

**FEDERATIONS BACK \$900 MILLION PLAN
TO PROVIDE LOANS TO SOVIET IMMIGRANTS**
By Aliza Marcus

WASHINGTON, April 16 (JTA) -- North American Jewish federations overwhelmingly gave their support Tuesday to a plan to provide \$900 million in loans to new Soviet immigrants in Israel, which the federations would guarantee.

But the plan does not go into effect until each participating federation signs a formal agreement committing itself to the guarantees. American federations would be responsible for backing an estimated \$750 million of the loans.

"I think that the American Jewish community realized that we don't have an option," Shoshana Cardin, a past president of the Council of Jewish Federations, said after federation leaders from across the continent voted here at a special assembly convened to approve the loan program.

"This is an opportunity, and maybe the only opportunity, to bring klal Yisrael (the Jewish people) to Israel," said Cardin, who is also chairman of both the National Conference on Soviet Jewry and the Conference of Presidents of Major American Jewish Organizations.

Four federations -- in Cleveland, Minneapolis, Omaha and Madison, Wis. -- voted against the resolution authorizing the loan guarantee program. But other federation representatives said they were hopeful that everyone could eventually be convinced to back the program.

"We have to work with every community and get them to say yes" to signing indemnification commitments, said Charles Goodman, president of CJF, which represents some 200 North American federations and was the initiator of the program.

Although the loan program was approved by a weighted delegate vote of 481-22, with 66 abstentions, CJF must still receive indemnification pledges -- or guarantees -- covering 90 percent of the total loan amount before the program is effective, officials attending the assembly said.

CJF will be the actual guarantor of the loans, but because it has neither assets nor fund-raising abilities, its financial liability must in turn be guaranteed by local federations, Goodman said.

'We Have To Look Ahead'

American Jewish federations will cover at least \$750 million of the total \$900 million in loans that is expected to be made available to Soviet immigrants, with the balance being guaranteed by other Diaspora Jewish communities.

The exact amount to be covered through Keren Hayesod, the major fund-raising arm of Diaspora Jewry outside the United States, has yet to be determined, officials said.

The loan program will allow the Jewish Agency for Israel to meet its financial responsibility for immigrant absorption.

Up to now, the Israeli government and the Jewish Agency have each been paying portions of a first-year absorption grant given to each new immigrant family from the Soviet Union, currently valued at about \$8,500 for a family of three.

Under the program approved Tuesday, each immigrant will receive a smaller grant from the government, as well as a \$1,000 loan from the Jewish Agency.

The loans will have a 10-year payback period, at an annual interest rate estimated by CJF to be 10 percent.

Most of the four-hour assembly Tuesday was taken up discussing the challenge facing world Jewry by the unparalleled aliyah of an estimated 1 million Soviet Jews by the end of 1993.

The delegates, representing over 100 federated communities in North America, broke into applause as speaker after speaker enumerated the "historical opportunity" of the massive exodus.

"We can't look back, we have to look ahead," declared Marvin Lender, national chairman of the United Jewish Appeal.

Under the program, each federation will be responsible for its "fair share" of the total loan amount, a formula that will be determined by its 1990 Jewish population and the amount of funds it raised last year.

If all goes according to plan, though, the federations will not have to pay a cent for the loans, which will be issued by Israeli banks.

A \$200 million reserve fund is being established to cover potential loan defaults. Only if the loan defaults exceed that amount will the federations be responsible for repaying the money.

Opposition To Borrowing Concept

The few federation delegates expressing serious reservations about the program raised the issue of massive loan defaults and how this would finally be covered by federations, which themselves have major financial obligations, such as running social service programs for local community needs.

Henry Goodman, a past president of the Jewish Community Federation of Cleveland, said his federation had to vote against the program for fear of bankrupting themselves in the future should the loan guarantees be called in.

"We're a philanthropic system of fund raising, not a philanthropic system of borrowing," Goodman said after voting against the proposal.

But he added that the Cleveland federation is "not stepping back" from raising funds to aid Soviet Jews. "In your family, it's always difficult to be on the other side, but we believe the integrity of the system is on the line," he said.

For those federations that will ultimately take part in the program, this is believed to be the first time organized American Jewry will resort to a loan commitment rather than attempting to raise needed funds solely through donations.

