

**BUSH SAYS NEITHER LAND NOR ARMS
WILL GUARANTEE ISRAEL'S SECURITY**

By Tom Tugend

LOS ANGELES, June 17 (JTA) -- President Bush warned Sunday that neither geography nor military power can guarantee Israel's security.

And he said his Middle East peace initiative would succeed only "if the parties in the region muster the political will to make it happen."

During a 13-minute speech at a fund-raising dinner for the Simon Wiesenthal Center here, the president appeared to be challenging the Israeli government's refusal to contemplate territorial compromise and its seeming reluctance to take part in a peace conference with the Arab states.

But Bush also pledged that "Israel's survival will be guaranteed," and he said there is "no room in our world for persecution of a nation."

The president also recalled that a visit to the site of the Auschwitz death camp in Poland had left him with a determination "not just to remember, but also to act."

That visit, and his recollection of the Nazi era, had steeled his resolve to confront Iraq in Operation Desert Storm, he said.

Contemplating "what action to take against Saddam Hussein's aggression, I thought of the world's inaction those many years when first the army and then the SS marched into Poland," Bush said. "It was on my mind as I had to make this fateful decision to send our sons and daughters into combat in the Gulf."

Much of his speech was devoted to praising the deeds of Nazi-hunter Simon Wiesenthal and Raoul Wallenberg, the Swede who saved the lives of thousands of Hungarian Jews during World War II before disappearing into the Soviet Gulag.

Wiesenthal, Bush said, had been among the first to speak out against Saddam Hussein's brutality. In the case of Wallenberg, the president said he was committed "to have a full and final accounting of his precious life."

Vows To Fight Anti-Semitism

Bush pledged with similar fervor to fight hate crimes and anti-Semitism. "The insidious ugliness of this cancer destroys the human spirit," he said.

The president was given an ornate Cup of Elijah by Rabbi Marvin Hier, dean of the Wiesenthal Center, in appreciation of his role in securing the freedom of Ethiopian Jews in Operations Moses and Solomon.

The official honoree of the evening was body-builder and actor Arnold Schwarzenegger, who received the center's National Leadership Award for his work on behalf of physical fitness and with prisoners and handicapped children.

He was also lauded for his support of the center's projected Beit Hashoah (House of the Holocaust)/Museum of Tolerance, to which Schwarzenegger and his wife, TV news personality Maria Shriver, have pledged \$250,000.

In his acceptance speech, Schwarzenegger paid tribute to his fellow Austrian, Simon Wiesenthal, whom he praised as his teacher and friend.

The evening was marked by the emotion and showmanship characteristic of the center's public events.

It included a full-dress Marine color guard and an American flag stitched together secretly by inmates of the Mauthausen concentration camp, which was carried into the ballroom of the Century Plaza Hotel by Holocaust survivors.

Some 1,500 guests contributed \$1.4 million toward the \$50 million goal for the Museum of Tolerance, it was announced.

Although center officials say that even before the latest addition, \$42.5 million had been collected or pledged toward this goal, completion of the high-tech museum is proving a tougher task than anticipated.

Originally estimated to cost \$24 million and to be finished in the summer of 1988, the opening date has been repeatedly postponed and is now scheduled for the spring of 1992.

**ARAFAT REPORTEDLY SEEKING INVITATION
TO PARIS FOR MEETING WITH MITTERRAND**

By Michel Di Paz

PARIS, June 17 (JTA) -- Yasir Arafat, whose 1989 welcome to Paris severely strained French Jewry's relationship with President Francois Mitterrand, reportedly wants a return engagement.

The Palestine Liberation Organization leader is fishing for an invitation, according to Arab diplomatic sources in Paris. The sources said Arafat's wishes were conveyed recently to Mitterrand's foreign policy adviser, Pierre Morel, by Hakim Balawi, a senior member of Al Fatah, the PLO's largest faction, which Arafat heads.

The Palestinian news agency Wafa reported that Balawi stressed France's role in the Middle East peace process and asked the French to support the "active and effective participation of the PLO" in the process.

Such a visit would follow upon a meeting in April held in Libya between Arafat and French Foreign Minister Roland Dumas. That meeting irked not only Jews but other members of the European Community, which had distanced itself from Arafat after his support for Saddam Hussein of Iraq.

