

**SOVIET FOREIGN MINISTER'S VISIT  
YIELDS NO GAINS BUT FEW STRAINS**
**By David Landau**

JERUSALEM, May 12 (JTA) -- There were no tangible gains but also few strains to mar Soviet Foreign Minister Alexander Bessmertnykh's historic visit to Israel on Friday.

Israelis were disappointed that the hoped-for announcement that Moscow was ready to resume full diplomatic ties did not materialize.

But neither did their fears that the highest-ranking Soviet official ever to visit Israel would hold Soviet Jewish aliyah hostage to Israel's abandonment of settlement-building in the administered territories.

Before coming here, Bessmertnykh told reporters in Amman, Jordan, that he did "not rule out" that possibility.

But in his public statements here at a joint news conference with Foreign Minister David Levy and after his talks with Prime Minister Yitzhak Shamir, Bessmertnykh seemed deliberately to avoid repeating the threat or anything approaching it.

On the contrary, he assured the Israelis that Jewish emigration would continue unfettered, describing it as an aspect of the general democratization of Soviet society.

Amity, not calamity, was the tone of the Soviet diplomat's brief sojourn here.

Bessmertnykh, in fact, seemed to take pains to avoid crossing swords publicly with Israel, while on Israeli soil, on any of the issues of dispute between the two governments.

He referred to these in general terms. Both he and Levy spoke of areas of accord and other areas "on which work still needs to be done."

**Future Cooperation Discussed**

Both men sought to project an evolving atmosphere of cooperation between their governments. They spoke of regular consultations in the future, of joint projects in scientific and technological areas and of Bessmertnykh's visit here as a milestone toward full normalization of relations.

Shamir, reporting Sunday to the Cabinet on his own lengthy conversation with Bessmertnykh, said he had stressed to the visitor that there should be no link between aliyah and settlements. He pointed out that Israel is not directing the Soviet newcomers to live in the administered territories.

Shamir said Bessmertnykh underscored U.N. Security Council Resolution 242 as the basis of future peacemaking, to which the prime minister responded that Israel has its own interpretation of that resolution.

Shamir said he had stressed Israel's objection to any role for the Palestine Liberation Organization in peace diplomacy, and to the participation of the United Nations in the proposed conference. The conference, he said, should not be an ongoing forum but a one-time event.

In an address Sunday to new immigrants in Jerusalem, Shamir spoke of Bessmertnykh's visit as a "historic day."

"For the first time in Israel, a guest of such seniority from the Soviet Union held political talks with representatives of the Israeli government, as equals among equals," he said.

**ISRAEL STANDS TOUGH ON PEACE PROCESS  
AS BAKER MAKES FOURTH TRIP TO REGION**
**By David Landau**

JERUSALEM, May 12 (JTA) -- Israel has again rejected territorial compromise and made clear it will not suspend settlement-building, even if a peace conference depends on it.

That was the message contained in speeches made over the weekend by Prime Minister Yitzhak Shamir and Defense Minister Moshe Arens.

They spoke as U.S. Secretary of State James Baker arrived in the region for his fourth and reportedly final attempt to get an agreement on a regional peace conference that the two superpowers would co-host.

Baker met in Damascus on Sunday with Syrian President Hafez Assad before flying to Cairo for talks with Soviet Foreign Minister Alexander Bessmertnykh, who was in Israel on Friday. Baker was to meet Monday with Egyptian President Hosni Mubarak and was expected to arrive in Israel on Tuesday for talks Wednesday and Thursday with Israeli leaders.

Shamir also said Sunday that the Arabs have shown "no sign of sincere and true willingness for peace."

The Israeli leader disagreed with Baker and with his own foreign minister, David Levy, over the importance of the reported willingness of Saudi Arabia and the five other states of the Gulf Cooperation Council to send an "observer" to a regional conference with Israel.

American officials hailed the decision, announced Saturday in Luxembourg by Saudi Foreign Minister Saud al-Faisal, as a "breakthrough."

Levy told reporters after the weekly Cabinet meeting Sunday that the development represents "progress."

**'No Progress At All'**

But Shamir's senior aide, Yossi Ben-Aharon, dismissed the Saudi offer as "no progress at all" and proceeded to demolish its significance in a rare briefing for reporters.