Most officials agree that the amount of money needed by the Jewish Agency is far beyond the fund-raising capabilities of American Jewry in the time it is demanded. They see the loan program as the only realistic way to satisfy the financial demands of the massive Soviet Jewish immigration to Israel.

In addition to the loan program, Jewish federations throughout the United States will undertake a special \$450 million fund-raising drive under the auspices of UJA, the major fund-raising arm of American Jewry.

Other Diaspora communities, including Canada, will raise \$200 million through Keren Hayesod.

All told, organized Diaspora Jewry will provide \$2.6 billion for Soviet Jewish immigration over the next three years.

FOUNDING OF WEST BANK SETTLEMENT ANGRERS WASHINGTON, DIVIDES ISRAEL

By Gil Sedan

JERUSALEM, April 16 (JTA) -- Moving clandestinely, but heavily protected by the Israel Defense Force, the Gush Emunim settlers movement has swiftly erected the beginnings of a new West Bank settlement called Revava.

In doing so, the settlers seem to have accomplished far more than laying down infrastructure and setting up a collection of mobile homes.

Their action could jeopardize relations with the United States and has already further polarized the nation over the delicate issue of peace with the Palestinians, dividing even the ruling Likud party.

The move is being perceived as a deliberate affront to the United States, which has repeatedly warned Israel that it considers the expansion of Jewish settlements in the administered territories to be an obstacle to peace.

It brought a swift response from Washington, where White House spokesman Marlin Fitzwater told reporters Tuesday that "this action, if verified, does not change the U.S. position on Israeli settlement activity."

"Settlements are an obstacle to peace and their continuation does not contribute to the development of a peace process, which we have all been looking for," Fitzwater said.

He said the U.S. ambassador to Israel, William Brown, has asked the Israeli government for clarification.

Revava, approved by the government in 1982 but never built, was originally scheduled to be inaugurated Thursday, the 43rd anniversary of Israel's independence.

Instead, the Gush Emunim saw to it that the settlement went up three days before Secretary of State James Baker was due in Jerusalem on his second visit in less than two weeks, aimed at continuing crucial talks on the peace process with Israel's leaders.

'A Message To Baker'

A Gush Emunim leader, Daniella Weiss, was even quoted as saying, "This is a message to Baker."

In Washington, Fitzwater said that when the secretary of state was in Israel last week, he told the Israelis "that continued settlement activity would hinder progress toward agreement on other issues related to the peace process."

The White House spokesman said at the start of his briefing that reports had been received that Gush Emunim brought trailers "to a site in the occupied West Bank where no settlement existed before."

The site is near the main highway crossing the Samaria region, northwest of Jerusalem.

Journalists were kept away by declaring the entire area a closed military zone.

Although the army complained that the timing of the settlement was not coordinated with the military authorities, it cooperated fully.

Troops were deployed in force to protect the intensive bulldozing and infrastructure work that went on through the night, illuminated by powerful arc lights.

By morning, there were 14 mobile homes on the site, and another 16 were expected to be set up in the next few days. Gush Emunim said they were financed by Israel's Housing Ministry.

The Knesset opposition factions decided

Tuesday to submit a no-confidence motion against the government because of the settlement drive.

Shevah Weiss, deputy whip of the Labor Party's Knesset faction, charged that "the government is leading the people astray. While the foreign minister is leading a peace process, the housing minister undercuts it," Weiss said.

He was referring to Housing Minister Ariel Sharon, who was vowing to intensify the settlement drive while Prime Minister Yitzhak Shamir and Foreign Minister David Levy were locked in crucial talks last week with Baker.

Creating An 'Image Of Deception'

Knesset member Yossi Sarid of the Citizens Rights Movement said building a new settlement three days before Baker's arrival was tantamount to planting a bomb on the secretary's plane.

Health Minister Ehud Olmert, a Likud moderate, said the settlement could have been delayed for a few days, "because the worst thing is to create an image of deception."

According to Olmert, open settlement activity, even at the cost of controversy with Washington, is preferable to clandestine operations.

But different opinions were heard from Likud's coalition partners on the right.

Goula Cohen of Tehiya pointed out that the expansion of settlements was one of her party's conditions for joining the Shamir government.

