

BAKER HOLDS 'CONSTRUCTIVE' DIALOGUE WITH SHAMIR, SEES PALESTINIANS TOO

By David Landau and Gil Sedan

JERUSALEM, March 12 (JTA) -- U.S. Secretary of State James Baker held two rounds of what were described as constructive talks Tuesday with Israeli Prime Minister Yitzhak Shamir.

But while the two leaders agreed, during an early morning talk at the Prime Minister's Office, on the need to advance the prospects of regional peace through a "two-track approach," they apparently did not discuss the thorny issue of whether Israel would be willing to make territorial concessions in exchange for diplomatic recognition by its Arab neighbors.

The issue may have come up when the two met again Tuesday evening, after a private dinner at the prime minister's residence.

The secretary also met here Tuesday with 10 prominent Palestinians from the administered territories and East Jerusalem, who clearly had received a "green light" from Palestine Liberation Organization chief Yasir Arafat.

Although no breakthroughs were expected or achieved, the meeting was an unacknowledged gain for the PLO, which is still in the international doghouse for its support of Iraq's Saddam Hussein in the recent Persian Gulf war.

Baker's sessions with Shamir are recognized to be the critical part of his two-day visit to Israel, which followed meetings over the weekend with eight Arab foreign ministers in Saudi Arabia.

The secretary has been trying to push the idea that Middle East peace must be pursued on "two tracks" -- between Israel and the Arab states, and between Israel and the Palestinians.

Talk Of Concessions Later

Shamir's media spokesman, Avi Pazner, said the prime minister had endorsed that approach and was gratified by the measure of accord he reached with Baker.

Pazner described their morning meeting as "good, friendly and constructive" and conducted in a "positive spirit."

He said the prime minister agreed with Baker's view that there is at present "an opportunity to do something" for regional peace.

The aide said Baker did not raise the land-for-peace formula, which President Bush endorsed last week as the only route to peace in the Middle East.

Yossi Ben-Aharon, director general of the Prime Minister's Office, said later on Israel Radio that Israel wants direct talks with the Arab states "without preconditions." If they materialize, "we would then grapple with the territorial dimensions," he said.

"We do not, for our part, think the reference to withdrawal from territories in the U.N. resolutions necessarily means on all fronts or, as the Arabs contend, from all territories," Ben-Aharon said.

Baker had a separate session Tuesday with Defense Minister Moshe Arens, who stressed it is necessary to curb local terror and unrest in the territories before productive talks can be held with the Palestinians.

Arens' spokesman, Danny Naveh, clarified

later that the minister was not setting preconditions but explaining that intifada violence is an obstacle to progress toward peace.

Naveh said Arens dwelt on the unresolved issue of Israeli soldiers believed to be held by extremist groups in Lebanon. Baker promised him and Shamir that the United States would redouble its efforts to secure their release.

Demand For Recognition Of PLO

The Palestinian delegation met with Baker at the residence of the U.S. consul general in western Jerusalem, Philip Wilcox. The group presented an 11-point memorandum, demanding that United Nations resolutions on the Palestinian problem be implemented and that the United States recognize the PLO as the "sole representative of the Palestinians."

The group was led by veteran Palestinian activist Faisal Husseini, who came with a clear mandate from Arafat. Other members of the delegation identified themselves as local proxies for the PLO.

The meeting was the first between Palestinians and an American secretary of state in many years.

Most observers agreed that it amounted to a resumption of the U.S. dialogue with the PLO, explicit denials by Baker notwithstanding.

The U.S. dialogue with the PLO began in December 1988 after Arafat recognized Israel's right to exist and renounced terrorism as a political weapon.

It was suspended by Washington last June 20 because the PLO refused to denounce a commando raid on the Tel Aviv beach by one of its factions, the Palestine Liberation Front.

Despite an initial debate within the Palestinian community about whether or not to attend a meeting with Baker, the Palestinians, including the PLO mainstream led by Arafat, definitely wanted it.

The people who only a few weeks ago were cheering Saddam Hussein are now trying to reach a new understanding with the victors who defeated Hussein, observers here pointed out.

