

ISRAELI KILLED, AT LEAST 3 WOUNDED DURING HOSTAGE INCIDENT IN KASHMIR By Hugh Orgel

TEL AVIV, June 27 (JTA) -- An Israeli tourist in northern India was killed and at least three others were wounded Wednesday night in a gun battle with Kashmiri Moslem separatists, who took seven Israelis and a Dutch woman hostage.

One Israeli was reported missing and a search for him was under way.

The wounded were being treated at the military hospital in Srinagar in Kashmir, according to Reuven Merhav, director general of the Israeli Foreign Ministry, who described the incident Thursday at a news conference in Jerusalem.

At least one Kashmiri was killed and two or three may have been wounded in a battle with the Israelis they abducted.

Although the Foreign Ministry withheld names pending notification of next of kin, the dead tourist has been identified as Eres Kahane of Ramat Efal, just outside Tel Aviv.

Physicians at the hospital identified the wounded as Elli Mamoun of Haifa, Yair Frisch of Jerusalem and Ya'acov Shemesh of Ramat Hasharon, all of whom underwent surgery for light to moderate injuries. Their doctors said in telephone interviews that they should be able to return home in a few days.

A fourth person listed as wounded was Ayala Berman, but she apparently did not undergo surgery. Other reports said that the captors had freed the Israeli woman and the Dutch woman before the shootout.

The only uninjured Israeli in the group apparently was Haggai Caspi of Ramat Efal.

Israeli Backpackers Escorted Out

Kashmiri Police Chief J.N. Saksina provided details of the incident in a telephone interview with Israel Radio. He said the seven Israelis and the Dutch woman were vacationing on a houseboat on Lake Dal, near Srinagar.

At about midnight Wednesday, armed Moslems boarded the boat, overpowered the guard and bound the hands of the seven Israelis and their Dutch companion.

They were taken ashore in a water taxi to a floating hotel, where the women were released. The six Israeli men, all believed to have had military training, freed their hands and rushed their captors.

They grabbed weapons, including three assault rifles and a hand grenade. Both sides suffered casualties in the ensuing battle. The Israelis forced their way into the home of a Moslem clergyman and made him call the police, who came immediately and began to search for their missing companion.

Saksina said 50 to 60 Israeli backpackers and other foreign visitors were being escorted by Kashmiri police out of the area. It is not known whether the hostages were snatched because they are Israelis or whether the Kashmiris were out to seize any foreigners to bargain with the Indian authorities.

Several Moslem separatist groups are reportedly active in Kashmir, seeking an independent Moslem state there or incorporation into Pakistan.

SUNUNU ASSURES U.S. JEWISH LEADERS HE BLAMES ONLY HIMSELF FOR TROUBLES

NEW YORK, June 27 (JTA) -- White House Chief of Staff John Sununu went out of his way Thursday to assure American Jewish leaders that he does not blame them for the current controversy over his travel practices and that he wants to continue having a "good and productive working relationship" with them.

Sununu told a group of five Jewish organizational leaders in a telephone conference call that he is "not blaming anybody but myself" for the public fire he has come under in the wake of disclosures about his use of government jets and limousines for personal business.

"Nor am I engaging at all in what would be a very non-constructive effort: to suggest any involvement by anyone and any groups in what has taken place or been reported," he told the Jewish leaders, according to a statement made available afterward.

Sununu also wrote letters to two of the leaders saying, "I value my relationship with the Jewish community and intend to continue working with all of you in an accessible and forthright manner."

The assurances came after The Washington Post and other newspapers reported this week that Sununu was blaming Jews, in part, for the controversy over his travel practices, which has sparked calls for his resignation.

The Post quoted sources saying that Sununu believed Jews were after him "because he is Lebanese-American" and because they "don't like my call for evenhandedness" in U.S. policy in the Middle East.

'Final Desperate Bleat'

Sununu called Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations, on Wednesday to assure him that he never made such allegations.

But that did not convince columnist William Safire, who wrote in The New York Times on Thursday that Sununu's "scapegoating to save his neck is giving anti-Semitism a bad name."

"The final desperate bleat from this exposed royalist who cannot defend his ripoff to the taxpayers is to blame Israel's supporters, and this Jew in particular, for his troubles," Safire wrote.

