudi demands that all American military personnel serving in Saudi Arabia submit certificates of religious affiliation and other background material, says Emerson.

"These actions effectively barred Jews from participation in Saudi projects."

At Saudi Arabia's insistence, American blacks also were not given military assignments.

The Saudis relaxed their policy of excluding Jews, however, in November 1973, when American journalists accompanying Henry Kissinger, a Jew who was then secretary of state, made his first trip to the Arab country after the oil embargo.

Offended by the Saudi visa application, most of the journalists refused to indicate their religion. The Saudis, says Emerson, "were forced to look the other way."

Despite that incident, though, scores of American companies -- and a few universities -- have been weeding out Jews from their projects in Saudi Arabia for years.

No Open Visa Policy Yet

In the late 1970s, for example, the Vinnell Corp. in California insisted that no personnel with "contacts or interest in any country not recognized by Saudi Arabia" be assigned to the kingdom. Saudi Arabia does not recognize Israel.

In addition, Baylor College of Medicine in Texas refused to send Jews to Saudi Arabia for its lucrative cardiovascular surgical contract with King Faisal Hospital.

About the same time, however, the Saudis quietly started ignoring the fact that Americans with Jewish surnames were working on military or industrial contracts in the kingdom.

And starting in the mid-1980s, Jewish members of congressional delegations were allowed into the kingdom.

Nonetheless, the Saudis still maintain they will not allow "Zionists" into the country, and many American companies still comply with the anti-Jewish restrictions.

Things have changed since the early '80s "but not that much," says Emerson. "The Saudis still don't have an open visa policy. If you write 'Jewish' on the visa application, you're asking to be rejected."

(JTA correspondent Howard Rosenberg in Washington contributed to this report.)

ISRAEL'S LEADERS WALKING TIGHTROPE ON WHETHER TO DISTRIBUTE GAS MASKS By Hugh Orgel

TEL AVIV, Aug. 15 (JTA) -- Israel's political leaders are coming under increasing pressure to distribute gas masks and kits containing antidotes for poison gas.

Facing widespread concern about a possible poison gas attack from Iraq, the Israel Defense Force and civil defense officials are making preparations to speed up the distribution of gas masks to the civilian population.

But the defense establishment must await the word of government ministers, who for the moment are reportedly sticking with the original timetable established before Iraq invaded Kuwait on Aug. 2, to begin distribution of gas masks and anti-chemical-warfare kits at the end of the year.

On Wednesday, Brig. Gen. Ishai Dotan,

commander of the Israel Defense Force Corps of Engineers, said the ministers were walking a "tightrope" when they decided not to advance the distribution date.

Nevertheless, he supported that decision, if only because gas masks and kits prematurely given to civilians could be mishandled and deteriorate, Dotan told Israel Radio.

The Defense Ministry and political leadership have been hesitant to advance the distribution date.

Such a move, they say, would create a panic atmosphere in Israel and provide Iraq's Saddam Hussein with a pretext for attack, claiming distribution of protective measures would augur an Israeli attack on Iraq.

Foreign Minister David Levy, visiting West Germany, told Israel Radio by telephone Wednesday that such a move "might be used as an alibi" by Hussein to attack Israel.

But he reassured the public that Israel was prepared to give out the masks and kits "in the shortest time -- within hours -- to the entire population."

The original plan called for distribution of masks and kits to begin near the end of the year in the Tel Aviv area and the Galilee town of Safed, and then in the rest of the country.

A supply of masks and kits, said to be sufficient for the entire population, is presently locked away in military storehouses. They soon may be transferred to regional centers, from where they can be speedily issued to neighborhood distribution points.

Dotan said that the gas masks available to Israeli troops and civilians are among the best in the world.

And he assured Israelis that the IDF is fully trained for chemical warfare and has the equipment to detect, identify and neutralize gas and chemicals.

