

**BUSH SAYS ISRAEL SHOULD NOT BUILD IN NEW NEIGHBORHOODS OF JERUSALEM****By David Friedman**

WASHINGTON, March 28 (JTA) -- President Bush still believes Israel should not build new neighborhoods in parts of Jerusalem that Jordan held from 1949 to 1967.

"The problem of settlements is a problem where we have had a difference with the Israeli government," Bush said Thursday during a "roundtable interview" at the White House with 16 journalists from religious media organizations.

"We are not going to change our policy, and our policy is that beyond the so-called 'Green Line,' settlements should not be expanded," he said.

The disagreement is not only about whether the Israeli government has the right to build and expand Jewish settlements in the West Bank and the Gaza Strip. It also centers on the status of parts of Jerusalem that lie beyond the Green Line, including East Jerusalem, as well as newer neighborhoods on the north and south sides of the city.

The Bush administration regards these areas as part of the West Bank and therefore "occupied territory." Israel, which annexed East Jerusalem shortly after capturing it in 1967, considers the burgeoning united city as its capital.

"I would like to hope that it will never be divided again," Bush said. "The fate of Jerusalem, the final status of Jerusalem should be handled in a negotiated manner, and certainly there will not be any dictation to the people of Israel on how that's handled."

But until that time, he said, Israel should not build in the disputed areas.

The president was responding to a question from the Jewish Telegraphic Agency, the only Jewish organization represented at the White House meeting. But he did not directly answer the question, which was whether the administration believes Soviet Jewish immigrants have a right to live in Jerusalem.

**Proud Of Soviet Jewry Record**

"The right of Soviet Jews to live in Israel is a given," Bush said. He added that he takes "great pride in the fact that our administration has probably done more for the immigration of Soviet Jews than anybody."

"The Reagan administration, of which I was a part, did pretty darn well," the president said. "But because of our relationship with the Soviet Union and because of our zeal in bringing this question to the fore, you have seen immigration in enormous numbers."

The question of Soviet Jews settling in East Jerusalem became a source of contention last year, when it became one of the reasons given for holding up U.S. guarantees for \$400 million in loans Israel sought to build housing for Soviet immigrants.

The guarantees were finally provided in February, when the Israeli government convinced the United States that it was not government policy to send Soviet Jews to the territories, even though it apparently made no such commitment about Jerusalem. Moreover, the Israeli government

has maintained that Jews are free to live anywhere they desire.

Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations, pointed out in a telephone interview Thursday that in March 1990, Bush sent a letter to then Sen. Rudy Boschwitz (R-Minn.), saying that Jews have a right to live anywhere in Jerusalem.

A similar letter was sent by Secretary of State James Baker to Rep. Mel Levine (D-Calif.), Hoenlein said.

Bush also stressed Thursday that he wants "to see peace in the Middle East, and I want to see peace for Israel." He said the basis for peace is U.N. Security Council Resolutions 242 and 338, and "we'll press for that."

The resolutions call for the Israeli return of land in exchange for Arab recognition of the Jewish state's right to exist within secure boundaries.

**Favors Voluntary Prayer In Schools**

Bush said that an Arab-Israeli peace is part of what he considers a new world order after the defeat of Iraq.

"I am hopeful that our credibility in the Arab world, in the Israeli context, will enable us to bring this new world order, which is peace and respect for the other guy's territorial integrity, to Israel and to the Palestinians," the president said.

But he made clear that the new order will not include Saddam Hussein. "We will not, as long as I am president, have normal relations with Iraq as long as Saddam Hussein is there," he stressed.

On domestic issues, Bush said that while he supports the separation of church and state, he believes that voluntary prayer should be allowed in the public schools.

He said that is why his administration urged the U.S. Supreme Court to consider the appeal of the Providence, R.I., school board against lower-court rulings that prayers mentioning God cannot be recited at public school graduations.

The court agreed to hear the case, Lee vs. Weisman, next fall.

"I hope that entry of the Justice Department means we will be able to have invocations and prayers at graduations," Bush said. "I do not agree that religion has no place at graduations."

