

U.S. DEFENSE SECRETARY PLANNING TO VISIT ISRAEL AT END OF MONTH**By Aliza Marcus**

NEW YORK, May 2 (JTA) -- Defense Secretary Dick Cheney announced Thursday that he would travel to Israel at the end of the month, after attending a NATO meeting in Europe.

Cheney said the trip to Israel had been planned a year ago but was first delayed when Israel's national unity government collapsed last spring and later put off by the Persian Gulf War.

This would be Cheney's first trip to Israel as secretary of defense, although he said he visited Israel a few times during his tenure as a Republican congressman from Wyoming.

Speaking at a news conference here prior to addressing the American Jewish Committee's 85th annual meeting, Cheney said that America's closer ties with the Arab nations as a result of cooperation during the Gulf war had not harmed the U.S. relationship with Israel.

"I don't see why we have to adopt an either/or view toward relations with Arabs and Israel," he said. He added that the strategic relationship between Israel and the United States remains "as strong as it's ever been."

"I don't see anything that altered our fundamental relationship," he said.

Commenting on Israel's continuing settlement of the administered territories, Cheney reiterated the Bush administration's view that such activity is an obstacle to the Arab-Israeli peace process.

"We've made it clear that we don't think it advances the cause of resolving the conflict," he said.

Cheney said he hopes that with the virtual elimination of Iraqi military might, which was a major security threat in the region, the Middle East peace process can be advanced.

"We'll continue to pursue peace as actively as possible," he said, referring to Secretary of State James Baker's three recent trips to the Middle East.

ISRAEL LAUNCHES A MILD PROTEST OVER THE WAY U.S. TREATED SHARON**By David Landau**

JERUSALEM, May 2 (JTA) -- Israel has lodged a formal protest with the Bush administration about the way it treated Housing Minister Ariel Sharon during his visit to Washington on Wednesday.

The protest was over White House and State Department intervention that kept U.S. Secretary of Housing and Urban Development Jack Kemp from officially receiving Sharon, a frequent critic of U.S. policy in the Middle East, at his HUD office.

They met instead on a private basis at the Israeli Embassy, at the invitation of the Israeli ambassador, Zalman Shoval.

A State Department spokesman confirmed that Secretary of State James Baker and the White House had intervened to cancel a previously scheduled official welcome for the Israeli housing minister at HUD.

The Israeli government apparently had intended to ignore the perceived snub. But its

hand was forced, not only by Sharon but by general anger in the political community, including the opposition.

But the protest, when delivered, was mild, indicating Prime Minister Yitzhak Shamir wanted to keep the incident as low-key as possible.

U.S. Ambassador William Brown was telephoned by Cabinet Secretary Elyakim Rubinstein, who informed him that the Israeli government took a dim view of Sharon's treatment, which was "not how a friend and ally ought to behave."

But the envoy was not summoned to the Foreign Ministry for an official tongue-lashing.

In fact, Shamir's top aide, Yossi Ben-Aharon, said in a television interview only hours before that the treatment of Sharon was not necessarily a snub and that he had "not heard" that the prime minister intended to react.

'Inappropriate' Treatment

Sharon, who heads the Cabinet committee dealing with immigrant absorption, is a staunch advocate of Jewish settlement-building in the administered territories, which Washington considers an "obstacle to peace."

He insists, however, that he is abiding by Israel's promise to the United States not to direct Soviet Jewish immigrants to the territories.

Activists erected two new settlements in the West Bank last month while Baker was touring the Middle East in an effort to get the Arab states and Israel to agree to a peace conference.

Sharon, who was on a speaking tour of the United States, argued that he does not carry out settlement policy in a private capacity but as a member of Israel's government.

Therefore, the slight was not to him but to the sovereign State of Israel, he said. He demanded a formal response.

Shamir reacted after consulting with Foreign Minister David Levy and Defense Minister Moshe Arens, who apparently felt a protest was warranted.

Shimon Peres, leader of the opposition Labor Party, said that while it was "stupid" to send Sharon to the United States at this time, he himself felt personally hurt when an Israeli Cabinet minister was snubbed.

In New York, the Conference of Presidents of Major American Jewish Organizations issued a statement questioning the U.S. move to prevent Kemp from meeting Sharon in his office.