IRAQI TROOPS TOLD TARGET WAS ISRAEL, SAYS MAN CLAIMING TO BE KUWAITI PRINCE By Gil Sedan

JERUSALEM, Aug. 15 (JTA) -- Iraqi troops who invaded Kuwait on Aug. 2 thought they were on a training exercise preparing "to conquer Israel," according to a man who identified himself as a member of the Kuwaiti royal family in a telephone interview Wednesday with Israel Radio.

The troops were surprised to find themselves occupying a neighboring Arab country, according to the informant, who identified himself as Prince Ahmed Yusuf a-Sabah, a cousin of the deposed Emir Jaber al-Ahmed a-Sabah of Kuwait, presently reported to be in Saudi Arabia.

He spoke from a hotel room in Bahrain, another oil-producing emirate in the Persian Gulf, where he said he escaped from Kuwait by using desert back roads.

He was fully aware he was talking to the Israeli media, the radio reported. If indeed a Kuwaiti prince, he would be the first member of that country's extensive royal family interviewed by Israeli journalists.

The telephone connection was made by a Tel Aviv-based private company relayed through London. There are no direct telephone communications between Israel and the Persian Gulf states.

"We saw a lot of aircraft and a lot of troops in all the streets of Kuwait," Sabah said. He spoke of widespread looting and rape by the Iraqi soldiers.

E.C. MAY RETHINK STANCE ON PLO BECAUSE OF ITS SUPPORT FOR IRAQ

By Ruth E. Gruber

ROME, Aug. 15 (JTA) -- The European Community may have to revise its generally favorable attitude toward the Palestine Liberation Organization because of PLO support of Iraqi aggression in the Persian Gulf, Italian Foreign Minister Gianni de Michelis told the visiting foreign minister of Israel, David Levy, here Wednesday.

Levy arrived in Rome from Bonn for brief talks with de Michelis, who currently holds the rotating chairmanship of the E.C. Council of Ministers.

Their talks centered on the current situation in the Persian Gulf and the Middle East generally and on Israel's relations with the 12 nations of the E.C.

The talks followed similar dialogue Tuesday between Levy and his West Germany counterpart, Hans-Dietrich Genscher. The two, who met at Genscher's vacation home at Ban Reichenhall in the Bavarian Alps, also discussed economic cooperation between the E.C. and Israel. The issue of East German reparations to Israel was also briefly discussed.

Genscher praised Israel for its restraint in the Gulf crisis, thus making it hard for President Saddam Hussein of Iraq to draw the Arab-Israeli conflict into the fray, Ha'aretz reported Tuesday.

Levy told Genscher of Israel's need for access to the E.C.'s internal market. Follow-up talks on this will be held on Sept. 18, according to a spokesman for Genscher.

Levy was scheduled to return to Israel on Wednesday evening.

E.C. Mission To Middle East

De Michelis will lead an E.C. mission to Egypt, Jordan and Saudi Arabia on Thursday and Friday in connection with the Gulf crisis.

"The mission is aimed at unifying the Arab world against Saddam Hussein, to try to create an Arab coalition against Saddam," the Italian foreign minister was quoted as saying.

He admitted that Israel had been right in its assessment of Hussein as a threat to the West.

De Michelis will be accompanied by the foreign ministers of Ireland and Luxembourg, who are respectively the immediate past chairman and the next chairman of the Council of Ministers.

The so-called "troika" is the E.C. body that guides its policy in the Middle East.

Until recently, the E.C. has tilted toward the PLO as an ostensible force for moderation and negotiations. But that could change if PLO leader Yasir Arafat continues to be out of step with most Arab leaders with respect to Iraq.

De Michelis told Levy that "if the PLO goes on supporting Saddam Hussein, the European Community will have to make a re-evaluation of its attitude" toward the PLO.

He told Levy that he has already warned Arafat that his position in the Gulf crisis is wrong.

An Israeli spokesman who reported the conversation said de Michelis' remarks about Arafat were "quite important."

Levy, for his part, told the Italian diplomat that "the events of last week have exposed the real face of Arafat and showed the world that he is still supporting terrorism and that he cannot be a partner in peace negotiations."