BAKER HAILS TRIUMPH OF ISRAEL AND URGES NATION TO SEEK PEACE

By Hugh Orgel

TEL AVIV, March 12 (JTA) -- U.S. Secretary of State James Baker took a few moments out of his hectic diplomatic schedule Tuesday to share some personal feelings about his whirlwind visit to Israel.

He hailed the Jewish state as the "living, thriving proof of man's hope and of the ultimate triumph of good over evil."

He said that impression overwhelmed him on his visit Monday afternoon to the Yad Vashem Holocaust memorial in Jerusalem, which he called "a very grim monument to a grimmer truth."

"As I emerged from the darkened memorial building into the light of modern Israel, I could see that you had built in this country the antidote to despair," Baker told a rapt audience at the community center school in Carmiel.

He landed in the Galilee development town, largely populated by recent immigrants, in the

course of a helicopter tour over Israel, the West Bank and the Golan Heights.

The American diplomat was accompanied by Foreign Minister David Levy and Maj. Gen. Yossi Ben-Hanan, commandant of the Israel Defense Force Staff College.

Greeted by Carmiel's mayor, crowds of residents from all over the area and young children waving American and Israeli flags, Baker said he hoped Operation Desert Storm would be the last war in this region.

If there was a political message for Israelis in the secretary's remarks, it was buried deep in emotional imagery.

"Seeing Israel so close, I somehow feel I had seen it before," said Baker, who was on his first trip to the Jewish state since taking office in 1989.

"Growing up in Texas, in a religious family, we were particularly conscious of the two countries -- the United States, where we lived, and ancient Israel, where the basic foundations of the Christian faith were laid," he said.

"But Israel is not only a place with a great past. You have a vigorous present and a very bright future," Baker added.

'We Are Proud To Be Helping You'

"As the prophet foretold, the dry bones have come back to life. And therefore, it is not surprising to me that those Jews of the Soviet Union, those who lost hope there, recover that hope here. And this school is a working, tangible symbol of that hope," Baker said.

He assured his audience, "You are not alone in building the great hope of Israel today.

"The American people share your pride, your values, your belief in democracy, your strength in defending your existence. And we are proud to be helping you as you open your doors to Jews from the Soviet Union and from Ethiopia."

Baker also stressed the "strategic alliance that enables us to work together on the very most important issues."

He praised Israel again for its conduct under unprovoked attacks by Iraqi missiles. "I can think of few occasions in history when a nation under attack by a merciless foe such as Saddam Hussein held its breath and, through its self-restraint, facilitated successful American and coalition efforts to destroy the threat," he said.

Baker said all Americans supported President Bush's decision to assist Israel with Patriot anti-missile batteries, "even as our own forces worked ceaselessly to destroy the Iraqi Scuds.

"No one can doubt today, I think, the wisdom of Israel's decision for restraint. No one can doubt today our commitment, that the American commitment to Israel's security is firm."

"The storm is now over," Baker observed. "Everywhere, people are trying to pick up their lives and find hope for the future. The nations of the Middle East are, I think, very anxious to close the book of war and to open the book of peace.

"I would suggest that now it is time for all of us to take the psalmist's advice, 'Seek ye peace and pursue it,'" the secretary said.

He concluded his remarks with a pledge to work with Israel, the Palestinians and the Arab states in search of a lasting peace, "which is built on trust" and reconciliation.

"And I mean peace with Israel's Arab neighbors and peace with the Palestinians, a lasting peace in the region," Baker said.

HIT-AND-RUN ATTACK ON SOLDIERS IN GAZA STRIP UNDER INVESTIGATION By Hugh Orgel

TEL AVIV, March 12 (JTA) -- Military authorities are still unsure whether an Arab hit-and-run driver who killed two Israeli soldiers and injured two others Monday in the Gaza Strip committed a deliberate terrorist act or simply lost control of his vehicle, as he claims.

The incident occurred on the main highway near Beit Hanun, where an Israel Defense Force platoon was marching single file alongside the road, facing oncoming traffic, according to regulations.

A car with Gaza license plates suddenly served into the column, fatally injuring Cpl. Shahar Ginosar, 19, of Kochav Yair village, and Cpl. Guy Chaikov, 19, of Netanya.

Other soldiers opened fire on the car as it sped away, wounding the driver. He was picked up by another Arab, who took him to a hospital.