"Any additional settlement, precisely at this time, is not an obstacle to peace, but rather an obstacle to the dreams of our enemies to set up a Palestinian state," said Cohen, who is deputy minister of science and energy.

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

SHAMIR SAYS SOVIETS APPEAR WILLING TO CO-HOST REGIONAL PEACE CONFERENCE

By Joseph Finklestone

London Jewish Chronicle

LONDON, April 16 (JTA) -- Moscow may be amenable to the idea of co-hosting a Middle East regional peace conference, Israeli Prime Minister Yitzhak Shamir said after meeting here Tuesday with Soviet Prime Minister Valentin Pavlov.

The meeting was the first ever between the prime ministers of Israel and the Soviet Union.

"This meeting with Mr. Pavlov was the first time that we had submitted such proposals to the Soviet Union, and I think or hope that they will accept them sympathetically," Shamir said.

He said Pavlov had told him the Soviets "will think about them and convey to us their opinion."

Shamir, Pavlov and an array of other heads of government and chiefs of state are in London for the inauguration of the European Bank for Reconstruction and Development.

In addition to Pavlov, the Israeli leader has conferred here with British Prime Minister John Major, French President Francois Mitterrand, Czechoslovak President Vaclav Havel and Romanian President Ion Iliescu.

Shamir raised the regional conference proposal with his Soviet counterpart because the Soviet Union and the United States would be the co-hosts.

But Shamir said he stressed to Pavlov that it was "absolutely necessary" for the Soviet Union to re-establish full diplomatic relations with Israel, broken by Moscow in 1967, before it could participate in a Middle East peace conference.

**JEWISH GROUPS, U.S. EXPRESS DISMAY
AT DELAY ON SOVIET EMIGRATION BILL**
By Howard Rosenberg

WASHINGTON, April 16 (JTA) -- Reports that the Soviet legislature has indefinitely postponed action on long-promised emigration reforms have dismayed Jewish groups and brought a stern warning from the U.S. government.

The reactions came after the Reuters news agency quoted a member of the Supreme Soviet's foreign affairs committee Monday as saying that conservative lawmakers have put the long-pending emigration reform bill on hold because they fear it would lead to a mass exodus and "brain drain" from the Soviet Union.

In response, the State Department warned Monday that President Bush will not waive remaining economic sanctions against the Soviet Union until the Supreme Soviet approves the promised emigration reforms.

Martin Wenick, executive director of the National Conference on Soviet Jewry, called it "regrettable" that the Soviets "haven't been able to move and put their laws in conformity with their international obligations."

Micah Naftalin, national director of the Union of Councils for Soviet Jews, predicted that the bill would be revisited in September, when Moscow is to host a human rights conference sponsored by the Commission on Security and Cooperation in Europe, a multinational human rights monitoring group.

The CSCE, which will be holding its first-ever meeting in the Soviet Union, drafted the 1975 Helsinki Accords, which call on the treaty signers, including the Soviets, to guarantee their citizens the right to emigrate freely.

The Soviets are seeking a complete waiver of the Jackson-Vanik Amendment to the U.S. Trade Act, which bars the U.S. government from giving preferential trade benefits, known as most-favored-nation status, to countries that it contends do not have satisfactory emigration policies.

Bush signed a new trade pact here last spring with Soviet President Mikhail Gorbachev and last December announced a partial waiver of Jackson-Vanik to provide the Soviets with up to \$1 billion in agricultural credits through this July.

Not High On Gorbachev's Agenda

But that waiver took place after Gorbachev had promised, at a 1989 summit meeting in Malta, to work to pass the emigration law.

The Soviet "failure to act" more than a year later suggests Gorbachev has been "forced to face a political reality and that this isn't very high on his priority agenda," Wenick said.

The State Department statement said that "until the Soviet government enacts new emigration legislation," Bush will not submit the trade agreement to Congress for possible ratification.

Under the trade pact, the Soviets would receive most-favored-nation trade status and thereby have U.S. duties lowered on their imports to the level imposed on most U.S. trading partners.

Wenick agreed that the Soviets have not done anything to deserve receiving a full waiver July 1, when Bush has to make his next decision. "I don't think that they've stepped up to the plate on this," he said.