Ben-Aharon, who is director general of the Prime Minister's Office, said Israel would demand the full participation in a peace conference by the Gulf states and every other Arab country still technically in a state of war with Israel.

But according to observers here and abroad, the intransigent rhetoric may have been largely for home consumption.

There is a certain amount of uneasiness in the top policy-making echelons as a showdown over the peace process appears imminent. That is said to account for some of the discordant notes emanating from the highest government circles.

Baker has made it clear he will not persist with his peace initiative if the current "shuttle" fails to produce the desired peace conference.

There were predictions in Israel -- causing alarm in some quarters and hope in others -- that Baker and Bessmertnykh might actually issue invitations to the regional adversaries to attend a conference, challenging them in effect to refuse.

When Shamir remarked at Sunday's Cabinet meeting that the settlement issue would "be a matter for negotiations when negotiations are held," Ben-Aharon promptly explained to reporters

that his boss only meant that the Arab side would be free to raise the issue when negotiations begin over the final disposition of the territories.

According to the Israeli plan, such talks would take place three years after limited autonomy goes into effect.

Shamir used the occasion of Jerusalem Day festivities Saturday night at the Mercaz Harav Kook yeshiva to deliver a ringing commitment never to withdraw from the territories.

He told his audience of largely Orthodox supporters that the territories were "all holy."

Arens, addressing another religious audience in Jerusalem on Sunday, said the settlements are "what gives the negotiators strength."

The settlements and the Israel Defense Force are the twin pillars of Israel's defense, Arens said at the Netiv Meir yeshiva of Bnei Akiva.

Shamir's remarks drew a sharp rebuke from the Labor Party, which accused him Sunday of rejecting peace.

But in Washington, a powerful U.S. senator often critical of Israel's policies gave the Israeli prime minister the benefit of the doubt.

Sen. Robert Dole (R-Kan.), the Senate minority leader, advised Americans on a television talk show Sunday to "keep in mind that all politics is local.

"Shamir does not have much margin in the Knesset. There is a lot of posturing going on, not just in Israel, but in other countries," Dole said, in an appearance on NBC's "Meet the Press."

The Kansas Republican, who last year suggested across-the-board cuts in U.S. economic and military aid to Israel and Egypt, counseled the American people to be "patient" during Baker's Middle East junket.

#### U.S. May Want To 'Rethink' Policies

But if he fails, the United States "may want to rethink our policies toward a number of countries," Dole said. He named no countries nor did he mention foreign aid.

"We want the American people to understand if this fails, which country was the problem," Dole said.

Appearing on the same program, Senate Majority Leader George Mitchell (D-Maine) expressed disappointment that Saudi Arabia and the Gulf states were not willing "to be more active in the peace process" despite all the United States has done for them in recent months.

Meanwhile, Shamir asked the opposition Labor Party's chairman, Shimon Peres, to brief him privately on the hour-long unscheduled meeting Peres had with President Bush at the White House on May 8.

Bush walked in on an evening meeting Peres was having with National Security Council Adviser Brent Scowcroft.

Israeli commentators said Peres promised the president to support Shamir with Labor's Knesset votes if the prime minister decides to pilot the country toward a peace conference, despite right-wing threats to defect from the government.

The right wing is already applying pressure. Yuval Ne'eman of Tehiya urged Shamir to insist that the United States, as a gesture, move its embassy from Tel Aviv to Jerusalem before peace talks start.

Rehavam Ze'evi of Moledet wants Israel to reject both U.S.-Soviet sponsorship and any U.N. role in a peace conference.

(JTA correspondent David Friedman in Washington contributed to this report.)

#### BEHIND THE HEADLINES:

**EGYPT, STILL AMBIVALENT ABOUT ISRAEL, SEARCHES FOR MIDEAST LEADERSHIP ROLE**  
By Gil Sedan

CAIRO, May 12 (JTA) -- The middle-aged man at the neighborhood coffee shop waxed indignant when asked if Egypt was regaining its role as leader of the Arab world.

"Egypt is not the leader," he said as dozens of heads around him nodded approval. "Egypt is the mother of the Arab nation."

In a way, he said it all -- the ambiguity of Egypt's relations with its sister Arab countries.