In an attempt to put the matter to rest, Sununu again telephoned Hoenlein on Thursday, along with four other Jewish leaders: Abraham Foxman, national director of the Anti-Defamation League; David Harris, executive vice president of the American Jewish Committee; George Klein of the National Jewish Coalition, a Republican group; and Mayer Mitchell, president of AIPAC, the American Israel Public Affairs Committee.

He told them the reports were untrue and that he hoped to continue having a constructive relationship with the Jewish community.

In identical letters sent Thursday to Hoenlein and Foxman, the embattled chief of staff said, "I know you share my concerns with the misrepresentations of the past week, and I appreciate the willingness of you and your colleagues to work together with me to put this issue to rest."

JUSTICE MARSHALL QUILTS HIGH COURT, TO DISAPPOINTMENT OF JEWISH GROUPS

By David Friedman

WASHINGTON, June 27 (JTA) -- The retirement of Supreme Court Justice Thurgood Marshall, the last vestige of the high court's liberal wing and the only black to have served on the nation's highest court, has increased the anxiety in the Jewish community that the narrowing separation of church and state may be eroded further.

Marshall, who will be 83 on July 2, announced his resignation Thursday, citing advanced years and poor health.

The announcement came almost a year after the Jewish community was saddened by the retirement of Justice William Brennan, also for poor health. Brennan and Marshall had been the leading advocates for civil rights and civil liberties left on the court.

"It is very, very, very unhappy news," exclaimed Sammie Moshenberg, Washington representative of the National Council of Jewish Women. "He was one of our few friends on the court."

Moshenberg explained that by "our" she meant women, Jews and anyone concerned with civil rights and civil liberties. "He has been a wonderful friend," she added. "It's very sad."

On the court, Marshall has not only been a leading supporter of individual rights, but an advocate for affirmative action, for abortion and against the death penalty.

Samuel Rabinove, legal director for the American Jewish Committee, also expressed sorrow at Marshall's retirement. "Marshall has been a staunch defender of civil liberties and civil rights for all Americans," he said.

Rabinove said Marshall's departure will be a loss for those who believe in civil rights and liberties. "The principle of separation of church and state will be weakened," he said. "The principle of free exercise of religion will be weakened."

'Major Loss To The Country'

Phil Baum, associate executive director of the American Jewish Congress, said Marshall "has been a model and inspiration for two generations of civil rights lawyers. He has graced the courts on which he has served and permanently altered for the better the legal landscape of this country."

Jess Hordes, director of the Washington office of the Anti-Defamation League, called Marshall "a towering light in support of what was best in this country." He said his retirement will be a "major loss to the country."

William Rapfogel, executive director of the Institute for Public Affairs of the Union of Orthodox Jewish Congregations of America, called Marshall "an eloquent voice for all Americans," who was "sensitive to the Jewish community."

The Orthodox Union differs with other Jewish organizations in considering tax credit and other aid to parochial schools consistent with the separation of church and state.

But Rapfogel said he believes that the court, which has become more conservative in recent years, is moving closer to this viewpoint.

The Jewish officials said they hope President Bush will name someone of Marshall's stature to replace him.

In a statement issued Thursday, Bush said he intends to nominate a successor "very soon."

SHARON URGES U.S. JEWS TO THWART EFFORT TO LINK LOANS TO SETTLEMENTS

By Charles Hoffman and Gil Sedan

JERUSALEM, June 27 (JTA) -- Housing Minister Ariel Sharon has called on American Jews to help thwart an anticipated move by the Bush administration to deny Israel loan guarantees for immigrant absorption until it halts settlement activity in the administered territories.

"You have to help us get this aid," Sharon told 800 delegates attending the annual assembly of the Jewish Agency for Israel here Wednesday.

He was referring to U.S. guarantees that Israel will seek this fall for \$10 billion in commercial loans to provide housing and infrastructure for an anticipated 1 million Soviet immigrants over the next five years.

The outspoken Likud minister was appealing to an audience made up largely of Zionist and Diaspora fund-raising leaders.

