

NEWS ANALYSIS:**ISRAELI CONCERN GROWS THAT U.S. AID MAY BE LINKED TO SETTLEMENT FREEZE**

By David Landau

JERUSALEM, June 19 (JTA) -- Prime Minister Yitzhak Shamir insisted Wednesday that Israel's settlement-building drive in the administered territories is a "normal process that cannot be stopped."

But his defiant remarks at the West Bank settlement of Beit Arye, which was celebrating its 10th anniversary, belied mounting concern in government circles that U.S. aid vital to Israel's absorption of Soviet immigrants may be linked by Washington to a settlement freeze.

Along with the settlement issue, the Shamir government's refusal so far to accept American ideas on a peace conference has incurred the Bush administration's displeasure.

Israelis fear that could translate into a reluctance to provide the \$10 billion in U.S. loan guarantees for absorption purposes, which Israel is expected to request in September.

Even more troubling are indications of opposition in Congress, long a bastion of pro-Israel sentiment.

So far, however, Israel's powerful support among the legislators is holding up.

The House of Representatives on Wednesday overwhelmingly defeated an amendment to the foreign aid authorization bill that would have cut \$82.5 million from Israel's \$3 billion aid grant for fiscal 1992.

Rep. John Bryant (D-Tex.), its sponsor, said the amount he proposed to cut equalled the amount Israel allocated for settlements in fiscal 1990, according to State Department figures.

But Bryant's measure was swamped by a vote of 378-44.

Nevertheless, the fact that amendments suggesting linkage have been proposed by individual members of Congress hints at looming trouble for the loan guarantees.

This was reportedly the thrust of a report by Israel's ambassador to Washington, Zalman Shoval, to a closed-door meeting of senior Israeli diplomats Sunday in New York, chaired by visiting Israeli Foreign Minister David Levy.

It was also the gist of a Reuter news agency report, quoting an unnamed senior U.S. administration official, which was widely featured in the Israeli news media Wednesday.

According to the report, the official forecast difficulties in approving Israel's guarantees request if the current spate of settlement continues unchecked, and if the present blockage in the peace process remained unclear.

A 'Moral Obligation'

Other reports reaching Jerusalem predicted that if that is indeed the administration's position in September, it may win unusually broad support on Capitol Hill, even from traditional friends of Israel.

The reports stressed the widespread unpopularity in U.S. official circles and public opinion of Israeli settlement-building and expansion at a time of intensive American diplomatic efforts to launch a peace conference.

Levy was to have brought Shoval's report to the inner Cabinet's weekly session here Wednesday.

No reports were immediately available from the inner Cabinet's deliberations, which are often classified.

Shamir insisted Wednesday that the United States has a "moral obligation" to help Israel absorb new olim. But, publicly at least, he shows no signs of the flexibility asked by President Bush in his letters earlier this month to Israeli and Arab leaders.

Shamir's June 6 letter replying to Bush specifically rejected the president's suggestion that the United Nations be given observer status at a regional peace conference, and that the conference itself be reconvened periodically to hear progress reports on Israel-Arab negotiations.

Shamir's flat "no" was accompanied by a demand for Israeli veto power over the composition of the Palestinian negotiating team.

Israel continues to insist, moreover, that the conference must be limited to a ceremonial opening and then dissolve permanently to bilateral talks between Israel and its Arab adversaries.

Israel's conditions are a no-starter, as far as the Arab side is concerned. Syria, which demands an active U.N. role, has not yet replied to Bush. A reply from Jordan's King Hussein was described as "unhelpful" by an administration official.

The lack of any "give" on the Arab side allowed Shamir to blame them for the bleakness of Middle East peace prospects in a speech to the Zionist General Council here Wednesday.

He also took issue with Bush's proclaimed "new world order" in the aftermath of victory in the Persian Gulf War.

"Despite the destruction of Iraq's offensive power in 'Desert Storm,' the basic problems of the region remain unchanged," Shamir said in discussing the U.S.-led campaign to free Kuwait.

"The widespread tendency of Arab regimes to rely on war, terror and violence to achieve political goals has not changed. There is no movement in the approach of the Arab states toward Israel, and they are still in a state of war with us," Shamir said.

