

**BAKER'S CHANGE OF TRAVEL PLANS  
RAISES ANXIETY LEVEL IN ISRAEL**

By David Landau

JERUSALEM, April 23 (JTA) -- U.S. Secretary of State James Baker's postponement of a return visit to Jerusalem until later this week touched off a flurry of anxiety in government circles here, symptomatic of the tense state of U.S.-Israeli relations.

Baker, who left Israel on Saturday, originally planned to return here Tuesday evening after visiting Arab capitals in his third round of shuttle diplomacy since mid-March.

Instead, the secretary decided to stay overnight in Damascus and fly Wednesday to the Caucasus resort town of Kislovodsk for a meeting Thursday with Soviet Foreign Minister Alexander Bessmertnykh.

The sudden change of plans, announced by State Department spokeswoman Margaret Tutwiler, who is traveling with the secretary, raised speculation that a U.S.-Soviet agreement to jointly sponsor a regional peace conference might be imminent.

But in Jerusalem, some officials immediately interpreted the change in itinerary as a signal of Washington's wrath over Israel's continued construction of settlements in the administered territories and its refusal to make concessions on the modalities of a peace conference.

Israelis are more nervous than they were during Baker's two previous visits to the region. There is a growing feeling here that the "heat" is on Israel.

Prime Minister Yitzhak Shamir has tried to convince his right-wing coalition partners and militant settler groups that he will not yield to pressure on land-for-peace, settlement building or the nature of the proposed conference.

**Will Not Yield On Settlements**

But there have been indications that he is prepared to consider some sort of peace conference role for the European Community, whose inclusion Israel has until now opposed.

Shamir may even be ready, sources say, to consider a conference that is more than a ceremonial prelude to bilateral talks and does not have to permanently adjourn when the talks begin.

But the Likud prime minister apparently will not relent on the issue of who will represent the Palestinians in peace talks. He will not agree to Arab representation from East Jerusalem.

Shamir also is not expected to yield on the issue of settlements, given the strength of the settlement lobby in Likud circles.

American sources cited in news reports here Tuesday claimed that Saudi Arabia had been prepared to participate in a regional peace conference with Israel but backed off after settlers established the West Bank settlement of Revava last week, on the eve of Baker's visit. The Saudis will not risk similar embarrassment in the future, the sources said.

But the same reports said Baker secured solid Saudi and Kuwaiti backing for the proposed conference and was now working on Syrian support.

**SECOND WEST BANK SETTLEMENT GOES UP,  
IN CLEAR CHALLENGE TO U.S. SECRETARY**

By Gil Sedan

JERUSALEM, April 23 (JTA) -- Peace Now activists clashed with Gush Emunim militants Tuesday at the site of a new settlement hastily erected in the West Bank.

It was the second new settlement in a week to be planted clandestinely in disputed territory, in a deliberate challenge to U.S. Secretary of State James Baker, who is in the midst of his third Middle East peace mission since mid-March.

Baker has made clear that the United States considers new settlements in the administered territories to be an obstacle to peace.

The latest one, consisting so far of eight mobile homes, was put up Monday by Amana, Gush Emunim's settlement organization, and is called Talmon B.

Like Revava, a settlement built during the night of April 16, some 48 hours before Baker's last arrival in Israel, Talmon B was clearly intended to confront the American secretary, who had been expected to return to Jerusalem on Tuesday evening, following visits to various Arab capitals.

But Baker changed plans and will not return until the end of the week, after a surprise stop in the Soviet Union.

Unlike Revava, Talmon B was never authorized by the government.

Gush Emunim claims it is not a new settlement but an "expansion" of an existing settlement called Talmon, near Ramallah.

Talmon B, however, is located on a hilltop quite distant from its namesake.

**Government Not Opposed**

The government said it was not officially notified of the timing of either of the new settlements.

But Michael Dekel, the prime minister's special assistant for settlement affairs, admitted that he had a pretty good idea of the activity in advance.

"Had I been asked, I would have suggested a different date," Dekel told an army radio interviewer.