**NEWS ANALYSIS:**

**U.S., HAVING APPROVED ISRAEL AID, NOW FOCUSING ON PEACE CONFERENCE**  
**By Howard Rosenberg**

WASHINGTON, March 28 (JTA) -- President Bush has signed into law an emergency aid bill authorizing \$650 million in additional military aid for Israel, the White House announced Thursday.

But before Israel receives any of the money, Bush must sign a \$4 billion Operation Desert Storm supplemental appropriations bill, which actually releases the funds authorized. Congress approved the appropriations bill in final form March 22, and Bush has another week to sign it, which he is expected to do.

The money will help cover Israel's added defense-preparedness spending between Iraq's

invasion of Kuwait last August and the allied forces' victory last month.

With the aid issue resolved, pro-Israel activists here are turning their attention to talk of a hypothetical Middle East peace conference that would be jointly sponsored by the United States and the Soviet Union and would lead to direct negotiations between Israel and the Arabs.

State Department officials have been meeting this week with diplomats from Israel, Egypt and Jordan, as well as with West Bank Palestinian activist Hanan Ashrawi.

Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations, said the meetings did not deal with any "plan on the table" but rather with "just proposals and ideas."

He said the idea of a superpower-sponsored conference is nothing new in that it was raised in October 1987 by George Shultz, who was secretary of state at the time.

Israel considers such a conference preferable to one sponsored by the five permanent members of the U.N. Security Council, which would involve China, France and Great Britain.

Sources in the pro-Israel community say the State Department would insist, on Israel's behalf, that the Soviet Union restore full diplomatic relations with the Jewish state as a precondition for such a conference.

There is concern among Israeli diplomats that with the recent resignation of Soviet Foreign Minister Eduard Shevardnadze, the Soviets may be "going off track" and return to what the United States and Israel have considered to be the Soviets' traditional siding with the Arab cause against Israel, said one observer.

#### Reports Of PLO Offer

Israel's concession would be its actual participation in such a conference. Israel has long rejected the international conference scenario, for fear that the other nations would "gang up" and put undue pressure on the Jewish state to make concessions against its interests.

But the Bush administration is now said to believe that the prospect of actual negotiations with the Arab states, breaking a longtime taboo, would be too strong an incentive to forgo.

Another reason why Israel has rejected such a conference in the past has been the traditional demand by Arab countries that the Palestine Liberation Organization be involved.

But in one of the more significant shifts resulting from the Persian Gulf conflict, Arab states are said to be not particularly anxious to rehabilitate the PLO.

Another concession Israel would reportedly have to make would be to reaffirm its adherence to U.N. Security Council Resolution 242, which calls on Israel to give up land in exchange for recognition from the Arab states.

Israel's governing Likud bloc has taken the position that 242's demands for land transfer were satisfied by the return of Sinai to Egypt. According to pro-Israel sources, the Likud government is being asked to back off from that interpretation before any conference is convened.

Another potential problem for Israel is with the contacts any prospective Palestinian interlocutors would profess to the PLO.

One observer pointed out that when a group of Palestinians met with Secretary of State James Baker recently in Jerusalem, they opened the meeting by declaring, "We are the PLO."

The observer said a major problem would arise during any peace conference if the Palestinians declared they were receiving instructions from the PLO.

The administration has not been anxious to bring the PLO back into the peace process. But there were reports Thursday that the PLO is prepared to make new concessions to get Washington to resume its dialogue with the organization.

The U.S.-PLO dialogue was suspended last June after the PLO refused to expel one of its executive committee members, Mohammed (Abul) Abbas, whose faction carried out an aborted terrorist attack on Israeli beaches the month before.

The reports Thursday said the PLO is now offering to expel Abbas in return for a resumed dialogue.

But Baker said recently that because of the PLO's support for Iraq during the Gulf crisis, expulsion of Abbas would not be enough.

#### All Eyes On Cairo Summit

For the superpower-sponsored conference to take place, the Arab states would have to agree to hold direct talks with Israel. In addition, the Arabs reportedly would have to allow the focus of such discussions to be on "interim arrangements," allowing Palestinian self-rule in the West Bank and Gaza Strip, and not "final-status issues," such as land for peace.