FRENCH OFFICIAL ASKS ARAFAT'S HELP IN GETTING EUROPEANS OUT OF IRAQ

By Edwin Eytan

PARIS, Aug. 15 (JTA) -- The European Community, with France in the lead, has appealed to the Palestine Liberation Organization to intercede for the release of European nationals detained by Iraqi forces in Kuwait and in Iraq itself.

There are said to be more than 5,000 citizens of the 12 E.C. member states involved, including 400 French nationals. No mention was made of some 3,000 Americans, mostly in Kuwait, who were prevented from leaving after Iraqi troops invaded that country on Aug. 2.

The representations on behalf of the E.C. and France were made by Claude Cheysson, a former foreign minister of France who is now E.C. commissioner for Mediterranean affairs.

He met Tuesday in Tunis with PLO Chairman Yasir Arafat, one of the few Arab leaders to support Iraqi President Saddam Hussein in the Persian Gulf conflict.

Cheysson said on his return here Wednesday that Arafat already has intervened on behalf of the European detainees and promised he would again.

BELGIUM REPORTED READY TO EXCHANGE ABU NIDAL TERRORIST FOR HOSTAGES

By Yossi Lempkowitz

BRUSSELS, Aug. 15 (JTA) -- The Foreign Ministry declined to comment Wednesday on a Beirut newspaper report that Belgium will on Thursday exchange a member of the Abu Nidal terrorist organization for a family of four Belgians held hostage by the group.

The newspaper Al Liwa said the four members of the Houtekins family would be freed after "final bargaining" between the Belgian government and the Abu Nidal group, also called the Fatah Revolutionary Council, which kidnapped them aboard a yacht in the eastern Mediterranean in November 1987.

At the time of the kidnapping, the Fatah Revolutionary Council accused the family of being agents of Mossad, the Israeli secret service.

The terrorist, Said Nasser, has been serving a life sentence since 1980 for his role in a grenade and machine-gun attack on a group of Orthodox Jewish children in Antwerp who were boarding a bus for summer camp. One of the group, 14-year-old David Kohan of France, was killed in that attack.

Belgian law permits life prisoners to be paroled after 10 years for good behavior. Nasser, now 35, became eligible for parole on July 27, but the Belgian authorities did not announce a decision to release him.

However, Foreign Minister Mark Eyskens hinted recently that the government was pressing for the simultaneous release of the hostages and Nasser.

The Belgian Jewish community has been deeply upset about the impending release. Israel has declined to get involved.

The hostages are Emmanuel Houtekins, 46; his wife, Godelieve Kets, 52; and their children Valerie, 19, and Laurent, 20.

It has been reported that they and other members of their original group have been held in the Ain Hilwe Palestinian refugee camp near the Lebanese port city Sidon.

**ANOTHER WITNESS AT COURT-MARTIAL
IMPLICATES RABIN IN ARMY BEATINGS**
By Gil Sedan

JERUSALEM, Aug. 15 (JTA) -- Yet another witness in the court-martial of an Israel Defense Force colonel has implicated former Defense Minister Yitzhak Rabin in the beatings of Palestinians.

Capt. Victor Sudhai, who took the witness stand Tuesday at the trial of Col. Yehuda Meir in Tel Aviv, was the latest of several IDF officers who named Rabin as the source of their instructions to "break the bones" of stone-throwers.

Meir is on trial for issuing such orders to his troops in Beita and Huwara villages, near Nablus, in January 1988, about a month after the intifada broke out. The defense contends he was following explicit instructions from the IDF high command, which originated with Rabin.

Sudhai quoted the former minister as saying, "I want you to catch stone-throwers and break their arms and legs, but not their heads."

Rabin has flatly denied allegations that he gave such orders.

Addressing the Foreign Press Association in Tel Aviv on July 4, he said there was no evidence to support such charges, should he ever have to answer before a commission of inquiry.

Rabin explained that in the early days of the intifada, the IDF borrowed police riot-control tactics. Troops were ordered to storm the rioters, "beating them with fists and batons, not to punish them but to hurt them and force them to cease their assault," Rabin said.