FUNDAMENTALISTS ON TOP IN HEBRON CHAMBER-OF-COMMERCE ELECTIONS

By Gil Sedan

JERUSALEM, June 19 (JTA) -- Moslem fundamentalists scored decisively over candidates of the Palestine Liberation Organization in Tuesday's elections to the Hebron Chamber of Commerce.

PLO supporters were embittered by the upset, which gave the Islamic list, backed by the Hamas underground, six of 11 seats. Four went to the PLO, which had been favored to win. One independent candidate was elected.

Hamas, which originated in the Gaza Strip shortly after the Palestinian uprising began in December 1987, has become the chief rival of the PLO for control of the intifada and is considered even more uncompromising.

About 1,500 Palestinian merchants and businessmen cast ballots in a carnival atmosphere of blaring music and honking horns. Crowds bore aloft portraits of their favorite candidates. The

Chamber-of-Commerce elections, encouraged by the Israeli authorities, were the first in the West Bank since 1964, when the territory was under Jordanian rule.

The Israel Defense Force did not intervene, despite the boisterous setting. The elections had the blessings of the Israeli civil administration.

For that reason they were boycotted by the Communists and by backers of the Popular Front for the Liberation of Palestine. The only attempted disruption came from two gasoline bombs thrown at a school where a polling station was located. They failed to explode.

Although the Chamber of Commerce is a business association, some Palestinians saw the elections as a step toward the creation of an independent infrastructure in preparation for Palestinian statehood.

According to the Israeli administrators, the elections fit in with an overall policy to provide the Palestinians a greater measure of autonomy.

The apparent winding down of the intifada has encouraged security authorities to relax restrictions.

They are expected to release about 400 prisoners over the weekend on the occasion of the Moslem feast of Id Al Adha. Most, arrested for throwing stones or gasoline bombs at soldiers, have already served the bulk of their sentences.

In addition, the IDF will reopen streets and alleys in Arab towns that had been sealed off.

The curfew will remain in force in the Gaza Strip, but will start at 10 instead of 8 p.m.

E.C. RENEWS TIES WITH IRAQ, PLO FOR FIRST TIME SINCE GULF WAR By Yossi Lempkowitz

BRUSSELS, June 19 (JTA) -- The European Community renewed contacts with Iraq and the Palestine Liberation Organization last week, for the first time since the Persian Gulf War.

The ties were made through the E.C.'s legislative body, the Parliament of Europe, based in Strasbourg, France.

The occasion was a meeting organized by former French Foreign Minister Claude Cheysson between members of the Parliament and delegations from nine of the 21 Arab League member states plus the PLO.

It was held in the Parliament's Political Commission within the framework of the Euro-Arab dialogue.

The meeting was boycotted by Saudi Arabia, Kuwait and the United Arab Emirates.

On the European side, it was strongly disapproved of by the Socialist group, the largest single bloc in the 518-member Parliament, whose president, Jean-Pierre Cot of France, thought the Iraqis were overrepresented.

"This meeting looks like a Scud missile falling on Strasbourg," he said.

The Gulf states stayed away because of the large Iraqi delegation. Sa'adi Mehdi Saleh, president of the National Assembly in Baghdad, was expected but did not appear.

A British Conservative deputy, Edward Kellet-Bowman, walked out. "I can't talk with the representatives of a country with which my government is at war," he said.

But Maria Cassanagnano, an Italian Christian Democrat who chairs the Political Commission, praised the meeting and expressed hope that it would be repeated on a regular basis.

Cheysson, a Socialist with close ties to the

Arabs, reportedly had a hard time dissuading PLO chief Yasir Arafat from coming to Strasbourg.

"It's too early," a close associate of Cheysson was quoted as saying.

The Palestine National Council, the PLO's legislative body, was represented by Imad Shakkour and Zehdi Terzi.

In addition to Iraq, the Arab countries attending were Egypt, Syria, Lebanon, Yemen, Tunisia, Algeria and Morocco.

SLA TROOPS IN SOUTHERN LEBANON KILL TWO TERRORISTS, NAB TWO MORE By Hugh Orgel

TEL AVIV, June 19 (JTA) -- Two terrorists were killed and two captured Tuesday morning in a gun battle with troops of the Israel-supported South Lebanon Army in the southern Lebanon security zone just north of the Israeli border.