"This treatment of a minister from a friendly country was inappropriate," it said. "Differences over policy should not and have not been the criteria for holding meetings with foreign officials."

SHARON WARNS U.S. NOT TO LINK PEACE ACCORD AND LOAN GUARANTEES**By Aliza Marcus**

NEW YORK, May 2 (JTA) -- Ariel Sharon, Israel's feisty minister of housing, warned the United States on Thursday not to try to pressure Israel into accepting peace proposals in exchange for needed loan guarantees for immigrant housing.

"I hear that if, maybe, Israel will not accept conditions for peace negotiations, then Israel will not get the loan guarantees that Israel needs to

absorb these people," Sharon thundered to a crowd of over 300 people who had just bought \$25.2 million in State of Israel Bonds.

"Israel cannot trade Jews (for) its security," he said, as those in the room burst into applause.

"That is the moral obligation of every democratic country," said Sharon, "to help save Jews and not to try and trade land for Jews."

Israel recently received \$400 million in loan guarantees from the United States and is expected to make a request this fall for \$10 billion in additional guarantees.

The loan guarantees, which would cover a five-year period, would go toward housing and other infrastructure projects for the estimated 1 million Soviet Jews who will arrive by the end of 1993.

"It seems to me that America would like to make some link between loan guarantees and the political process," said an Israeli official here who asked not to be named.

Questions Bush Talks With Assad

Sharon, a well-known hawk on the peace process, warned that conditions lead to more conditions, "so the next day we will have a new condition, and we are going to be pressured. So it might be an endless pressure."

Sharon, who was a general in Israel's army, is as famous for his bold exploits in the 1973 Yom Kippur War as he is infamous for his alleged excesses during the 1982 war in Lebanon, which, among other things, resulted in the mass murder of Palestinian civilians by Christian militiamen in the Sabra and Shatila refugee camps outside Beirut.

"Independent of the political opinion of everyone, there's no doubt in my mind that Gen. Sharon has become a legend in his own life," Meir Rosenne, president of the Israel Bonds Organization, said when he introduced Sharon.

Sharon lived up to his reputation for outspokenness by questioning Secretary of State James Baker's recent meeting with Syrian President Hafez Assad during the continuing U.S. quest for peace in the Middle East.

He asked what the two men could have talked about during their almost 10 hours of meetings.

"It's when they were negotiating, at the same time, that ships brought ground-to-ground missiles," to Syria, he said, referring to Syria's reported acquisition of new longer-range Scud missiles from North Korea.

He reminded people that Assad had been linked to backing a variety of terrorist groups responsible for the deaths of hundreds, not least of all the more than 200 U.S. Marines killed in a 1983 terrorist bombing in Beirut.

Sharon called for a reduction of weapons in the Middle East and the "equalization of military strength between Israel and the Arab countries."

CURFEW CLAMPED ON GAZA AFTER RIOTS

By Gil Sedan

JERUSALEM, May 2 (JTA) -- Israeli troops on Thursday clamped curfews on refugee camps in the Gaza Strip after widespread rioting.

The worst disturbances broke out at the Jabalya camp in Gaza, when news reached it that a member of a terrorist group had been shot to death by a man he was trying to kidnap for collaborating with the Israeli authorities.

Riots also broke out at the Shuafat refugee

camp in Jerusalem, where Israeli troops restored order and imposed a curfew.

Israeli sources linked the latest surge of unrest to the announcement that Soviet Foreign Minister Alexander Bessmertnykh will visit Israel next week and rumors that U.S. Secretary of State James Baker would return to the Middle East.

Observers say local leaders of the intifada are inciting violence to convey the impression of permanent crisis in the region.

ISRAELIS ARRESTED IN CYPRUS FOR WIRETAPPING OUT ON BAIL

By Hugh Orgel

TEL AVIV, May 2 (JTA) -- Four Israelis arrested in Nicosia, Cyprus, in what the foreign news media have called a bungled operation by Mossad, the Israeli intelligence agency, were released Thursday on \$6,500 bail each, pending trial, which was set for May 6.