On the one hand, there is the firm leadership by President Hosni Mubarak of the country that persists in being the only Arab state at peace with Israel as it continues to celebrate the allied victory over Saddam Hussein.

On the other hand, despite their obvious dislike of the Palestine Liberation Organization's leadership, both Egyptian officials and Egyptian people on the street insist that the PLO is the sole legitimate representative of the Palestinians.

"When will Israel realize that the Palestinian issue is the core of the Middle East conflict?" asked Abdul Satar Tawila, the deputy editor of the popular weekly Rose el-Yussuf.

The Israeli government greets U.S. Secretary of State James Baker with new settlements, said Tawila. "Is this the way to seek peace?"

Everywhere one goes in Cairo, no matter whom one talks to, one finds a personal antipathy for Israeli Prime Minister Yitzhak Shamir.

Hedayat Abdel-Nabi, the presidential correspondent of Al Ahram, Egypt's leading daily, interviewed Prime Minister Menachem Begin in 1982, shortly before Israel completed its withdrawal from Sinai. She was impressed at the time by Begin's determination to stick to his commitments.

"But I have no interest whatsoever to interview Shamir," she said. "There is nothing I expect of him."

Tawila of Rose el-Yussuf agreed. "As long as Shamir is in power, there will be no peace," he said.

#### An Eye On Arab League Meeting

After a dozen years of peace, the Egyptians are still trying to balance their relations with Israel and their ties to the other Arab states.

They are keen on maintaining a dialogue with Israel. But they insist on calling long distance, and they do not always like the voices at the other end of the line.

Such is the atmosphere in which Mubarak will play host Monday to both U.S. Secretary of State James Baker and Soviet Foreign Minister Alexander Bessmertnykh.

The Egyptian government is determined to spare no efforts to push the peace process forward. Any such movement will make it easier for Egypt to win back leadership of the Arab world.

On Tuesday, the League of Arab States is scheduled to meet in Cairo and elect Egyptian Foreign Minister Esmat Abdel-Meguid its secretary-general.

It will be the first time an Egyptian has headed the Arab League since 1978, when Cairo was ostracized for signing a peace treaty with Israel.

What a nice dowry Abdel-Meguid could take with him to the league's headquarters if he came with a breakthrough in the peace process dated Cairo, May 13.

**COURT CLEARS WAY FOR DEPORTATIONS  
ON EVE OF BAKER'S VISIT TO ISRAEL**

By David Landau

JERUSALEM, May 12 (JTA) -- Israel's highest court has cleared the way for the deportation of four Palestinian activists from the Gaza Strip, which could be carried out Tuesday, just as U.S. Secretary of State James Baker arrives here for a new round of diplomatic talks with Israeli leaders.

The United States and other nations publicly condemned the intended expulsions when they were announced in March, calling them violations of the Fourth Geneva Convention.

But a three-judge panel of the High Court of Justice on Sunday turned down the appeals of the four deportees, who are accused of hostile activities.

The judges said they saw no reason to intervene in the decision of the military authorities to expel the four men as a threat to peace and order.

The court rejected the appellants' argument that they were being punished because they were among detainees released in a controversial prisoner exchange in 1985 with members of Ahmed Jabril's terrorist group, the Popular Front for the Liberation of Palestine-General Command.

The judges said they were satisfied that the expulsion orders were based on recent or current acts not connected with the deportees' prior record.

The deportation orders were signed March 23 by Maj. Gen. Mattan Vilnai, commander of the southern district.

The IDF claimed that the activities of the four men had created a climate that encouraged Arab violence against Jews, such as the recent spate of random stabbings, in which several Israelis have been killed.

Defense attorney Leah Tsemel, representing the four, won a 48-hour stay of deportation pending an appeal to a five-judge bench. But it is regarded as a formality which will not change the outcome.

"This is not surprising. The court always upholds the military decision," Tsemel said.

The four deportees could very well be flown or trucked into Lebanon on Tuesday, when Baker is scheduled to arrive for his fourth round of talks since March.

**IDF TO EXAMINE CHARGES OF ABUSE**

By Hugh Orgel

TEL AVIV, May 12 (JTA) -- Lt. Gen. Ehud Barak, the new Israel Defense Force chief of staff, has bowed to the wishes of civil rights activists to investigate charges that Palestinian prisoners have been physically abused during interrogation.