Some of them reportedly have warned Prime Minister Yitzhak Shamir to avoid a confrontation with the United States on the settlement issue, which has become the main source of friction between Shamir's Likud government and the Bush administration.

But Sharon made clear that the government would not consider any kind of moratorium on settlement activity in the territories, even if the guarantees did not materialize.

The housing minister contended that settlements serve the cause of peace because they improve Israel's security, enabling it to take risks in the peace process.

The Bush administration has taken an opposite view: that settlements are an obstacle to peace.

According to reports reaching here, Washington has asked members of the European Community to include a reprimand of Israel's settlement policy at the E.C. summit scheduled this weekend.

Jewish Leaders Warn Shamir

Political sources noted that in the past, the Americans always tried to soften European resolutions against Israel, but now they seem to be coordinating anti-settlement efforts with the E.C.

The United States also reportedly has asked Germany to hold up its promised absorption assistance until Jerusalem commits itself to stop the settlement drive.

The Israeli daily Ha'aretz reported Thursday that the senior Jewish leaders who warned Shamir this week against a confrontation with Washington on the settlement issue included Seymour Reich, former chairman of the Conference of Presidents of Major American Jewish Organizations; Max Fisher, former president of the Council of Jewish Federations; and Robert Asher, former president of the American Israel Public Affairs Committee.

They reportedly told Shamir that although they support Israel's right to settle in the territories, the confrontation should be avoided.

But Shamir reportedly was uncompromising. He replied that Israel would not give up its principles, even for the much-needed loan guarantees, because that concession would lead to demands for others.

Sharon, in his speech to the Jewish Agency assembly, recalled addressing the group a year ago, just after he took over the Housing Ministry.

"Last year at this time, there were 2,200 families living in tents," Sharon recalled. "Now we have solved this problem."

IRAQ SAID TO BE DECEIVING U.N. ABOUT EXTENT OF NUCLEAR PROGRAM By Aliza Marcus

UNITED NATIONS, June 27 (JTA) -- Concern is mounting here that Iraq has been deceiving the world community about the extent of its nuclear weapons program, which it pledged to dismantle in the aftermath of the Persian Gulf War.

During a hastily convened Security Council meeting Wednesday evening, the U.S. deputy representative, Alexander Watson, said there is a great deal of evidence showing that Iraq has been conducting a covert nuclear program, including an attempt to produce weapons-usable material.

He said the United States has evidence that Iraq has been seeking to produce nuclear material and acquire nuclear weaponry, contrary to its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons.

Watson referred to reports from an Iraqi defector and displayed intelligence photographs purportedly showing uranium-enrichment machinery being moved or buried to evade detection by U.N. inspectors.

Security Council members have expressed anger over Iraq's apparent refusal to comply with inspection of its nuclear facilities, and they urged Iraq to cooperate with the ongoing investigation.

An Israeli official said Iraqi President Saddam Hussein's "way of deception was proved once again" and added that steps must be taken to ensure he is not allowed to further his nuclear ambitions.

"We were worried about Iraq for many months, both before the crisis and also after the war," said the official, who requested anonymity.

Watson warned during a council session that Iraq might also be hiding other aspects of its military capability, especially its chemical weapons infrastructure.

Envoys Laud Council's Role

Watson called on the Security Council to ensure Iraq's compliance with Resolution 687, which calls for the destruction or removal of much of Iraq's military hardware, such as ballistic weapons and nuclear materials.

Iraq will not be allowed to export its oil until the Security Council agrees that Iraq's weapons of mass destruction have been removed.

Iraq, which accepted the resolution, must also allow for on-site inspection of various sites. But on June 23, Iraq refused to allow an International Atomic Energy Agency team to inspect a military site. Security Council officials said this was an example of Iraq's deceptive practices.

While Iraqi officials said the delay was due to a Moslem holiday, agency officials trying to gain access to the site said they saw large cranes and trucks remove some materials from the area.

The team was permitted to enter on Wednesday, "at which time, however, activities which had been observed from a distance during the first visit had ceased, and objects that had been seen had been removed," according to an agency report from Vienna.

Israel's ambassador to the United Nations, Yoram Aridor, who often complains bitterly about the Security Council's anti-Israel bias, praised the council Thursday for its "positive role" in investigating Iraqi weaponry facilities.