The two men and two women were caught on April 23 in the basement of the Iranian Embassy while allegedly trying to tap its telephone lines.

They pleaded not guilty to charges of conspiracy, illegal entry, loitering under suspicious circumstances and attempting to damage telephone lines. There was no wiretap charge because wiretapping is not illegal in Cyprus.

Judge George Arestis, who set bail, ordered the four to remain within a one-mile radius of the hotels at which they are staying.

Israel Radio said they would probably stay at the Israeli Embassy, which has retained Andis Trintafyllides, one of Cyprus' foremost attorneys, to defend them.

The four, who were brought to court handcuffed and under heavy police guard, claimed to be tourists.

They said they had been "out on the town" and entered the basement to find a toilet where one of the women could vomit.

But police said they were found in possession of burglars tools, wiretapping equipment and an unauthorized transistor radio.

They were identified by their seized passports as David Dabi, 40; Ran Souf, 33; and Anna Dolgin and Amit Litvin, both 28.

WILD BOAR PUTS IDF ON ALERT

By Hugh Orgel

TEL AVIV, May 2 (JTA) -- What is believed to have been a wild boar threw the Israel Defense Force into turmoil in the Upper Jordan Valley on Wednesday night.

For several hours, the region where the Israeli, Jordanian and Syrian borders converge was placed on high alert for suspected infiltrators, after reports that an IDF unit had come under automatic weapons fire following a loud explosion at a point south of the Kinneret.

The soldiers reported they returned the fire.

The searches yielded no trace of intruders and were called off in the morning.

According to the Central Command, the explosion was caused by an animal, probably a wild boar, an animal common to the area, which detonated a land mine, drawing automatic fire from nervous soldiers.

The Jordan Valley has been tense since it was infiltrated from Jordan several times last month, resulting in at least one civilian death and several military casualties.

NISSAN SAYS IT WILL SELL TO ISRAEL AS CONGRESS STEPS UP BOYCOTT WATCH

By David Friedman and Howard Rosenberg

WASHINGTON, May 2 (JTA) -- The Nissan Motor Co., one of Japan's largest exporters of cars and trucks, has announced it will begin selling its vehicles in Israel by the end of the year.

Nissan's move, following a similar one by Toyota, Japan's largest automotive manufacturer, signals a break in Japan's longtime deferral to Arab boycott pressures, attributed to its dependence on Middle East oil.

The announcement, made in the Japanese Times, said Nissan will ship 4,000 to 5,000 small cars to Israel, according to Will Maslow, general counsel of the American Jewish Congress and editor of its monthly Boycott Report.

Maslow quoted the Japanese-language newspaper as saying Nissan's decision was due to the "widespread protest of American Jewish organizations" to the refusal of Japanese firms to sell cars in Israel.

While American Jewish groups have long campaigned against Japanese cooperation with the Arab economic boycott, the cause has most recently been taken up by members of Congress.

Only last month, nine key pro-Japan senators, led by Sen. Jay Rockefeller (D-W.Va.), sent a letter to Japanese Prime Minister Toshiki Kaifu, urging him to end boycott compliance by Japanese firms.

The opening of Israeli markets by two of Japan's biggest industrial empires coincides with a groundswell of activity in Congress aimed at enforcing U.S. anti-boycott legislation.

About a half-dozen bills and resolutions dealing with the boycott are currently pending in Congress.

Schumer Bill Gets Mixed Review

One, introduced Wednesday by Rep. Charles Schumer (D-N.Y.), got a mixed reception from Jewish groups.

It would require the Commerce Department to "promptly" inform the Justice Department of violation by U.S. companies of the 14-year-old anti-boycott law.

Maslow called Schumer's bill, the Illegal Boycott Prosecution Act of 1991, unnecessary because the transmittal requirement is "already on the books."

The Commerce Department announced Feb. 27 that it had referred for possible criminal charges a case against Baxter International of Deerfield, Ill., the world's largest hospital supply company.

The criminal charges may be based on allegations that Baxter sold an Israeli subsidiary to gain a contract with the Syrian army. If the charges are pressed, they would be the government's first criminal prosecution for violating the anti-boycott law.

Other apparent infringements of the law have been settled with fines imposed by the Commerce Department.