The driver was treated and sent home, where he was arrested shortly afterward by Israeli security forces. The man told his questioners that he fell asleep at the wheel and had no intention of hitting the soldiers.

Israeli authorities, who said the suspect has a clean record, have reached no conclusions but tend to believe his story. They pointed out that he left his papers in his car, including driver's license and registration, when he went for first aid and said he gave his full name and address at the hospital.

BRITAIN TO EXPORT OIL TO ISRAEL, RESCINDING 12-YEAR UNOFFICIAL BAN By Jenni Frazer and Anne Sacks London Jewish Chronicle

LONDON, March 12 (JTA) -- A 12-year-old rule that excluded Israel from buying North Sea oil has finally been revised in what friends of Israel consider a reward for the restraint it showed under Iraqi missile attack.

Energy Secretary John Wakeham told the House of Commons that the guidelines which govern the destination of crude oil exports from the United Kingdom are to be withdrawn immediately, with the only remaining exception being South Africa.

Although the government has always denied there was a ban on British oil sales to Israel, that was the effect of the energy guidelines introduced in 1979 by Tony Benn, then secretary of state for energy.

The guidelines restricted North Sea oil sales to member states of the European Community, members of the International Energy Agency and "longstanding traditional customers outside these two groups."

In practical terms, only Israel and South Africa were left out.

Neither the Foreign Office nor the Department of Energy would concede that the removal of the guidelines is anything more than a "tidying up" of rules that no longer apply.

It is believed, however, that the government agreed to a request from Israeli Foreign Minister David Levy when he visited Britain last month.

Supporters of Israel are delighted. According to Teddy Taylor, a Conservative member of Parliament who has long campaigned against the ban, the guidelines were "insulting to Israel and a pointless piece of nonsense."

**UJA TO RAISE \$450 MILLION MORE
FOR SOVIET JEWISH RESETTLEMENT**
By Aliza Marcus

NEW YORK, March 12 (JTA) -- The United Jewish Appeal, the central fund-raising body in the American Jewish community, has decided to launch a \$450 million fund-raising appeal to assist the estimated 1 million Soviet Jews who will have immigrated to Israel by the end of 1993.

The campaign, approved March 7 by the UJA board of trustees and 60 national vice-chairpersons responsible for campaign operations, will start this fall and will end Dec. 31, 1992, according to Marvin Lender, UJA's national chairman.

"It is essentially a campaign responding to the requirements and needs of the Jewish Agency for the Soviet resettlement through 1993," Lender said in an interview Tuesday.

UJA campaign money raised for Soviet Jewry is passed on to the Jewish Agency in Israel, which has been covering the total cost of transporting Soviet immigrants and their luggage to Israel, as well as a portion of their initial resettlement costs.

Diaspora Jewry outside the United States will be asked by Keren Hayesod to raise an additional \$200 million to help cover resettlement costs, he said.

The new campaign comes on the heels of UJA's 1990 Operation Exodus campaign, which raised over \$420 million for Soviet Jewish resettlement.

As that campaign got under way, the numbers of Soviet Jews trying to leave for Israel increased dramatically over original estimates.

Last year, about 181,000 Soviet Jews arrived in Israel. About 300,000 are still expected to arrive this year, despite a lull in immigration during the Persian Gulf war.

Shortfall Bridged With Loans

Lender said the new campaign, as yet unnamed, will be complemented by a loan program to make up the expected \$1.35 billion shortfall the Jewish Agency will face in assisting Soviet Jewish resettlement over the next few years.

"We don't feel we can raise \$1.3 billion, and we are raising what we think is the capacity of the Jewish community in a campaign. And the balance of the shortfall will be generated by a loan program," he explained.

Under the loan program, local Jewish federations will guarantee bank loans totaling \$900 million, which includes a reserve of \$200 million to cover potential defaults.

Since March 1, arriving Soviet immigrants have been receiving part of their cash subsidy in loans, which later will be assumed by federations once the loan program is officially approved. The loans are being granted by Israeli banks, Lender said.

Lender said UJA's final fund-raising figure was established "hand-in-hand" through consultations that included leaders of the Council of Jewish Federations, which represents 179 federations in the United States.