The chief of staff has named reserve Gen. Rafael Vardi to conduct an investigation into the alleged brutal treatment of Palestinian prisoners.

Vardi, 69, who in the past has served as head of the military police, commander of the West Bank and Defense Ministry coordinator in the administered territories from 1967 to 1974, is to investigate charges by B'tselem, the Israeli human rights information center.

The charges, based on interviews with 41 former Palestinian detainees, were published in March, but the IDF dismissed them as unfounded.

However, demands for an independent inquiry were quickly taken up by liberal Knesset members.

**POLICE UNCOVER TERRORIST CELL  
RUN BY AL FATAH FROM JORDAN**

By Hugh Orgel and David Landau

TEL AVIV, May 12 (JTA) -- The police announced Sunday that a large terrorist cell directed from Jordan by Al Fatah, the largest faction of the Palestine Liberation Organization, was recently uncovered operating in Jerusalem.

Its members are in custody. They are suspected of planting six explosive devices in different parts of the city between June 1990 and April 1991, and are believed responsible for various other attacks in Jerusalem.

The announcement seems to have been timed to coincide with Jerusalem Day, marking the liberation of the eastern part of the city in the 1967 war, which was celebrated Sunday.

The cell was headed by the 40-year-old owner of a grocery store in Za'im village, near Jerusalem, where he also served as imam, an Islamic religious leader.

According to police, the members, residents of East Jerusalem, were recruited, trained and financed by Fatah activists based in Jordan, who gave them orders.

The police said a pistol and an assortment of items used to prepare explosive devices were confiscated.

The acts for which the cell is being credited include the placement of explosive charges on the road to French Hill in June and November 1990; the explosion of a bomb on the path to the Ophel garden in September 1990, in which a policeman was lightly injured; the placement of an explosive charge at the Ma'aleh Adumim junction, which was discovered and neutralized; and the detonation of an explosive charge last month at the Damascus Gate, which caused no damage.

**ISRAEL SAYS HOSPITALS IN TERRITORIES  
WERE PREPARED FOR POISON GAS VICTIMS**

By Tamar Levy

GENEVA, May 12 (JTA) -- Israel took great pains to prepare and equip hospitals in the West Bank and Gaza Strip for the possibility of chemical attack during the recent Persian Gulf War, Israel's minister of health, Ehud Olmert, told the World Health Organization on Friday.

"During the Gulf crisis, more than 1,000 local medical and nursing and ambulance personnel were trained in the principles and practices of chemical injury management," he said.

Olmert, who heads the Israeli delegation to the U.N. health agency's annual General Assembly, which opened here May 6, said, "Six hospitals in the territories were designated and prepared for chemical injuries, decontamination and treatment, and were equipped with antidotes, drugs and the necessary medical equipment."

Although the threat did not materialize, the possibility of poison gas attack and Iraq's unprovoked aggression forced Israel to reorganize its entire health system.

That resulted in extraordinary economic and social burdens, which have been increased even more by the mass influx of immigrants, the health minister said.

Nevertheless, health care improved steadily in the administered territories, "in spite of the political constraints and the many disturbances in our region," he said. "Medical personnel from the territories continue to receive advanced training in Israel," he said.

**GERMANY TO CONSIDER ANTI-BOYCOTT BILL, FOREIGN MINISTER TELLS JEWISH LEADER**

By Andrew Goldsmith

NEW YORK, May 12 (JTA) -- Germany soon plans to enact legislation that would bar firms from complying with the Arab League economic boycott of Israel, Foreign Minister Hans-Dietrich Genscher told a Jewish organizational leader here.

Genscher, who was honored Friday by the Anti-Defamation League of B'nai B'rith, told the league's national director, Abraham Foxman, that such legislation would be introduced within the next several weeks.

If the bill is adopted, Germany would become the first European country to adopt tough legislation outlawing compliance with the 43-year-old boycott, Foxman said. He said France and the Netherlands have measures discouraging boycott compliance, but they are not seriously enforced.

According to Foxman, Germany hopes to set an example for other countries contemplating anti-boycott legislation. He said Germany may be seeking to create a role for itself in the Middle East peace process. The proposed legislation is viewed as a confidence-building measure aimed at Israel and the Jewish community.