Mitterrand's reception of Arafat at the Elysee Palace in May 1989 stirred deep resentment in the Jewish community. The French president was jeered during a mass protest rally in the Jewish quarter.

Mitterrand, who had always enjoyed the friendship and support of French Jews, was hurt and responded sharply.

He reportedly told Theo Klein, then president of CRIF, the representative council of French Jewish organizations, that "the policy of France is decided in Paris and not in Israel."

In Washington, the French ambassador to the United States told Jewish organizational leaders last week that his country does not insist on a PLO role in the Middle East peace process.

"We are not wedded to the PLO or to Yasir Arafat," Ambassador Jacques Andreani told 50 people at an American Jewish Committee luncheon.

The ambassador said that France's position on the Arab-Israeli conflict has been "grossly misrepresented," and he blamed the pro-Israel community for having done that.

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

NEWS ANALYSIS:

**PERETZ SLUR AGAINST KIBBUTZIM
MAY HAVE BEEN A POLITICAL MOVE**

By David Landau

JERUSALEM, June 17 (JTA) -- Absorption Minister Yitzhak Peretz's televised diatribe against kibbutzim for allegedly fostering apostasy among religious immigrants from Arab countries 30 to 40 years ago has touched off furious protests among the non-Orthodox majority of Israelis and also disturbed many observant Jews.

The issue was the subject of eight no-confidence motions introduced by opposition factions, which the Knesset debated into the night Monday.

The motions were easily defeated 59-49. But the rancor displayed, not only between secular and religious but between Sephardic and Ashkenazic Knesset members, suggests a political factor behind the divisiveness Peretz has unleashed.

The media's portrayal of his outburst last week as another salvo in the ongoing cultural struggle between religious and non-religious Jews in Israel may, in fact, be off the mark.

Peretz, an Orthodox rabbi who sits in the Cabinet as an independent with no current party affiliation, appears to have chosen his language carefully, with attention to its probable effects on a Sephardic constituency.

Examining the episode in light of the approaching election year suggests the minister's motives may have been more political than religious, his methods more Byzantine than Orthodox.

Peretz was a member of the Orthodox Shas party's Knesset faction up to 15 months ago. He broke with Shas, in part because of its dovish foreign policy and partly because of its successful efforts, in collaboration with the Labor Party, to bring down the Likud-Labor unity government.

Promised Three 'Safe Seats'

The original idea may have been to set up an alternative pro-peace government in coalition with Labor. Instead, the remaining five Shas Knesset members, guided by their spiritual mentor, former Sephardic Chief Rabbi Ovadia Yosef, realigned with Likud in the present coalition.

But Likud apparently felt uneasy about Shas. Soon after the new coalition took office, Commerce Minister Moshe Nissim of Likud, a shrewd political operative, began courting the absorption minister, who had no party obligations.

Informed sources say Peretz was promised three "safe seats" on Likud's next Knesset election list if he agreed to run as head of a new Orthodox party.

That party would be unreservedly committed to Likud. Unlike Shas and the other religious parties, which have flirted with Labor and have even joined Labor-led coalitions in the past, the new party led by Peretz would be a faction within Likud.

Viewed in that perspective, Peretz's obviously well-prepared television appearance on June 12 was the first play in a political maneuver.

He drew a parallel between the aggressively secular kibbutzim's absorption of Moroccan immigrants during the 1950s and '60s and their approach to Ethiopian immigrants today.

Given his political agenda, Peretz's use of the explosive phrase "shmad apostasy" -- which he refuses to retract -- seems less an emotional outburst than a deliberate provocation.

"Shmad" usually refers to conversion to Christianity.

Peretz said he used it in a broader sense to mean abandonment of the strictures and mitzvot imposed by the Torah.

He ascribed that to what he deemed the malevolent influence of the kibbutzim. Many Orthodox Israelis were shocked by his choice of language, although many more in the so-called haredi, or ultra-Orthodox, camp applauded him.

Attempt To Stir Ethnic Passions?

Peretz's purpose, it seems, was not simply to arouse religious-secular animosities but to awaken latent resentments among Sephardic Jews, particularly those of Moroccan origin, who constitute the most deprived socio-economic class of Israeli society.

They retain a visceral antipathy for the Ashkenazic, or European, establishment, which in their minds still runs the country.