But according to Sudhai, the defense minister visited his unit in Ramallah on Jan. 19, 1988, and told him directly, "The hand that threw the stone must be broken."

Meir's trial is concerned with the events of that day. Another witness, Capt. Ran Falah, a former platoon commander in the Golani Brigade, related that in mid-January 1988, his unit was sent to the Amari refugee camp on the outskirts of Ramallah to arrest suspects on the wanted list.

"We tied up the people, we mounted them on buses and drove them away from the village," Falah said. "The commander said that after we arrest them we should beat them up a little and release them."

According to Falah, he acted on his instructions, "mostly kicking them." He said he heard other units had the same orders.

**ISRAELI LIVING COST SWELLS,
DEFLATING GOVERNMENT HOPES**
By Hugh Orgel

TEL AVIV, Aug. 15 (JTA) -- The Israeli government's hopes to hold the lid on inflation got a severe jolt Wednesday, when the Central Bureau of Statistics announced a 1.6 percent hike in the July cost-of-living index.

The news was all the more jarring because July normally is a low-inflation month. There was no increase in July 1986 and it was under 1 percent in each of the last three years.

The Treasury, which expected a maximum rise of 1.1 percent this July, seemed taken aback by the higher figure. It dashed hopes of keeping the 1990 annual inflation rate under 20 percent.

The main culprit apparently is the soaring cost of housing, both purchases and rentals, attributed in large measure to the large influx of immigrants.

Olim receive government allocations to cover their first year's housing costs. The subsidies have driven up rents for all Israelis by as much as 50 percent, forcing many young, low-income couples out of their homes and into "tent cities," which have cropped up all over the country this summer.

But the July inflation rate also resulted from the government's reduction or elimination of many subsidies as a budget-cutting measure.

As a consequence, Israelis are paying more for postal and communications services, electricity and water.

Further price rises resulting from government economic measures are expected to be reflected in the August price index, which will be published Sept. 15. A 1.5 percent increase is estimated then.

Israeli wage-earners are compensated for inflation. But they will get only about 5.6 percent for recent months, and it is not payable until October.

**ATLAS RECOVERING FROM TRANSPLANT,
BUT HER PROGNOSIS IS NOT YET KNOWN**
By Elena Neuman

NEW YORK, Aug. 15 (JTA) -- Leukemia patient Allison Atlas is in good spirits as she recuperates from the bone marrow transplant operation she underwent last week at the Fred Hutchinson Bone Marrow Transplant Center in Seattle, according to her family.

"She is fine, there were no complications and everything is as the doctors expected," said Simon Atlas, Allison's first cousin, who is helping to coordinate the Friends of Allison campaign to find compatible marrow donors.

The 21-year-old resident of Bethesda, Md., underwent a procedure Aug. 9 in which her cancerous cells were removed and replaced by her mother's healthy bone marrow.

The operation came after an unsuccessful eight-month search for a compatible marrow donor, an unprecedented public campaign that tested nearly 50,000 individuals, mainly of Jewish descent. Last month, the Atlas family finally decided to settle for Arlene Atlas' marrow, which is only partially compatible.

The treatment involved eight to 10 days of doses of chemotherapy and radiation therapy to kill the diseased marrow, followed by the intravenous transmission of healthy bone marrow. The operation is extremely risky as there is always the possibility of infection, and there is no guarantee that the bone marrow will be accepted by the body.

Doctors will not know for at least two weeks, and more likely a full month, whether the operation has been successful, said Alice Burgess, a spokesman for the Hutchinson Center.

On Aug. 23, the doctors will test Allison's new marrow to see whether there is a growth in the number of white blood cells. They will repeat the test every week for three weeks.

"It's not uncommon for patients not to show significant growth after two weeks," said Burgess. "If the count doesn't increase within five weeks, however, the doctors begin to get concerned."

Should the healthy cells not take hold, Allison may undergo a second transplant operation from her mother, in addition to further treatments that may induce cell growth, Burgess said.

Meanwhile, Allison is convalescing comfortably in a private room at the center in Seattle.