But during a news briefing Thursday, he said, "We know exactly what the United Nations stands for. Certainly, it doesn't stand for Israel."

QUAYLE PREDICTS U.N. WILL REPEAL ITS INFAMOUS RESOLUTION ON ZIONISM By Barry Markowitz The Hebrew Watchman

MEMPHIS, June 27 (JTA) -- Vice President Dan Quayle, who has frequently pledged that the Bush administration will work to repeal the "odious" U.N. General Assembly resolution denigrating Zionism as racism, told a receptive audience at a historic synagogue here that he has no doubt it will happen.

"My friends, I promise you Resolution 3379 will be repealed," Quayle declared Wednesday night at the Baron Hirsch Synagogue, which was celebrating its 120th anniversary.

Quayle said the resolution must be repealed because "it provides anti-Semitism with the appearance of international approval.

"Together, we will make it so," the vice president said. "While some might consider this an 'impossible dream,' so, until recently, were the exodus of Jews from the Soviet Union and Ethiopia and the defeat of Saddam Hussein's Iraq.

"Yet all these impossible things have come to pass," he added.

Referring to the Jewish tradition that equates 120 years with a complete life span, Quayle wished the synagogue "another 120 years of service to your community, your nation and your creator."

The Orthodox congregation is named after Baron Maurice de Hirsch, the German Jewish philanthropist who died in 1896.

Quayle observed that just 50 years later, "most of the Eastern European Jewish community was destroyed in the unspeakable outbreak of evil known as the Holocaust."

The vice president described his recent trip to Eastern Europe during which he placed wreaths at the site of the Warsaw Ghetto and at the monument in Budapest to Raoul Wallenberg, who is credited with having saved tens of thousands of Hungarian Jews from deportation to death camps.

Tells Of Visit To Auschwitz

Quayle described how when he, his wife Marilyn and their children -- Benjamin, 14, and Corinne, 12 -- visited Auschwitz, they were "deeply shaken and very moved by what we saw."

"It was particularly important to Marilyn and me that our children were along," Quayle said. "It is vital that not only our generation, but future generations, never forget."

The vice president stressed that evil must be fought both at home and abroad.

"Fighting evil at home means fighting those who thrive on hate and prejudice," he said. "There is no room in America for hate crimes, for bigotry, for anti-Semitism."

Quayle added that "we will not be silent, we will not be indifferent and we will not rest until we rid our land of these cancers of the human spirit."

But he stressed that this effort must also be carried on internationally. "For unless the law-abiding nations of the world band together to resist the power of evil, it will grow and spread until it encompasses the whole Earth," he said.

Quayle said that was why Operation Desert Storm was important, not just to liberate Kuwait after it was invaded by Iraq, but to set a precedent for a new world order.

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

**NEO-NAZIS CREATE DISTURBANCE
AS SCHWAMMBERGER TRIAL OPENS**

By David Kantor

BONN, June 27 (JTA) -- A 79-year-old Nazi war criminal who allegedly tortured his victims before killing them went on trial in a Stuttgart court Wednesday while scores of neo-Nazi supporters created a disturbance and maligned Jews.

At one point, presiding Judge Herbert Luipold of the Schwurgericht Kammer threatened to send them "straight to Stammheim," a maximum security prison in Stuttgart.

The defendant, former Waffen SS officer Josef Schwammburger, has been charged with at least 45 counts of murder and complicity in the murders of 3,377 individuals. Most were Jewish slave laborers at concentration camps in Poland where Schwammburger was commandant.

Arrested by French authorities in 1945 and later imprisoned in his native Austria, Schwammburger escaped to Argentina in 1948 and lived under an assumed name for 42 years, becoming a naturalized citizen.

Following considerable publicity by the Los Angeles-based Simon Wiesenthal Center that Schwammburger was in Argentina, he was tracked down in November 1987 by an anonymous bounty hunter, to whom the West German government paid nearly \$300,000. He was finally extradited last year.

Schwammburger is the first major war criminal to stand trial since Germany's unification and could be the last.