To them, it is synonymous with Mapai, progenitor of today's Labor Party and epitomized by the kibbutz movement.

It is not hard, therefore, to understand Peretz's obviously distorted references to young Sephardic olim embarked on a life of crime because they were stripped of their religious heritage in the kibbutzim.

His intention seems to have been bent on stirring ethnic passions among constituents who, harboring strong feelings of discrimination, may be convinced to vote for a new religious faction headed by Peretz and controlled by Likud.

The degree to which he has already succeeded in dividing Israelis along class, religious and ethnic lines was demonstrated in Monday's Knesset debate. At times, it became a heated discussion of the way Ashkenazic Jews treated the Sephardim.

Even Charlie Biton, the Moroccan-born former Communist Party member who recently joined the Labor Party, agreed with Peretz's criticism of how Labor dealt with Sephardic immigrants in the early years of the state.

At the same time, the Labor Knesset caucus announced it would boycott meetings of the Absorption Committee attended by Peretz.

According to Israel Radio, the Orthodox rabbis of the religious township of Bnei Brak, north of Tel Aviv, called Sunday for a boycott of kibbutz products.

Shas Mired In Scandal

In terms of pure politics, Peretz's timing was hardly arbitrary.

Shas, his chief rival for the Sephardic religious vote, is mired in scandal.

The party's young minister of the interior, Arye Deri, is under mounting pressure to resign pending the outcome of criminal proceedings against him.

Those proceedings have not yet been initiated. But the state prosecutor reportedly has recommended that charges of financial misconduct be brought against Deri and his alleged accomplices, who include another Shas minister, Rafael Pinhasi.

Shas Knesset member Yair Levy, away in the United States for several months, was finally questioned by police in Jaffa last week. He, too, faces charges of financial impropriety.

Israel, therefore, is likely to be afflicted with more rather than less inflammatory rhetoric in the months ahead as the political pots begin to boil for elections that must be held, at the latest, in November 1992.

**WAR CRIMES TRIAL SET BACK
BY DEATH OF A KEY WITNESS**
By Gil Kezwer

TORONTO, June 17 (JTA) -- Half the charges against an alleged Nazi war criminal on trial here for killing Jews during World War II were dropped last week by Canada's Justice Department, following the death of a key witness.

The death of the witness provides a significant boon for Michael Pawlowski, 74, a native of Byelorussia, who was charged here in November 1989 with eight counts of war crimes and crimes against humanity in the deaths of 410 Jews and 80 Poles, killed in the region of Minsk in 1942.

The witness, Petr Korelev, who died in May, would have given critical testimony involving the massacre of the Poles and eight Jews in the village of Yeskovichi, said Justice Department lawyer Peter Sutton.

Moreover, the remaining indictments are also under a legal cloud. Justice James Chadwick ruled last year against a government request to send a commission to the Soviet Union to videotape witness statements. Justice Department lawyers are arguing the motion again because of new evidence.

Pawlowski, a retired carpenter, has lived in Renfrew, 65 miles west of Ottawa, since 1951. He is the second person arrested under war crimes legislation enacted by Parliament in 1987.

So far, Canada's attempt to convict Canadian residents of war crimes perpetrated on foreign soil has come to naught.

In the first trial under the war crimes amendment to the Criminal Code, Imre Finta, a captain in the pro-Nazi Hungarian Royal Gendarmerie, was acquitted a year ago. Finta, now 79, had been charged with the kidnapping, forcible confinement and robbery of 8,617 Hungarian Jews in Szeged in 1944.

Government Faulted For Delays

This March, charges were dropped against Stephen Reistetter of St. Catharines, Ontario, who was accused of sending some 3,000 Jews in Bardejov, Slovakia, to Nazi death camps. Crown lawyer Gilles Renaud said there was insufficient evidence to proceed against him after two witnesses died and others proved incapable of testifying.

In Vancouver, more than two years have lapsed without a ruling since a denaturalization hearing concluded against Jacob Luitjens, who was convicted in absentia by a Dutch court after the war for collaborating with the enemy.

Canadian Jewish leaders acknowledge the difficulties of mounting a trial nearly half a century after crimes were committed. But they accuse the government of dragging its feet in delaying investigations.