Pro-Israel activists indicated they would be closely watching this weekend's Arab League conference in Cairo for signs of an evolving Arab position on talks with Israel.

The site of Cairo for the conference is significant, because the Arab League has not met there since 1978, when Egypt began peace talks with Israel.

While the meeting will be held there with "the Israeli flag still flying in Cairo," Hoenlein of the Conference of Presidents said he did not expect the summit to produce any new moderate language on Israel.

He said the Arab countries should issue a declaration that they are prepared to "end the state of belligerency" and not just their technical state of war with Israel.

#### ISRAEL INTERCEPTS BOOBY-TRAPPED BOAT By Hugh Orgel

TEL AVIV, March 28 (JTA) -- The Israeli navy said it destroyed a booby-trapped fishing boat in Lebanese waters Wednesday, killing two terrorists believed to have been on a suicide mission.

According to the navy account, an Israeli gunboat on routine patrol encountered the fishing boat maneuvering in a suspicious manner offshore from the Rashidiya refugee camp, near the southern Lebanese port city of Sidon.

When the two men on board ignored the Israelis' challenge, the gunboat opened fire, according to the report. The fishing boat exploded in a huge fireball at the first shot, indicating it was packed with hundreds of pounds of high explosives.

The navy believes the terrorists' mission was to entice an Israeli patrol boat close enough for boarding and detonate the explosives, killing Israeli sailors along with themselves.

**REMINDER:** The JTA Daily News Bulletin will not be published on Monday, April 1.

## SECURITY COUNCIL ISSUES STATEMENT DEPLORING ISRAELI DEPORTATION ORDER

By Aliza Marcus

UNITED NATIONS, March 28 (JTA) -- Invoking the recent murders of Israeli civilians by Arabs, Israel said it regrets a statement issued by the Security Council on Wednesday evening deploring Israel's decision to order the deportation of four Palestinians from the Gaza Strip.

"Obligated to maintain security, Israel has decided to invoke, as a last resort, an administrative measure permitted by the law in force in the territories and authorized by Israel's Supreme Court," Israel's statement read.

Although the four Palestinians are not charged with murdering any of the six Israelis killed over the past few weeks, Israel said "expelling terrorists" is necessary "to reduce the level of violence and restore calm."

"Israel regrets the presidential statement from the Security Council, which selectively censures Israel for issuing orders to expel four terrorists, two of whom are convicted killers," the statement said.

The four are said to be members of Al Fatah, the military arm of the Palestine Liberation Organization controlled by Yasir Arafat. The deportation order is currently under appeal, but Israeli courts have rarely overturned such orders.

The statement pointed out that on Tuesday night, as the council was drafting its statement, another Israeli was murdered as he commuted home from work.

"In spite of the latest outburst of terrorist attacks, Israel is determined to pursue the peace process and will continue policies to enhance the welfare of the inhabitants of the administered territories," the Israeli statement said.

The non-binding statement issued by the president of the Security Council expresses grave concern over the deterioration of the "the situation in the Palestinian and other Arab territories occupied by Israel since 1967, including Jerusalem."

Israel does not consider Jerusalem, its united capital, to be part of the administered territories.

### U.N. Apologizes For Omission

The statement, which was read aloud in a formal meeting by this month's Security Council president, Austrian Ambassador Peter Hohenfellner, says the deportation order is a violation of the Fourth Geneva Convention of 1949, "which is applicable to the above-mentioned territories."

"The members of the Security Council also call upon Israel to desist from deporting Palestinians and to ensure the safe return of those deported," the statement says.

The statement was virtually identical to an earlier draft proposal prepared Tuesday, but the final version deleted a paragraph in which Israel's actions were called a barrier to peace in the region.

According to U.N. sources, the paragraph was expunged at the behest of the United States in exchange for the statement being read aloud at a formal meeting. Normally, presidential statements are issued through informal consultations, rather than in a formal meeting.

Meanwhile, Secretary-General Javier Perez de Cuellar issued a statement Wednesday saying he regretted an omission made in the biography of Zubin Mehta, the renowned conductor, who led a concert that evening at the U.N. headquarters.