One of the dead men was an SLA defector, according to a report from Tyre in southern Lebanon.

The report said the SLA unit was on patrol near Nakoura at the western end of the security zone, where the United Nations Interim Force in Lebanon is headquartered.

A car with four occupants aroused their suspicion. When the driver ignored orders to halt, the soldiers opened fire. The car overturned, but the occupants continued to return fire until two were killed and a third wounded and captured.

The fourth man fled but was soon caught.

SLA sources said the terrorists were equipped with large quantities of explosives.

CONTROVERSIAL CHOICE FOR IDF SPOKESMAN WITHDRAWS By Hugh Orgel

TEL AVIV, June 19 (JTA) -- Danny Naveh, a young Likud activist just nominated to succeed Israel Defense Force spokesman Brig. Gen. Nachman Shai, voluntarily withdrew his name from consideration Tuesday night after a public outcry over his lack of experience and the alleged politicization of the post.

The retreat by Naveh, personal spokesman for Defense Minister Moshe Arens and a past spokesman for Likud, was the first setback for Chief of Staff Ehud Barak, whose efforts to reorganize and streamline the IDF have forged ahead despite grumbling from the officers corps.

Barak, who took office last month, selected the 31-year-old law school graduate to replace Shai, the IDF spokesman whose soothing voice and avuncular image made him a television personality during the Persian Gulf War.

Barak's surprise appointment of Naveh, a former member of the Likud central committee, had aroused the ire of senior officers, who said they should have been consulted.

The media and politicians also complained. They said it was "highly unwise" to name someone with such strong political ties to be the voice of the IDF.

Critics also noted that Naveh had neither media training nor extensive field experience with the army.

Announcing his withdrawal Tuesday night, Naveh said he saw "nothing wrong with a person with any particular political past serving as army spokesman."

He said he withdrew in order to spare the chief of staff and the IDF further embarrassment.

QUESTIONS SURROUND CEREMONY FOR SURVIVORS OF USS LIBERTY

By Howard Rosenberg

WASHINGTON, June 18 (JTA) -- The Anti-Defamation League has questioned the motivation behind a White House ceremony belatedly honoring surviving crew members of the USS Liberty, a Naval intelligence ship bombed by Israeli aircraft during the 1967 Six-Day War. Thirty-four American seamen died in that bombing.

Israel has always insisted the episode was an accident and the United States officially accepted that explanation.

White House Chief of Staff John Sununu and Brent Scowcroft, the national security adviser, spoke to 42 former crew members of the Liberty in the White House Rose Garden on June 8, the 24th anniversary of the incident. President Bush waved to the group as he returned from the "Desert Storm" victory parade.

That evening, an admiral awarded the crewmen a presidential unit citation signed by President Lyndon Johnson in 1968 but never presented.

The ADL issued a statement pointing out that Sununu, while governor of New Hampshire, signed a proclamation in 1988 that declared the attack on the Liberty to have been "vicious and unprovoked" and the work of "belligerent aircraft and torpedo boats."

"ADL hopes that the reason for the White House reception was simply to honor the Liberty crew members, not to give a stamp of approval to those seeking to malign Israel," the ADL said.

Lt. Cmdr. James Ennes Jr., a retired Naval officer, told the Washington Post that because the attack was carried out by a major U.S. ally, "just nobody had the guts to give (the citation) to us."

Ennes has written a book accusing Israel of deliberately launching the attack, but the U.S. Navy has produced no evidence to corroborate that charge.

Staunch Critics Of Israel

Two former congressmen, Pete McCloskey Jr. (R-Calif.) and Paul Findley (R-Ill.), staunch critics of Israel, helped arrange the reception.

ADL expressed concern with their involvement "and the sanction given by the White House of such rhetoric."

Retired Adm. Thomas Moorer, a former chairman of the Joint Chiefs of Staff, told the Post that the crew had never before received recognition because "both the Israeli and U.S. governments covered it up."

The admiral said the only plausible reason for the attack was to destroy the ship's listening devices so the United States would not learn of a planned Israeli attack on the Golan Heights.