Charlotte Bell, senior counselor in the Justice Department's War Crimes Unit, defends the work of her office, as well as the 26-member Royal Canadian Mounted Police war crimes squad, saying they are working as fast as possible.

From a list of 660 suspected Nazi war criminals living in Canada, the government's Deschenes Commission identified 20 urgent cases and 200 to be further investigated.

To date, Canada has successfully pursued one such case. In 1983, Albert Helmut Rauca of Toronto was extradited to West Germany to stand trial for the murder of 11,585 Jews in the ghetto of Kaunas, Lithuania. Rauca died before the case could be heard.

**JEWISH PILOT DISMISSED FROM MARINES
FOR REFUSING TO DEFEND ARABS IN WAR**
By Tom Tugend

LOS ANGELES, June 17 (JTA) -- Lt. Tony Homayoun Moradian, a helicopter pilot raised as an Orthodox Jew, will be dismissed from the U.S. Marine Corps for refusing to fight a war in defense of Arabs, a military judge ruled Saturday.

Moradian, who was born in Iran, was found guilty of leaving a troop ship at Pearl Harbor on Dec. 10 that was taking his light-attack helicopter squadron to the Persian Gulf for Operation Desert Storm. He was sentenced to the equivalent of a dishonorable discharge and a \$3,000 fine.

During his court-martial at Camp Pendleton, near San Diego, the 26-year old Moradian said that "being brought up as an Orthodox Jew, being aware of the animosity of the Arab-Israeli conflict and considering myself a Zionist, I couldn't see) going and defending an Arab nation that doesn't believe in my right to exist. But I wanted to be a Marine."

The Los Angeles Times, which ran the story Sunday under the headline "A Collision of Faith and Duty," reported that defense witnesses described Moradian as an outstanding and dedicated Marine. His loyalty to the corps was equaled only by his deeply rooted religious convictions, one witness testified.

Moradian's brother, Ibrahim, said, "All his life, he wanted to be a pilot -- that's what he dreamed and lived for. On one side he was a Jew. On the other, he loved the Marine Corps."

Religious faith and military duty were never in conflict until the escalation of the confrontation with Iraq, the defendant testified. Even then, he said, he believed that he could find a solution and do his duty.

'I'm Not A Coward'

"I'm not a coward, nor am I afraid to take part in any battle," said Moradian, who became a naturalized U.S. citizen in 1985. "I knew I had a duty to this country and I thought I had come to peace with myself. But once I got aboard the ship, I found those duties overwhelming."

After leaving the troop ship, Moradian caught a commercial jet to the mainland and immediately reported to the Marine base at Camp Pendleton. He realized he would be punished for what he called a desperate decision, but he hoped he would be allowed to continue his military career.

"I always wanted to be one of you," Moradian said at the trial, reading from a prepared statement. "I never wanted to give anyone any reason to treat me differently. I'm proud to be an American," he said.

During the trial, the government prosecutor, Maj. Carlos Baldwin, upbraided Moradian, charging that "his tour in the Marine Corps is remarkable only for its selfishness. All he wanted to do was fly -- under his terms and conditions."

Baldwin added that many female Marines had served in the Gulf war to defend Arab countries whose women do not enjoy equality.

The executive officer of Moradian's unit, Maj. George Trautman, testified that its effectiveness was weakened by Moradian's absence and that all 43 helicopter pilots in the squadron saw combat duty in Kuwait.

"He tarnished the reputation of the unit and hurt morale," Trautman told the Times outside the courtroom.

BEHIND THE HEADLINES: AMERICAN JEWS BEGIN MASSIVE DRIVE TO LOBBY U.S. FOR LOAN GUARANTEES

By David Friedman

WASHINGTON, June 17 (JTA) -- American Jews, from the smallest communities to the large cities, are preparing a massive campaign to convince the Bush administration and Congress to provide Israel with U.S. guarantees for \$10 billion in loans, which would be used for the absorption of Soviet and Ethiopian Jewish immigrants.

An official Israeli request for the guarantees, which would be made in \$2 billion chunks over the next five years, is not expected before September.

But the Conference of Presidents of Major American Jewish Organizations and AIPAC, the American Israel Public Affairs Committee, have already begun coordinating lobbying efforts.

And the Council of Jewish Federations, the National Jewish Community Relations Advisory Council and rabbinical organizations have also started mobilizing their efforts.