But he stressed his objection was to the timing, not to settlement proliferation in principle.

That, in fact, is the policy of the ruling Likud bloc and its right-wing and religious coalition partners.

About 15 Peace Now activists visited the newest settlement Tuesday after reading about it in the daily newspaper Ha'aretz. They claimed that as they approached, settlers were trying to run down a Visnews television cameraman with a bulldozer.

"When we tried to protect the photographer, we were also beaten," said Eran Hayat, a Peace Now spokesman.

An Israel Defense Force patrol that arrived at the scene separated the clashing groups and ordered the Peace Now activists and the journalists out of the area.

The settlers and protesters have each filed assault charges against the other.

**IMMIGRANTS MAY DEPART EN MASSE,  
BANK OF ISRAEL GOVERNOR WARNS**  
By Gil Sedan

JERUSALEM, April 23 (JTA) -- Nearly 400,000 Israelis will soon be jobless and 200,000 immigrants will leave the country unless drastic economic measures are taken swiftly, Michael Bruno, governor of the Bank of Israel, warned in a report issued Tuesday.

The report published by Israel's central bank is the harshest assessment of unemployment in Israel made public to date and has sent shock waves throughout the country.

But economists and policy-makers are still arguing over what measures to take to prevent skyrocketing unemployment and a massive departure of new immigrants.

Bruno has called for further cuts in the minimum wage, abolition of cost-of-living allowances, new incentives for employers and increased investments in infrastructure.

Finance Minister Yitzhak Moda'i, who initially was working with Bruno on an economic recovery plan, has changed his mind and is now devising a program of his own.

Concerned about the erosion of aliyah, he is proposing that the government underwrite jobs for 50,000 new immigrants, who would not be employed in the public sector.

One idea Moda'i has floated is establishment of a giant investment company to finance high-risk economic ventures.

Moda'i's plans came under fire Monday in the Knesset Finance Committee, which would eventually have to approve them.

But the finance minister is determined to seek Cabinet endorsement of his plan within two weeks.

The news media, meanwhile, are continuing to publicize the financial plight of Soviet olim.

Ma'ariv published two stories Tuesday. According to one, new immigrants in Ramat Gan depend on a community soup kitchen for their only hot meal of the day.

The second story referred to a 52-year-old physicist from the Soviet Union whose family of three children subsists on lunches of cabbage soup and bread.

**SYRIAN-BACKED GROUP SENT INFILTRATORS**  
By Hugh Orgel

TEL AVIV, April 23 (JTA) -- The Syrian-backed Abu Musa terrorist group on Tuesday took credit for an infiltration incident Sunday night, in which two armed men crossed over the border from Lebanon into Israel on a hostage-taking mission.

The pair were killed in a brief gun battle with Israel Defense Force troops about two miles from Kibbutz Dan in Upper Galilee, which might have been their target.

The Abu Musa group, also known as Fatah Uprising, is a breakaway faction of Al Fatah, the largest element of the Palestine Liberation Organization.

The renegade group said it would continue attacking "until Israel withdraws from all Arab lands."

There was speculation Tuesday in Lebanon that the incident might have been a "rogue operation" intended to sour U.S.-Syrian relations on the eve of Secretary of State James Baker's visit to Damascus on Monday night.

**COURT DENIES DEFENSE REQUEST  
IN CASE APPEALING DEPORTATION**  
By Gil Sedan

JERUSALEM, April 23 (JTA) -- Israel's High Court of Justice dealt a setback Tuesday to four Palestinian activists appealing deportation orders.

The justices denied a request by their lawyers, Leah Tsemel and Linda Bryer, for access to the classified information that supported the deportation orders signed March 23 by Maj. Gen. Mattan Vilnai, the Israel Defense Force commander in the southern region.

The Palestinians, all from the Gaza Strip, are alleged to be hard-core terrorists associated with Al Fatah, the largest faction of the Palestine Liberation Organization.

They were not charged with security offenses. But according to the IDF, their activism created a climate that encouraged Arab violence against Jews, such as the recent spate of random stabbings.