Moorer rejected Israel's explanation that it thought the Liberty was really an enemy ship.

"My position is that the Israeli military is highly professional, and to suggest that they couldn't identify the ship is ridiculous," he continued. "Anybody who could not identify the Liberty could not tell the difference between the White House and the Washington Monument."

The Liberty was a converted Victory-type freighter built during World War II. Although it carried surveillance equipment that altered its profile, Victory ships had certain distinctive hull features.

The Egyptian merchant marine had two Victory-type freighters at the time of the Six-Day War.

NJCRCAC WON'T BACK POLLARD'S MOTION TO WITHDRAW HIS GUILTY PLEA

By Aliza Marcus

NEW YORK, June 19 (JTA) -- The major policymaking arm of U.S. Jewry decided Tuesday not to call for new action in support of Jonathan Pollard, an American Jew convicted of spying for Israel.

According to Phil Baum, chairman of the National Jewish Community Relations Advisory Council's Ad Hoc Committee on the Pollard Case, the committee will continue to monitor the case.

The NJCRCAC committee last year supported a call for an inquiry into Pollard's sentencing, but declined to recommend that member agencies file friend-of-the-court briefs on Pollard's behalf.

Pollard's supporters have long been trying to mobilize the American Jewish community to take a stand on what they say was the influence of anti-Semitism in Pollard's life sentence.

Pollard, a former civilian employee of U.S. Navy intelligence in Washington, was arrested in 1985 on charges of passing hundreds of classified documents to Israel.

He was sentenced to life imprisonment despite a plea bargain under which he agreed to plead guilty in exchange for a reduced sentence.

Pollard's supporters argue that the sentence was disproportionately heavy for someone who spied for an ally.

The case shocked and embarrassed the Jewish community which feared charges of dual loyalty and was angered that Israel would use an American Jew as a spy.

One member of the NJCRCAC committee, who asked not to be named, said that NJCRCAC member agencies generally do not believe there is solid evidence that anti-Semitism played a role in Pollard's sentence.

'The System Is Working'

"The case is in the courts and the system is working," said Baum, who is associate executive director for the American Jewish Congress.

A motion filed by Alan Dershowitz, Pollard's lawyer, to withdraw Pollard's guilty plea and hold a trial is scheduled to be heard September 10 in the U.S. Court of Appeals for the D.C. Circuit.

Some committee members said another factor in their decision not to call for new action was the perception that Pollard had not yet shown true remorse for his activities.

In a recent letter to his parents -- which Pollard's supporters sent to Jewish organizations and interested individuals -- Pollard calls his decision to spy an "error in judgment."

"The feeling at the meeting was that he didn't do a very good job" at expressing regret, and "the letter itself was not really what was needed," said one committee member.

But Seymour Reich, a past chairman of the Conference of Presidents of Major American Jewish Organizations and a Pollard supporter, said the letter "should be helpful to those who are looking for another reason to assist Jonathan to commute his sentence."

Those attending the meeting stressed that the organized Jewish community is not "turning a deaf ear to Pollard," as some of his supporters have claimed.

The committee decided to clarify what the Jewish community has done over the years on behalf of Pollard, and they will continue to follow events in the case closely, members said.

**BEHIND THE HEADLINES:
JEWS TARGETED BY MESSIANIC GROUPS
BEFORE THEY LEAVE THE SOVIET UNION**
[Part 2 Of A Series]

By Aliza Marcus

NEW YORK, June 19 (JTA) -- Igor Gugil, a 22-year-old Soviet Jew who attends a "messianic Jewish" congregation in Brooklyn's Brighton Beach neighborhood, sees no contradiction between the Star of David hanging around his neck and the name Jesus written inside it.

"But a year ago, if someone had told me that I would be wearing a star with the name of Jesus, I would kill myself," he says, laughing as he fingers the symbol of his newfound faith.

Gugil became a messianic Jew -- or a Jew who believes Jesus was the Messiah -- under the influence of his Soviet Jewish wife, who was converted by Russian Pentacostalists over a year ago while waiting in an Italian transit center to come to the United States.

Messianic Jews have greeted the exodus of Soviet Jews with great joy and have been working actively to convince them to believe in Jesus.