Jess Hordes, Washington representative of the Anti-Defamation League of B'nai B'rith, said the Schumer bill would focus needed attention on Commerce's Office of Anti-boycott Compliance, raising questions about whether it is "operating efficiently."

He and Maslow welcomed a 12-page report by Schumer on alleged deficiencies at the office,

including a poor track record on bringing suits for possible violations.

The National U.S.-Arab Chamber of Commerce opposes the Schumer bill outright. It "seeks to criminalize an area that is extremely technical," said Cherif Sedky, the chamber's chairman.

Meeting With Mosbacher Sought

At the same time, he acknowledged that there is "not a huge staff" in the Commerce office, which he said currently has about 10 professional investigators.

Jewish groups are trying to arrange a meeting with Commerce Secretary Robert Mosbacher to plan a revised anti-boycott strategy.

ADL held an anti-boycott "strategy session" for House and Senate staff members Tuesday, Hordes said.

He said that more important than Schumer's approach is to "find a way to get Arab countries to terminate the boycott." In addition, efforts should be made to ensure that countries in Western Europe, Japan and South Korea do not comply with it, he said.

Other boycott bills pending in Congress include:

- * A bill sponsored by Rep. Robert Torricelli (D-N.J.) that would require Mosbacher to report on anti-boycott efforts by countries belonging to GATT, the 99-nation General Agreement of Tariffs and Trade;

- * A bill expected to be introduced next week by Sen. Joseph Lieberman (D-Conn.) that would require U.S. Trade Representative Carla Hills and U.S. envoys to raise the boycott issue at meetings of GATT and the 24-nation Organization for Economic Cooperation and Development;

- * A sense-of-the-Congress resolution urging the Arab League to terminate the boycott and other U.S. trading partners not to comply with the boycott;

- * A resolution urging Arab countries to end their technical state of war against Israel and the boycott.

Hordes said that when the Jewish groups get a meeting with Mosbacher, they "want to make sure that there is an adequate number" of staffers and overall funding for the Commerce Department's boycott office.

Doubling Of Budget Urged

He said that for "bureaucratic reasons," such as recruitment problems, Mosbacher has not reached his internal ceiling for boycott office staffing.

Congress has given Mosbacher discretion to decide how big a staff he needs, but Hordes said the appropriate committees with jurisdiction over it may take a more active role as the 1992 fiscal year budget takes shape.

Maslow called on Mosbacher to double the office's current budget from \$1 million to \$2 million.

There were calls for other reforms in the government's anti-boycott efforts this week.

Dr. Richard Fuisz, a former employee of Baxter International, said Congress should require U.S. companies doing business with the Arab world to file trade receipts with the federal Securities and Exchange Commission.

Such records would be available for public inspection. They would give corporate executives "second thoughts" before getting involved in possible violations, Fuisz said.

THOUSANDS OF ANTI-ZIONISTS STAGE MAY DAY MARCHES IN SOVIET UNION

By Shoshana Levine

NEW YORK, May 2 (JTA) -- Thousands of demonstrators holding aloft anti-Semitic, anti-Zionist signs were highly visible participants in May Day marches Wednesday, both in Leningrad and Moscow.

The marchers accused Soviet leaders of favoring Jews over Russians.

Demonstrators also claimed that Zionists killed Pamyat leader Konstantin Smirnov-Ostashevili, who reportedly committed suicide last week while serving a two-year sentence in a labor camp for his role in the anti-Semitic attack on a Moscow writers club in January 1990.

Pamyat was the main sponsor of the protests, which in Leningrad lasted several hours. The ultranationalist group was assisted in organizing the marches by Yedinstvo and the United Workers Front, similar nationalist groups.

Among the posters held aloft in Leningrad was one that read "Soviet Army, save us from Judeo-Bolshevik butchers." In that parade, such posters were seen from the beginning of the march.

In Moscow, where one sign called for no ties with "fascist, racist Israel," nationalists began demonstrating toward the end of the parade.

Such manifestations "do not surprise us," said Myrna Shinbaum, director of the Soviet Jewry desk of the Anti-Defamation League of B'nai B'rith. Still, they "highly concern us," she said.