Tsemel and Bryer had asked to compare the classified with the unclassified material used against their clients to see if it was proportional in amount and importance.

The state prosecutor argued that the four activists must be deported because other measures taken against them including administrative detention -- incarceration without trial -- were ineffective.

**ISRAELI AIR FORCE COMMANDER  
REPRIMANDED IN BRIBERY CASE**  
By David Landau

JERUSALEM, April 23 (JTA) -- The commander of the Israeli air force, Gen. Avihu Bin-Nun, was hit this week by repercussions from the bribery and corruption scandal that sent one of his subordinates to prison last month.

Bin-Nun was publicly reprimanded by Israel Defense Force Chief of Staff Ehud Barak for questionable conduct at one stage in the investigation of former Brig. Gen. Rami Dotan, who headed the air force's procurement branch until last October.

Bin-Nun allegedly showed Dotan material related to the investigation of embezzlement and other offenses of which Dotan was suspected.

Barak made clear that Bin-Nun was not guilty of any ethical wrongdoing but rather of a "lapse of judgment."

Nevertheless, he made an example of the air force chief by delivering the reprimand in the presence of all nine air force brigadier generals, a rare and deeply embarrassing procedure.

The reprimand was then formally announced by the IDF spokesman.

The criticism against Bin-Nun was compounded by his insistence, almost until the very end, on backing Dotan in public and private. Bin-Nun claimed throughout the investigation that Dotan was victimized by the director general of the Defense Ministry, former Air Force Commander David Ivri.

The reprimand almost certainly means early retirement for Bin-Nun, who has commanded the air force for four years.

Dotan was sentenced on March 23 by a military court-martial to 13 years in prison after pleading guilty to 12 counts of corruption, bribery and embezzlement of \$12 million of Defense Ministry funds while serving as chief of the air force purchasing mission in New York in the mid-1980s.

## ILLINOIS FIRM MAY FACE CHARGES OF VIOLATING ANTI-BOYCOTT LAWS

By Aliza Marcus

NEW YORK, April 23 (JTA) -- An investigation into allegations that Baxter International Inc., a major hospital supplies company, violated anti-boycott legislation has been referred to the U.S. Attorney's Office in Chicago, paving the way for possible civil or criminal prosecution.

The U.S. Attorney's Office had no comment, but a spokesperson for the Department of Commerce, which oversees legislation outlawing adherence to the Arab League economic boycott of Israel, said the matter was "referred to the Justice Department" on Feb. 27.

"The Commerce Department has conducted an extensive investigation" into allegations of boycott compliance, said Anne Sittmann, a department spokeswoman.

Should a case be opened against Baxter, it would mark one of the few times in the over 13 years since the anti-boycott legislation was first enacted that a company found itself facing off against the U.S. government in court.

Most allegations of anti-boycott legislation violations are settled through a Commerce Department administrative process, in which a company accepts a civil financial penalty but does not necessarily admit to the alleged violations.

The Arab-led economic boycott not only precludes companies from doing business with Israel, but seeks to bar business relations with companies that do business with the Jewish state.

Baxter International, which is based in Deerfield, Ill., has faced numerous charges by Jewish groups and others that it violated anti-boycott laws in its dealing with Arab countries.

The Commerce Department's Office of Anti-Boycott Compliance reportedly began investigating allegations against Baxter around November 1989.

The allegations center on a possible bribe offered eight years ago to remove Baxter from an Arab list of companies that should be boycotted because they do business with Israel.

Questions have also been raised about whether Baxter's 1988 sale of its intravenous fluids plant in Ashdod, Israel, was an attempt to comply with the Arab boycott.

Around the same time, Baxter entered into negotiations to build a similar plant in Syria, although a Baxter spokesperson said the plant was still in its design stage.

### Letters Cited As Proof

The Baxter spokesperson, Les Jacobson, called the allegations of boycott compliance against Baxter "absolutely false" and said the plant in Ashdod was sold because it was not performing well.

The American Jewish Congress regional office in Chicago, which has a unit monitoring boycott compliance, has charged that letters in its possession show that Baxter officials gave Syrian authorities information about the company's dealings with Israel, in possible contravention of anti-boycott legislation.