Ironically, the proposed emigration bill would generally help non-Jewish ethnic groups more than it would help Jews, since Jews, like ethnic Germans, are currently singled out to emigrate in

large numbers on the rationale that they are being repatriated to their respective homelands.

But the bill would also help those Jews who are currently refused permission to emigrate based on their alleged past access to "state secrets" or because of outstanding obligations to so-called "poor relatives," who claim they rely on the prospective emigres to subsist.

Despite the problems with getting the bill enacted, Wenick expressed satisfaction with what he called the Soviet's current "de facto" liberal emigration policies toward Jews.

Growing Impact Of Conservatives

But he expressed concern about the conservative Soviet politicians' influence in blocking a vote on the bill, which he said could translate to influence over the de facto policy at present.

"Unfortunately this points to the continuing political chaos in the Soviet Union," said Wenick. "It does not portend well for the future."

Naftalin of the Union of Councils, who is leaving for a two-week tour of the Soviet Union, said that as long as Gorbachev stays in power, "I don't have much faith in their willingness to pass the law."

But should Boris Yeltsin, the radical reform-minded president of the Russian republic, grasp power from Gorbachev, "I think that Yeltsin would be stronger on this issue," Naftalin said.

Yeltsin "has been a proponent of the whole range of human rights and pro-democracy reforms," Naftalin said. "I think that he ties human rights and independence for the republics and democracies all in the same package."

Wenick said it is unclear who would be better on Jewish emigration issues and added, "I'm not sure that Yeltsin is the logical successor to Gorbachev."

But he observed that among the competing Soviet political forces, conservatives "have been the least friendly to general issues of democracy and particularly Jewish issues" like emigration.

The continued rise in Soviet conservatism "presents a threat to the interests of the Jewish community," Wenick said. But he added that "the bottom line is that under Gorbachev, the doors are open" for Soviet Jews to emigrate.

**DEGEL HATORAH WINS DISPUTED SEAT
IN SPECIAL ELECTION FOR KNESSET**

By David Landau

JERUSALEM, April 16 (JTA) -- The Orthodox Degel HaTorah party won a fairly comfortable victory in a local special election Monday, retaining one of its two Knesset seats claimed by the right-wing Tehiya party.

The election, in the religious township of Bnei Brak and neighboring Ramat Gan, both Tel Aviv suburbs, involved fewer than 1,500 voters.

It was ordered by the High Court of Justice because of allegations of fraud at two polling stations in the 1988 Knesset elections.

Tehiya, which initiated the complaint three years ago, blamed Likud for its failure Monday to add a fourth seat to its Knesset faction.

Degel, which had been expected to do well in rigidly religious Bnei Brak, scored a dramatic reversal in largely secular Ramat Gan, where it polled 156 votes Monday compared with only 60 in the 1988 elections.

Tehiya picked up 60 votes in Bnei Brak, where it had none in 1988. Degel also did better there, polling 246 compared with 208 in 1988.

**IDF SOLDIER SERIOUSLY WOUNDED
BY INFILTRATOR FROM JORDAN****By Hugh Orgel**

TEL AVIV, April 16 (JTA) -- An armed infiltrator from Jordan seriously wounded an Israel Defense Force soldier Monday night before he was killed by other soldiers in the Beit She'an Valley.

First Sgt. Doron Brauner, 22, from Kibbutz Kissufim in the Negev was reported in critical condition in the intensive care unit at Rambam Hospital in Haifa after undergoing lengthy surgery for chest wounds.

Brauner was a member of an IDF unit fired on from ambush near Kibbutz Neveh Ur close to the Jordanian border.

The slain gunman was found in possession of a Kalachnikov assault rifle and a Koran containing a pamphlet from Hamas, the Islamic extremist movement active in the Palestinian uprising.

The encounter was the latest in the growing number of armed infiltrations across the once quiescent Jordanian border.

Maj. Gen. Danny Yatom, commander of the central region, visited the scene of the clash Tuesday. He warned Jewish settlers to be especially vigilant in view of the rise of Moslem fundamentalism in Jordan and King Hussein's evident inability to control it.

The IDF said the latest incident started when a patrol came under fire from Jordan late Monday night. The soldiers returned the fire and resumed their patrol.