"We've been working with CJF, and CJF endorses our campaign, and we endorse their loan program," he said.

Federation leaders will meet in Washington on April 16 to vote on the loan program. CJF is planning a satellite hookup conference next week to discuss the program with federations across the country.

**ISRAEL PARTIALLY RESTORES CUTS
IN SUBSIDIES TO NEW IMMIGRANTS**
By Gil Sedan

JERUSALEM, March 12 (JTA) -- Finance Minister Yitzhak Moda'i restored recent cuts in subsidies to new immigrants Tuesday, in what Treasury sources said was a decision to "save" aliyah.

Moda'i ordered the so-called "absorption basket" of cash and services, which helps tide newcomers over their first year in the country, raised by 3,000 shekels, or approximately \$1,350 at the new exchange rate, effective April 1.

That will bring it to its previous level of 17,000 shekels (\$7,750), still considerably less than the original 21,000 shekels (\$9,600) for an immigrant family of three.

The cost to the Treasury is estimated at \$137 million, which it plans to take initially from the treasury reserves.

Treasury sources said Moda'i took into consideration increased housing costs and living expenses, as well as the detrimental effect the subsidy cuts might have on the level of aliyah.

The move was unexpected, nevertheless, because Moda'i told his Cabinet colleagues Monday that the government could no longer bear the cost burden.

About a third is shared by the Jewish Agency for Israel, which relies on donations from Diaspora Jewry for most of its funding. The agency, however, has converted its share from a grant to a loan.

The reduced subsidies raised an outcry among immigrant absorption officials and aliyah activists, who feared it would greatly decelerate aliyah from the Soviet Union.

The Knesset Finance Committee was not expected to approve the cuts. According to some sources, the Treasury decided to avoid that embarrassment by restoring them.

Housing Minister Ariel Sharon, a sharp critic of the government's absorption policies, resigned Sunday as chairman of the Cabinet committee dealing with immigration and absorption problems, partly to protest the cuts.

The Israeli public has become increasingly aware that many immigrants face financial difficulties. The daily Yediot Achronot published a photograph Sunday of Soviet olim scrounging for leftovers at a Tel Aviv vegetable market.

SHEKEL DEVALUED BY NEARLY 7 PERCENT
By Hugh Orgel

TEL AVIV, March 12 (JTA) -- The Treasury acted to stimulate Israel's exports by devaluing the shekel by nearly 7 percent this week.

A 6 percent devaluation had been predicted Sunday, when the new shekel was reduced relative to a "basket" of European currencies.

At noon Monday, however, it stood at 2.192 shekels to the dollar, a 6.67 percent devaluation from 2.055 last Friday.

The higher-than-expected devaluation was due partly to the strengthening of the dollar on the world market last weekend. The new exchange rate against European currencies is 2.4252 shekels, 5.79 percent lower than the previous rate.

While the devaluation is expected to help Israeli exporters, consumers may suffer. The inflationary effects of the cheaper shekel will more than offset the 3.7 percent cost-of-living increase to be paid April 1.

POLAND INVITES JEWISH EDUCATORS TO TEACH CATHOLICS ABOUT JUDAISM

By Debra Nussbaum Cohen

NEW YORK, March 12 (JTA) -- American rabbis and other Jewish educators hope to travel to Poland by the end of the year to teach Polish Catholic clergy about Judaism, in response to an invitation extended by the Polish Catholic Church.

Bishop Henryk Muszynski, chairman of the Polish Episcopate Commission for Dialogue With Judaism, asked the Synagogue Council of America at a meeting here last week to send rabbis and educators to assist in an intensive education and dialogue campaign to teach Polish Catholics about the relations between Catholics and Jews.

His invitation follows the reading of a pastoral letter in Poland's Catholic churches on Jan. 20 that denounced anti-Semitism and expressed "sincere regret for all incidents" of anti-Semitism by Poles.

The trip is being seen as an opportunity to act on the principles set forth in a declaration signed last September in Prague by Catholic and Jewish religious leaders. The declaration defined anti-Semitism as a sin and called for enhanced communication between Catholics and Jews.

The invitation to Poland is "a very clear and immediate fulfillment of Prague," according to Rabbi Jack Bemporad, chairman of the Synagogue Council's Interreligious Affairs Committee. It is "the first and most important link."