The four letters, sent in 1988 by Baxter officials to an official with the Syrian army, include statements that Baxter had sold its plant in Israel and had "no present intention to make new investments in Israel or to sell new technology to Israeli companies," according to a statement issued by AJCongress.

Sylvia Neil, the group's Midwest regional

executive director, said the Chicago office received the letters from former Baxter employee Richard Fuisz, who was dismissed from the company in 1982 after heading a Middle East unit.

Fuisz has said he was fired for refusing to pay a bribe to get the company off the Arab boycott list, and he has since then raised numerous charges concerning Baxter's alleged adherence to the boycott.

Baxter, meanwhile, had commissioned an independent review of its dealings in the Middle East concerning possible violation of the anti-boycott legislation. On Monday, shareholders meeting in Chicago voted down a resolution requiring the company to make the report public and end any compliance with the boycott.

Baxter officials said release of the report would damage lawyer-client confidentiality because of some personal information about company officials contained in the report.

According to a statement issued by the company, the report, prepared by Washington attorney Stephan Shulman, exonerates Baxter from any charges of boycott compliance and finds that the company did not pay any bribes or violate U.S. legislation by submitting certain information to Syrian officials.

Eight percent of Baxter shareholders voted for release of the report, including New York Comptroller Elizabeth Holtzman, who was voting on behalf of the 670,000 shares of Baxter stock held in a city workers pension fund.

## PROTESTANT AND REFORM MOVEMENTS PATCH UP DIFFERENCES ON MIDEAST

By Debra Nussbaum Cohen

NEW YORK, April 23 (JTA) -- Leaders of Judaism's Reform movement and the National Council of Churches have amicably resolved sharp differences that divided them during the Persian Gulf war and have issued a joint statement about the future of Israel and the Palestinians.

The declaration, signed by leaders of the Union of American Hebrew Congregations and the National Council, which represents 32 Protestant and Orthodox Christian denominations, expresses the hope "that all nations in the Middle East will be able to pursue peace through negotiation."

It calls on Israel's neighbors "to recognize her legitimate right to exist within peaceful and internationally recognized borders, and enter into state-to-state negotiations under appropriate auspices." It expresses hope that "the Palestinians would enter into earnest negotiations for peace."

The single remaining point of disagreement is over which Palestinians should negotiate with Israel. The statement reads, "The UAHC supports a process of open elections in the West Bank and Gaza. The NCC advocates the right of the widely dispersed Palestinian people to freely select their own representatives."

The National Council supports the right of the Palestine Liberation Organization to represent the Palestinians in negotiations with Israel, a position the Reform movement opposes.

Discord between the two groups began last November, when a statement by the church council on the Gulf crisis linked Iraq's occupation of Kuwait to Israel's presence in the territories.

The Reform movement called for the two groups to "sit down face to face and pick up the tools of communication."

Last week's joint statement came out of talks between the two organizations in March.

## BUSH PLAN TO PROVIDE FEDERAL FUNDS TO PAROCHIAL SCHOOLS RAISES CONCERN

By David Friedman

WASHINGTON, April 23 (JTA) -- The issue of extending federal aid to parochial schools is expected to dominate the debate over President Bush's new education plan, both in the Jewish community and in the country at large.

Specifically, controversy is expected to center on Bush's proposal for "choice in education," in which taxpayers' money would be provided for students in whatever school their parents select, including parochial and other private schools.

Most major Jewish organizations have traditionally opposed any use of public funds for parochial schools as a violation of the constitutionally mandated separation of church and state. But Orthodox organizations, which have long sought government support for yeshivas, support Bush's proposals.

"By proposing to provide federal aid to parochial schools, the administration is essentially coercing all citizens to pay for the religious education desired by only a few," said Henry Siegman, executive director of the American Jewish Congress.

Siegman agreed with Bush, as do many in the Jewish community, that there is a crisis in public education.

But he said that "undermining the separation of church and state is not the answer to the crisis."