The intruder apparently crossed the border and breached the security fence after the IDF men passed. He waited in ambush for them in a palm grove.

Meanwhile, his tracks were discovered and nearby settlements were put on alert. Reinforcements were summoned to search the area.

As the patrol neared the palm grove, the intruder opened fire. He fired only a few shots before he was killed, but one of his shots hit Brauner.

Terrorist Boat Intercepted

The director of the local Magen David Adom, Israel's equivalent of the Red Cross, who monitored the encounter on the security radio network, dispatched an ambulance for the wounded soldier. He was helicoptered to the hospital.

Brauner's patrol was a unit of Nahal, a branch of the IDF that engages in agriculture when not performing military duties.

In Lebanon, meanwhile, the Abu Nidal terrorist organization, Fatah Revolutionary Council, said two young gunmen killed Sunday night by the Israel-backed South Lebanon Army in the southern Lebanon security zone were members of the group.

According to Nidal's group, they were on a mission to avenge the Israeli air force bombing last Friday of Revolutionary Council bases in southern Lebanon, in which the local commander was killed.

In other worrisome activity in Lebanon, residents of the port of Sidon reported Tuesday that a blood-stained fishing boat had been found washed ashore.

According to the reports, a boat with six terrorists on board had been intercepted at sea by an Israeli gunboat, which opened fire on the craft. Four of the six men aboard managed to reach shore. Two are missing.

**ISRAEL AIRLIFTS RELIEF SUPPLIES
TO KURDISH REFUGEES FLEEING IRAQ****By Hugh Orgel**

TEL AVIV, April 16 (JTA) -- An Israeli air force cargo plane on Tuesday morning delivered six tons of emergency supplies for Kurdish refugees to Turkey, to be distributed by the Turkish Red Crescent, that country's equivalent of the Red Cross.

Aboard the Hercules transport plane on its way back to Israel was Israeli peace activist Abie Nathan, who spearheaded the Israeli drive to aid the Kurds.

The shipment included blankets, tents, clothing and medical supplies, mainly antibiotics, for the tens of thousands of refugees stranded without shelter or hygienic conditions in the mountainous border area between Turkey and Iraq.

The plight of the Kurdish refugees has, as was anticipated, worsened dramatically in the last few days, with hundreds dying daily of exposure, dehydration and dysentery in their crowded and unsanitary conditions.

The shipment was enabled by donations to Magen David Adom, Israel's Red Cross equivalent, and the Association of Israelis of Kurdish Origin.

An MDA representative who accompanied the cargo said it was unloaded in 20 minutes at a Turkish military airfield. But the Turkish Red Crescent officials who received the supplies said it would take at least 36 hours to truck them to the border region because of bad roads.

Nathan has been sharply critical of what he called the haphazard manner in which aid is being air-dropped to the refugees by the United States and other countries. Numbers of Kurds have died from the impact of falling pallets of the goods.

Foodstuffs and other items have broken apart as they hit the ground, buffeted by the high winds of helicopter propellers. The helicopters are unable to land in the rocky terrain, particularly because of the high density of people encamped in the steep mountains.

Nathan, who went to Turkey last week to determine the best method to deliver humanitarian aid to those who need it most, said in a telephone interview prior to returning to Israel that he insisted that any supplies he donated would have to be landed by helicopter at Red Crescent distribution points near refugee encampments.

ISRAEL MEMORIALIZES 17,150 WAR DEAD**By Hugh Orgel**

TEL AVIV, April 16 (JTA) -- Sirens wailed all over Israel for one minute at 8 p.m. local time Tuesday, announcing the start of Yom Hazikaron, Israel's Memorial Day, the 24 hours Israel dedicates to the memory of its war dead.

The annual ritual is now in its fifth decade and the number of fallen soldiers has grown steadily over the years.

According to the latest figures released Sunday, 17,150 Israelis died in battle since 1948 and over 56,000 were wounded, many of them maimed.

Memorial Day ceremonies began officially Tuesday evening with the lighting of a beacon at the Western Wall in the presence of President Chaim Herzog and the Israel Defense Force chief of staff, Gen. Ehud Barak.

Flags were lowered to half-mast on all public buildings. Local memorial ceremonies were held at synagogues, community centers and military cemeteries all over the country.