Poland is estimated to have no more than 10,000 Jews remaining from what, at its prewar peak, was a culturally and religiously vibrant community of 3.5 million souls. Just 2,000 members of the small surviving community affiliate with organized Jewish life, according to Muszynski.

'Dealing With Jews As An Abstraction'

The contribution of Jews to "Polish history must be preserved and transmitted by Jews who are willing to visit," Bemporad said.

Polish intellectuals and theologians have a "genuine, but almost macabre moral and intellectual interest" in the Jews, according to Rabbi Marc Tanenbaum, a member of the Synagogue Council representing the Conservative movement's Rabbinical Assembly.

They have been devoting an increasing number of seminars and conferences to the subject of Polish Jewish history, and "they found that they were running a number of these without any Jews present," Tanenbaum said. "They were dealing with Jews as an abstraction, almost a caricature."

The new invitation to visit grew out of a realization among Polish theologians that "they need to have communication with living Jews," said Tanenbaum. "The Poles know almost nothing about world Jewry."

During his meeting at Synagogue Council headquarters here March 6, Bishop Muszynski also spoke of efforts to reorganize the museum at Auschwitz as a state-sponsored museum to "reflect the grim history" and "the tragic role that Jews played in it and its deep meaning for the Jewish people."

"Until now, it has been a museum of anti-Nazi, communist and atheistic propaganda, rather than a museum of the true Auschwitz history," he explained.

Muszynski expressed hope that the new center would become a vehicle for reconciliation, education and understanding.

ADELAIDE PAPER PROMOTES 'PROTOCOLS' AS GUIDE TO BUSH'S 'NEW WORLD ORDER'

By Jeremy Jones

SYDNEY, Australia, March 12 (JTA) -- The Adelaide Advertiser, the leading newspaper in South Australia, has been blasted in the federal Parliament for promoting the "Protocols of the Learned Elders of Zion" as a guide to current events.

The advice was given in the context of its daily column, "What's Your Problem?" which referred to the anti-Semitic forgery which originated in Czarist Russia as the best way to for readers to understand President Bush's "new world order."

Leaders of South Australia's Jewish community of about 1,200 have demanded an immediate explanation from the newspaper.

Chris Schacht, a Labor Party senator from South Australia, raised the matter in Parliament.

"I certainly understand why the Jewish community of South Australia is so outraged that the only morning daily newspaper, which has a very large circulation, would allow itself to publish such tripe.

"I hope the Adelaide Advertiser has the courtesy to apologize and retract the disgraceful answer that it gave in a column that, I thought, was not really there to deal with the propagation of anti-Semitic views," Schacht said.

The only action taken by the Advertiser was to publish a note in the same column that "an answer" which had been published "was irrelevant and incorrect." It did not mention Schacht's comments.

The Advertiser column informed readers that "the new world order was the brainchild of Dr. Adam Weishaupt, a German Jew who, in 1876, founded the Order of the Illuminati."

Jews Linked To Revolution

The column went on to say, "From Illuminism came the 'Protocols of the Learned Elders of Zion.' Although banned and discredited in many countries, these protocols are identical with the aim of communism for the Western world. These originated from the Bolsheviks who brought about the 1917 revolution, of which the leaders mainly were Ashkenazic Jews."

Representatives of the Advertiser cited a the sources of its information Gary Allen's "None Dare Call it Conspiracy" and "Tragedy and Hope" by Carroll Quigley.

Allen's book, a 141-page polemic alleging a conspiracy of international bankers, mostly Jewish, was published in connection with the 1972 U.S. presidential campaign and widely distributed by the extreme right-wing John Birch Society.

Quigley, a respected historian at the University of Maryland, published his book in 1966. A scholarly work not remotely anti-Semitic, it became a favorite of the John Birch Society because it seemed to give credence to the conspiracy theory of history.

Both authors are deceased.

The note in the Adelaide Advertiser said the column would no longer deal with "political or philosophical" issues.

But Jack Hines, president of the South Australian Jewish Community Council, said the matter will not be allowed to rest.

The Advertiser readers must learn of the offense caused and of the history of the "Protocols," Hines told the Jewish Telegraphic Agency.