A prominent observer at the trial opening was Simon Wiesenthal, the 82-year-old Vienna-based Nazi-hunter, who was instrumental in bringing Schwammburger to justice.

"He killed without being ordered and for his own pleasure," Wiesenthal said. "A man like that should not be allowed to die in peace."

Referred To Jews As 'Dogs'

The prosecutor said Schwammburger shot camp inmates in the neck, hanged them and watched them slowly bleed to death after being savaged by his pet dog, an Alsatian called Prinz.

He called his dog "mensch," or person, Elliot Welles, director of the Nazi Task Force of the Anti-Defamation League, said in a telephone call from Stuttgart.

"He referred to Jews as 'dogs,'" said Welles, who said his organization helped find scores of witnesses by placing advertisements in Jewish newspapers all over the world.

Most of Schwammburger's victims were Jews at the slave labor camps of Przemysl, Mielec and Rozwadow in Poland, which Schwammburger commanded with the rank of lieutenant.

But the neo-Nazis, many of them from Dresden in former East Germany, handed out propaganda leaflets outside the court and button-holed visitors and reporters, telling them that "Jewish groups" were behind the trial.

They accused Jews of trying to spread the word that "Germans are guilty."

When the judge said the trial would be fair, he was greeted with strident laughter by neo-Nazis in the spectators seats. The judge warned them that another outburst would send them to prison so fast "there won't even be time to go home to get a toothbrush."

The extremists quieted down after that.

(JTA staff writer Susan Birnbaum in New York contributed to this report.)

**FRENCH EXEC RESIGNS, THEN DIES
FOLLOWING CHARGES OF NAZI TIES**

By Michel Di Paz

PARIS, June 27 (JTA) -- A former Nazi collaborator who headed a giant cosmetics firm accused of illegally complying with the Arab League boycott of Israel died here Wednesday night, only hours after he had tendered his resignation.

Jacques Correze, 79, succumbed to pancreatic cancer only hours after announcing his resignation as chairman of Cosmair Inc. because of charges that he helped the Gestapo persecute Jews in occupied France during World War II.

He said he was stepping down for the good of the firm, which is the U.S. agent for L'Oreal, the largest cosmetics manufacturer in Europe.

Cosmair accepted his resignation and said it would name a successor next week.

Correze, an extreme right-wing militant before World War II who joined a pro-Nazi group to fight on the Russian front, had been under scrutiny by the U.S. Justice Department's Office of Special Investigations.

Nazi-hunter Serge Klarsfeld supplied OSI earlier this month with documents attesting to Correze's activities against Jews during the German occupation of Paris.

Klarsfeld, who helped bring Nazi war criminal Klaus Barbie to justice, urged the OSI to bar Correze from the United States. The documents he provided show that Correze participated in Gestapo raids on the shops and homes of Paris Jews in 1941 and helped evict them.

Correze served five years in prison for collaborating with the Nazis. In a statement he released Wednesday to the press, he said, "I cannot change the past. All I can do is express my sincerest and deepest regrets for the actions I may have carried out more than 40 years ago."

He cited the state of his health and the effects the "controversy" over his past might have on Cosmair and L'Oreal as the reasons he resigned.

May Have Violated 1977 French Law

While he admitted belonging to an underground group called la Cagoule (the hood), which carried out assassinations, bombings and raids on synagogues and Jewish-owned shops during the occupation, Correze insisted he never participated in the persecution of French Jews.

His resignation, and death hours later, were developments in an ongoing scandal involving top executives of the cosmetics firm, whose product lines include Lancome and Helena Rubinstein.

A key issue is whether the company openly flouted a law adopted by the National Assembly, the French parliament, in 1977 making adherence to the boycott of Israel illegal.

In 1988, L'Oreal feared it would be put on the boycott list after its acquisition, through Cosmair, of the Helena Rubinstein Co., which had factories in Israel.

The following year, L'Oreal decided to sell Cosmair to the Nestle Co. Correze was concerned that the deal might fall through if the American firm wound up on the boycott list.

To avoid that, it was reported that Helena Rubinstein had severed ties with Israel and took other measures to satisfy the Damascus-based boycott office.

L'Oreal denied this was the reason the Helena Rubinstein factory in Israel was closed.