Martin Wenick, executive director of the National Conference on Soviet Jewry, said that both the Moscow and Leningrad incidents are "reflective of the fact that these (anti-Semitic) groups are still active. While not necessarily large in numbers, they are troubling and create an environment which is threatening to the Jewish community."

Leningrad An Anti-Zionist 'Hotbed'

Shinbaum remarked that "Leningrad particularly has become a hotbed of anti-Zionist activities, especially during the Gulf War."

She noted that these demonstrations illustrate the "latent anti-Semitic sentiment that has existed in the Soviet Union for decades and which is becoming more prevalent today."

"Nationalist groups see Zionism and Jews as the greatest evil to ever befall the Russian Republic," she said.

The rallies show a strange alignment between ultranationalist groups, which are generally anti-Communist, and Communist conservatives, who often profess a similar anti-Jewish sentiment.

Anti-Semitic marchers carried pictures of Joseph Stalin, who was responsible for wholesale purges against Jews.

"It's disturbing that these demonstrations continue to take place," Shinbaum said. "But it's equally disturbing that people don't speak out and deplore them."

Shinbaum pointed out as "the main problem" the fact that "there's been no counteraction in the Soviet Union."

Neither the mayor of Leningrad, Anatoly Sobchak, nor his Moscow counterpart, Gavril Popov, publicly denounced the demonstrations, she remarked.

Popov, who had been scheduled to appear at the march, reportedly decided not to attend at

the urging of Democratic Russia, the pro-democracy movement of which he is a leader.

Soviet President Mikhail Gorbachev and others in the Communist Party's upper echelons left the Moscow reviewing stand when confronted by marchers who waved Lithuanian flags, a crucifix and placards calling for overthrow of the Communists.

U.S. COURT FINDS GOOD FRIDAY TO BE LEGITIMATE STATE HOLIDAY

By Debra Nussbaum Cohen

NEW YORK, May 2 (JTA) -- For the first time, a federal court of appeals has upheld the constitutionality of designating Good Friday a legal state holiday.

In a 2-1 decision handed down Tuesday, the U.S. Court of Appeals for the 9th Circuit upheld Hawaii's observance of the Christian holy day.

The majority opinion called the holiday "a minimal accommodation of the religious practices of some Hawaiians," and reasoned that the state was not favoring religion, but merely giving workers a day off.

Both judges who ruled in favor of the state -- Diarmuid O'Scannlain and Stephen Trotter -- were appointed by President Ronald Reagan, according to an Associated Press account.

In a dissent, Justice Dorothy Nelson said, "The holly and the ivy, jingling bells, red-nosed reindeer and frosty snowmen this is not. What this case is about is Hawaii's endorsement, by means of a state holiday, of a day thoroughly infused with religious significance."

The decision "turned the First Amendment on its head," according to Joel Goldstein, an attorney and president of the West Central region of the American Jewish Congress, who filed a friend-of-the-court brief in the case.

"What Hawaii did is nothing less than a declaration that Christianity and its observances are its own. Surely, this is literally an establishment of religion," Goldstein said in a statement.

The plaintiffs in the case were represented by the American Civil Liberties Union of Hawaii.

According to ACLU staff attorney Carl Varady, "We've had lots of calls from Christians and Christian clergy saying they think it's inappropriate for the state to give sanction to the day of Good Friday."

Mark Stern, legal director for the American Jewish Congress, was surprised by the decision. "It's so obvious (that this infringes on the separation of church and state) that you wonder how judges can get it wrong," he said.

The Anti-Defamation League of B'nai B'rith and Americans United for Separation of Church and State signed on to the AJCongress brief.

"That a religious holiday should be designated a state holiday seems inconsistent with the letter and the spirit of the establishment clause of the First Amendment," said Steven Freeman, ADL's legal director.

The ACLU plans to pursue the case by asking the appellate court to reconsider its decision or by taking it to the U.S. Supreme Court.

If a petition fails to bring the case before the Supreme Court, the ACLU, with the support of AJCongress, will "pursue this case until it's finished. We'll go elsewhere," to one of the other 11 states where the Friday before Easter Sunday is a holiday for state employees, Stern said.

State courts in California and Connecticut have ruled Good Friday cannot be a state holiday.