This worries American Jewish organizations, for whom the phrase "messianic Jew" is a contradiction in terms. They say it wrongly implies that a believer in Jesus can remain a Jew. Most Jewish groups prefer the phrase "Hebrew Christian" to describe these people.

Soviet Jews, who usually have had little if any Jewish education, are more likely than American Jews to become "Jewish believers" in Jesus, says Rabbi A. James Rudin, the American Jewish Committee's national director of interreligious affairs.

Rudin and others monitoring the problem point out that for Soviet Jews, anyone wearing a yarmulka or celebrating Passover, as many messianic Jews do, appears to be a Jew.

'Holiday Tours'

Although much of the proselytizing takes place in North America, where an estimated 100,000 messianic Jews and tens of millions of evangelical Christians share similar views about Jesus and the Jews, the Soviet Union is increasingly becoming an important stop for these groups.

Until recently, many missionizing groups first approached Soviet Jews while they waited for months in Italian transit centers for permission to come to the United States.

But as the Soviet Union started easing emigration restrictions and transit centers were shut down, messianic and evangelical Christian groups discovered they could proselytize directly in the Soviet Union.

Over the past two years, an increasing number of missionizing groups have taken advantage of this new freedom, organizing special "holiday tours" and other trips to the country, where religion was banned for over 70 years.

According to literature put out by these groups, hundreds of Soviet Jews recently have become believers in Jesus in little more than a day during the missionizing missions.

Estimates as to the number of Jews in the Soviet Union who have become believers in Jesus range in the high thousands out of an estimated Jewish population of up to 3 million.

While this percentage may seem small, it is an important first step for the missionizing groups, according to Rabbi Michael Skobac, New

York director of Jews for Judaism, a counter-missionary organization with seven branches nationwide.

Sam Nadler, president of the North Carolina-based Chosen People Ministries, a messianic Jewish group dating back to 1894, says he often travels to the Soviet Union to meet Jews and provide them with money, Bibles, food and other items.

Bureau In Odessa

In an interview last year with The Messianic Times, a Toronto-based quarterly publication with a circulation of 25,000, Nadler said that during one of his trips, the group spread the word of Jesus "on the streets, in Red Square, at Moscow's popular McDonald's and in a Moscow synagogue."

He told The Messianic Times that in Kiev, "70 Soviet Jews accepted Yeshua."

Nadler, who says his organization has an annual budget of \$4 million, called for more work to "plant" congregations in the Soviet Union that would reach out to Jewish "non-believers."

Jews for Jesus, a resource-oriented group with 20 years of experience in this field, has translated many of its publications into Russian for distribution in the Soviet Union, says Susan Perlman, the group's information officer.

Those who monitor proselytizing activity in the Soviet Union say Jews for Jesus has opened a bureau in Odessa.

Members of messianic groups, who often take a strongly pro-Israel stance, say they have also traveled to the Soviet Union to encourage Jews to immigrate to Israel.

Like evangelical Christians, messianic Jews tend to believe that Jesus will appear a second time once the majority of Jews have returned to Israel. Love for Israel is therefore a strong part of their religious and cultural identities.

Sid Roth, the leader of a messianic congregation in Brighton Beach founded to reach Soviet Jews, went to the Soviet Union last year to encourage Jews to leave the country because he fears a rise in anti-Semitism.

"It was not evangelistic," says Roth, who opened his congregation a few months ago.

Countermissionary groups have likewise increased their attention on events in the Soviet Union. Jews for Judaism has sent its own missions to explain to Jewish communities the goals of these messianic movements and how to counter them.

'It's Mind-Blowing'

"Basically, we try to prepare them for the invasion," Skobac says.

But missionizing among Soviet Jews -- either in the Soviet Union or the United States -- is only one part of the activities of these groups, whose numbers, and influence, are growing in the United States.

Twenty-five years ago, there were a handful of messianic synagogues in North America. Now there are 140.

The publisher of The Messianic Times, Zev Isaacs, says that congregations "are just springing up all over the place. It started small, but they are just growing."

Philip Abramowitz, director of the Task Force on Missionaries and Cults for the Jewish Community Relations Council of New York, says that "it's mind-blowing how many millions of dollars have been spent to reach out to the Jewish community."