The U.N. press release on the performance omitted any reference to Mehta's position as music director for life of the Israel Philharmonic Orchestra, although it did extensively document his other positions.

The U.N. press department originally blamed this omission on the Mehta biography it had received from the New York Philharmonic, where Mehta is serving in his 13th year as music director.

But a copy of the Philharmonic's biography shows that it did list Mehta's ties to Israel and even mentioned that he is an honorary citizen of Tel Aviv.

"The secretary-general has instructed the Department of Public Information to immediately issue a revised press release on this event," Perez de Cuellar's statement read.

Harris Schoenberg, director of the U.N. office for B'nai B'rith International, who raised the issue with U.N. officials, questioned whether this "omission" was an example of the U.N.'s lack of credibility concerning Israel.

## 74-YEAR-OLD JEWISH MAN WOUNDED IN STABBING BY ARAB IN OLD CITY

By Gil Sedan

JERUSALEM, March 28 (JTA) -- Jerusalem police sealed off the Old City on Thursday to search for the assailant who stabbed a 74-year-old Jewish man.

The victim was identified as Avraham Rubacha, a resident of Jerusalem's Katamon neighborhood. He was hospitalized for what were described as moderate wounds. The blade apparently punctured his right lung.

The incident raised tensions already at the boiling point since Tuesday's murder of a Jewish settler by gunfire in the West Bank.

The Old City assault was the latest in a wave of knife attacks by Arabs on Jews in Israel which have claimed five lives so far this month. The latest attack occurred on Shalshelet Street in the Moslem Quarter.

According to police sources, the victim was attacked from behind. An Arab shopkeeper offered first aid before he was rushed to a hospital.

At least 30 suspects have been taken into custody, according to police.

The police also arrested a 15-year-old Arab in the Gilo neighborhood of Jerusalem, who was found in possession of two knives. The youngster was identified as a resident of Beit Jala. Police sources said he confessed he had planned to stab Jews.

Security forces in Israel and the administered territories are bracing for trouble as Passover, which begins Friday night, converges with Land Day, a traditional day of Arab protests, on Saturday.

There was a foretaste of violence in the Gaza Strip on Thursday. A 12-year-old boy was killed in a clash between Palestinian demonstrators and Israel Defense Force soldiers in Rafah, the southernmost town in the territory.

At least 28 people were wounded.

According to the IDF, the riots were triggered by news that a 20-year-old Arab, shot by soldiers in an earlier incident, died of his wounds Wednesday.

Shots were fired Thursday at a Jewish vehicle in the Hebron hills in the West Bank. No one was hurt. The shooting occurred near the settlement of Otniel.

## FIFTH SYNAGOGUE FIRE IN SYDNEY UNITES CHRISTIANS, JEWS FOR LAW

By Jeremy Jones

SYDNEY, Australia, March 28 (JTA) -- Christians and Jews joined in demanding national anti-hate laws as another Sydney synagogue went up in flames early Thursday morning, forcing 200 congregants to seek an alternative place to worship on the eve of Passover.

The Allawah synagogue in southwest Sydney sustained extensive damage. The fire, attributed to arson, was the fifth to hit Sydney synagogues in the past two months and the seventh countrywide.

Fel Prentice, president of the Orthodox congregation, called the campaign of arson and vandalism unprecedented in the history of Australian Jewry.

Only hours before the latest blaze, a delegation of Jewish community leaders met with Prime Minister Bob Hawke to urge legislation outlawing racial vilification and racial violence.

Leslie Caplan, who led the delegation on behalf of the Executive Council of Australian Jewry, said later that the attack on Allawah was further evidence that racism in this country must be confronted at the highest level.

The Rev. David Gill, secretary of the Australian Council of Churches, the largest Christian body in Australia, joined Caplan's call. The council fully supports the introduction of anti-racist legislation, he told the Jewish Telegraphic Agency.

Following his remarks, nearby churches offered use of their facilities to Jewish congregations whose synagogues were burned. There are four in Sydney alone. A fifth escaped damage when the security guard drove off arsonists, sustaining injuries in the process that required hospitalization.