Foxman said ADL had been seeking a statement on the issue from the 12-nation European Community, but found that it is "difficult to get 12 countries to agree on it."

The German foreign minister was presented at a luncheon Friday with ADL's Distinguished Statesman Award. Upon receiving the honor, Genscher gave a warm speech, filled with hope for the future of the recently united Germany.

"We Germans regard the security of Israel and its right to exist most particularly as a moral imperative for united Germany," he said.

Genscher, who is the longest-serving foreign minister in postwar Germany, called for the world to focus attention on human rights.

"After all that happened between 1933 and 1945," he said, "we Germans will everywhere and at all times seek to ensure that human rights and human dignity are respected, not only in our country but all over the globe."

**SOVIET NEWS AGENCY TASS TO OPEN BUREAU IN ISRAEL**

By Hugh Orgel

TEL AVIV, May 12 (JTA) -- Tass, the official Soviet news agency, plans to open a bureau in Israel, the Government Press Office announced Sunday.

The planned opening is part of a reciprocal arrangement in which Israel Radio correspondents will be based in Moscow and Israel Television personnel will be allowed to operate in the Soviet capital on assignment as required.

The press office said Tass had applied months ago for credentials for its correspondents. The Foreign Ministry thought they should be issued even without corresponding Soviet credentials for Israel Broadcasting Authority representatives in Moscow.

But Yossi Olmert, director of the press office, demanded that Israeli radio and television correspondents be allowed equal access to Moscow before Soviet correspondents are posted here.

Olmert said such reciprocal arrangements exist between Israel and other Eastern European countries. It is not yet known whether the Tass bureau will be in Tel Aviv or Jerusalem.

**CABINET KILLS HOUSING LOAN BILL, SAYING GOVERNMENT CAN'T AFFORD IT**

By David Landau

JERUSALEM, May 12 (JTA) -- Israel's Cabinet acted Sunday to kill a liberal housing loan bill that the Knesset passed last week, which the government says it cannot afford.

A communique issued after the weekly session said the Cabinet had decided to "freeze" the measure, "effective immediately until the annulment of the law or the end of the fiscal year, whichever comes first."

The communique said the Cabinet acted "after realizing that implementation of the law entailed amounts that exceed what was allotted to the matter in the annual budget law."

The new measure authorizes government-subsidized mortgages of up to \$67,000 at 4 percent interest, with only 80 percent linked to the consumer price index.

The Treasury said the measure would cost the government some \$2 billion that is not in the budget.

It was introduced May 7 as a private members bill by Knesset member Ya'acov Shamai of Likud and was adopted by a comfortable margin.

Some observers said Likud bloc members who breached party discipline to vote for it were intimidated by members of the Likud rank and file who packed the Knesset gallery in support of the measure.

The Cabinet also announced the appointment of Professor Ya'akov Frankel, an economist who has worked abroad in recent years, to the office of governor of the Bank of Israel, the country's central bank.

He will succeed Professor Michael Bruno of the Hebrew University, who wanted to retire earlier but agreed to stay in office until August, when Frankel can take over.

The appointment was almost unanimous. The only dissent came from Rehavam Ze'evi, a minister without portfolio of the extreme right-wing Moleket party. He thought it unseemly to confer such high office on a man who has worked the better part of 20 years outside Israel.

**EXHIBIT OF JEWISH RITUAL OBJECTS OPENS AT OLD SYNAGOGUE IN PRAGUE**

By Josef Klansky

PRAGUE (JTA) -- An exhibition of valuable Jewish religious objects opened May 3 in the 400-year-old Maisel Synagogue, which is part of Prague's state-run Jewish Museum.

The exhibition took six years of preparation. Ludmila Kybalova, director of the museum, said the silver artifacts on display came from 153 synagogues in Bohemia and Moravia destroyed or plundered by the Nazis during World War II.

She said the present exhibition is temporary, to be replaced by one with greater emphasis on the religious uses of the objects.

Under the former communist regime, Judaism was like "the dark side of the moon," Kybalova said.

Kybalova also announced that the 456-year-old Pinchas Synagogue, closed for more than 20 years for various political and technical reasons, will be reopened soon.

Plans call for inscribing on its walls the names of the 77,000 Czech Jews who perished in the Holocaust, a project that will take considerable time.