Agudath Israel of America, however, said Bush's proposal is an advancement of the position it has held since 1961, namely that parents who send their children to religious schools are entitled to public support for the non-sectarian parts of such an education.

"For choice to be meaningful and effective, it should encompass all educational options, including non-public schools, which have a proven track record of excellence," said David Zwiebel, the Orthodox group's general counsel.

Other Orthodox groups are expected to take a similar position.

### Opposing Views Of Constitution

While the American Jewish Committee and the Anti-Defamation League of B'nai B'rith are still studying the Bush education plan, both groups have long opposed aid to parochial schools as a violation of church and state.

Jess Hordes, ADL's Washington representative, said his organization has "real concern" about tax dollars going to religious schools.

Echoing this concern, Judith Golub, AJCongress's legislative director, said her organization told the administration it would approve choice only within the context of public schools.

But Abba Cohen, director of Agudath Israel's Washington office, argued that the Supreme Court "has made it abundantly clear that the First Amendment is not offended when state aid is made available to individuals -- in this case parents -- who are free to use such assistance at any institution they see fit, even sectarian ones."

Siegman of AJCongress observed that the separation of church and state was made part of the First Amendment to the U.S. Constitution, "in order to prevent the federal government from exercising its authority to 'force a citizen to contribute three pence only of his property for the support' of religion."

## CANADIAN JEWS PLEASSED AT REPLACEMENT OF JOE CLARK WITH PRO-ISRAEL MINISTER

By Bram D. Eisenthal

MONTREAL, April 23 (JTA) -- Jews here are delighted by a Canadian Cabinet reshuffling last weekend that removed the controversial Joe Clark from the office of minister for external affairs.

Prime Minister Brian Mulroney replaced him with Barbara McDougall, who has been minister of employment and immigration. She was lauded by Canadian Jewish leaders for her empathy with Jewish concerns.

McDougall is expected not to be critical of Israeli policies, as Clark often was, but to be more in line with Mulroney's policy of supporting Israel's existence within clearly defined, secure borders, while at the same time pushing for Palestinian self-determination.

B'nai Brith Canada's president and executive vice president, Marilyn Wainberg and Frank Dimant, sent a telegram of congratulations to McDougall on Sunday.

Alan Rose, executive vice president of the Canadian Jewish Congress, said McDougall "has been closely associated with the Jewish community for some time and has been very supportive.

"We are very pleased about her appointment to external affairs," he said.

Clark, who served in the post for six years, has been named constitutional affairs minister, once an extension of the Prime Minister's Office but now a full-fledged ministry. It is not clear how much clout he will have in his new position.

Clark was not well-loved by Canadian Jewry. When he served as prime minister in the late 1970s, he failed to honor an election pledge to move the Canadian Embassy in Israel from Tel Aviv to Jerusalem.

As external affairs minister, he repeatedly accused the Jewish state of intransigence on the Palestinian issue.

Little more than a month ago, after the Palestine Liberation Organization was discredited internationally for its support of Iraq in the Persian Gulf War, Clark told an audience in Amman, Jordan, that the PLO remained a viable participant in future peace talks with Israel.

That contradicted an earlier statement by Mulroney that Canada no longer saw the PLO as a player in the Middle East peace process.

### RABBIS SAY PIZZA TOO HOT TO HANDLE

By Hugh Orgel

TEL AVIV, April 23 (JTA) -- The religious township of Bnei Brak has banned hot pizza because the fast food could lead to contact between the sexes, the rabbinical authorities say.

Two usually feuding rabbis, Moshe Landau and Nissim Karlitz, concurred on the issue when they jointly signed an order to pizza parlors and kiosks to stop serving hot pizzas.

The problem arose when fast-food shops added hot pizza to their menus, requiring an operating license from the religious authorities.

Rabbinical aides said the rabbis feared boys and girls would have to stand in the same line waiting for their pizza slices to be heated.

"They might look at each other, an offense against modesty, or God forbid, even touch each other," one aide explained.

But pizza fanciers needn't despair. They have rabbinical sanction to buy the product cold and heat it at home.