"This is a real cooperative effort, in which every organization is playing a role," said Malcolm Hoenlein, executive director of the Conference of Presidents.

And it will not be just a Jewish effort, he said, since rabbis and organizations that have relations with Christian groups will be seeking their support.

"The commitment of the community to assist Israel in absorbing over a million of our Jewish brothers and sisters from Ethiopia and the Soviet Union is an inspiring endeavor," said Thomas Dine, AIPAC's executive director.

"It will strengthen Israel spiritually and economically, as well as advance America's interests," he said.

'Universal Support' Among Jews

Dine compared the "all-out campaign" being launched to the ultimately unsuccessful 1981 battle against the sale of AWACS to Saudi Arabia, "but without venom."

Hoenlein said there is "universal support" for the lobbying campaign in the American Jewish community. "Everyone agrees with the priority of the issue," he said.

Mark Talisman, director of the Washington office of the Council of Jewish Federations, said the ingathering of Jews from the Soviet Union and Ethiopia in Israel is like "writing a new chapter of the Bible."

He said leaders of the federations are eager to become involved.

The federations have already taken their own action by guaranteeing up to \$750 million in loans to help pay for the first year of absorption for Soviet immigrants, Talisman pointed out.

Israel will borrow this money from Israeli banks. The U.S. guarantees will be for loans Israel will seek from U.S. and European banks.

"This is the best example of federal-private partnership that could exist," Talisman said.

The major effort until Congress returns from its summer recess Sept. 10 will be educating the Jewish community itself about the issue.

The next two to three months will be used to explain to the Jewish community exactly what a loan guarantee is, said Kenneth Bandler, director of public information for NJCRAC.

He said there is a misconception that has existed since the United States guaranteed \$450

million in loans for housing Soviet Jewish immigrants earlier this year.

Many people, including Jews, believed incorrectly then and continue to believe that the guarantees are outright foreign aid, Bandler said.

Concern About Linkage To Politics

Actually, the United States is being asked to play a role similar to that of a co-signer on an individual loan. Israel will pay both the principal and interest on the loan. Officials note that Israel has never defaulted on a financial commitment.

The actual cost to the United States will be for bookkeeping, an amount estimated at \$40 million to \$140 million for the five-year period.

With the U.S. guarantees, Israel would be able to get 30-year loans rather than the seven-year term it would have to accept on its own. This will not only save Israel money on interest but will allow it to pay back the funds at a time when its economy is expanding, as it is expected to do because of the influx of immigrants.

The one problem strategists may have difficulty overcoming is any attempt by the administration to link the loans to the Middle East peace process.

President Bush held up the \$450 million loan guarantee finally released this spring for nearly a year until Israel provided in writing assurances that the money would not be used for housing in the West Bank and Gaza Strip. Even then, he did not appear to be fully satisfied.

"Our view is that separate and distinct loan guarantees for Ethiopian and Soviet olim should not be connected to political developments," said Bandler of NJCRAC.

"We believe this should be dealt with as a humanitarian issue and not tied to others," said Hoenlein of the Conference of Presidents.

He said that when a delegation of Jewish leaders met with Secretary of State James Baker last Thursday, Baker told them the loan guarantees should not be linked to the peace process.

But when leaders of the Union of Orthodox Jewish Congregations of America met with Bush two weeks ago, the president hinted that Israel's continued building of settlements in the West Bank and Gaza Strip could complicate approval of the guarantees.

Lobbying And Letter-Writing

Bush has long called the settlements an obstacle to peace. But leaders of the Orthodox Union said he did not explicitly condition approval of the guarantees on an Israeli commitment to stop building or expanding settlements.

Meanwhile, the campaign to support the loan guarantees is moving ahead. Many rabbis spoke about it to their congregations on Shavuot. The issue was discussed by the Orthodox Union at a recent meeting of its Institute for Public Affairs here. Other organizations having conferences over the summer will also highlight the issue.

A letter-writing campaign to members of Congress has already started. After Congress returns in September, many organizations will bring their members to Washington to personally lobby Congress.

NJCRAC's executive committee met in Chicago last week and announced plans to have a fly-in from the umbrella group's national and local member organizations as part of this effort.

This campaign will demonstrate how American Jewry "functions as a community, with each element utilizing its strength," Hoenlein said.