Synagogues have been attacked in Newcastle and Melbourne as well.

Prime Minister Hawke is reported to have told his Jewish visitors that the Attorney General's Office is studying various legislative models to deal with the problem.

## EMBATTLED CANADIAN ANNOYS JEWS BY LIKENING PLIGHT TO NAZI DAYS

By Gary Pogrow

VANCOUVER, British Columbia, March 28 (JTA) -- Provincial Premier William Vander Zalm, under investigation for alleged misdeeds in office, has irked local Jewish groups by comparing his situation to living in Nazi Germany.

Vander Zalm, who was born in Holland and lived through the Nazi occupation, said, "This is all very reminiscent of Nazi Germany."

"Statements like those of Premier Vander Zalm trivialize life under the Nazi occupation," declared a spokesman for the Canadian Jewish Congress Pacific Region.

"It's an exaggeration that is perplexing to survivors, ex-servicepeople and to the Jewish community," he added.

Holocaust survivor Rudolph Vrba said, "As a survivor, I am not offended, but as a Canadian I am."

The former Auschwitz internee said he did not know whether the British Columbia premier was guilty or not.

"That's for the courts to decide. But no one here has confiscated his property, nor clubbed him to death, nor sent him and his family to a concentration camp," Vrba said.

## ISRAELI RUSSIAN PAPER LAUNCHED, ANOTHER ROBERT MAXWELL VENTURE

By David Landau

JERUSALEM, March 28 (JTA) -- Robert Maxwell, the international newspaper tycoon, launched a new Russian-language weekly Thursday in Israel, designed for the country's most rapidly growing market -- Soviet Jewish immigrants.

Called Vremya (Time), it is affiliated with Ma'ariv, Israel's second-largest daily, in which Maxwell bought a 50 percent interest last year.

Vremya, which will also be available in the Soviet Union, is staffed mainly by Soviet immigrants. Its name is the same as that of the most popular Soviet television news program.

Vremya faces stiff competition for readers who are for the most part of a different generation of Soviet Jews.

There is a host of Russian weeklies and periodicals and one Russian-language daily newspaper in Israel, Nashastrana (Our Country), which is affiliated with the Labor Party's foreign-language publishing house.

Ma'ariv's archival, the afternoon tabloid Yediot Achronot, announced that its own Russian-language newspaper will appear Friday, the day the first edition of Vremya hits the newsstands.

The rapidly growing Russian-language press spells circulation wars at which Maxwell seems adept. The Czechoslovak-born Jew just purchased the Daily News, a 75-year-old New York tabloid whose owners were about to shut it down after a bitter five-month strike.

## BEGIN LEAVES LONG HOSPITAL STAY LOOKING SPRY AND CRACKING JOKES

By Hugh Orgel

TEL AVIV, March 28 (JTA) -- Former Prime Minister Menachem Begin may be emerging from the semireclusive lifestyle he adopted after his surprise resignation and abandonment of politics in 1984.

He broke his political silence Thursday in reply to reporters' questions on the occasion of his being released from Ichilov Hospital here after a seven-month stay.

The 78-year-old retired Likud leader also cracked a political joke at the expense of his longtime socialist rivals.

Begin, though frequently ill in recent years, seemed spry and completely up-to-date on what is happening in Israel and the Middle East.

Asked whether Israel should agree to put the Golan Heights on the agenda in what are still hypothetical peace talks with Syria, Begin reminded the reporters that it was he who initiated the annexation of the Syrian territory in 1980.

"Permit me to point out that I was prime minister in those days. I proposed adoption of the Golan Heights Law, which still stands," he said, adding, "I hope there will be no change."

Begin said he hoped the government would do everything possible to end the recent wave of knife attacks on Jews by Arabs in Israel.

Begin was transferred to Ichilov Hospital from Jerusalem last year after breaking his hip in a fall. He was under treatment in the geriatric ward and is able to walk with the aid of a cane.

As he approached his waiting car, he joked with doctors who suggested he lean on a railing.

"Thanks, but I never lean to the left," said the politician, who headed Israel's first right-wing government in 1977 after 30 years of Labor rule.