

**ISRAEL PRESSING AHEAD WITH REQUEST
FOR U.S. GUARANTEES DESPITE BUSH PLEA**
By David Friedman

WASHINGTON, Sept. 8 (JTA) -- Israel and its U.S. supporters are pressing ahead with what looks to be a tough battle to win speedy congressional approval of U.S. guarantees for \$10 billion in loans needed for immigrant resettlement, despite a strong plea from President Bush that action on the request be delayed until January.

Israeli Ambassador Zalman Shoval formally presented Israel's request for the loan guarantees to Secretary of State James Baker on Friday afternoon, only hours after Bush urged Congress to delay its consideration for 120 days.

"We have very serious economic problems," Shoval was quoted as saying as he left the State Department. "And it's no secret we need that money quite urgently."

Israel is seeking loans of \$2 billion a year for five years from private banks to help absorb up to 1 million Soviet Jews expected to arrive there in the next few years. The U.S. guarantees would allow Israel to obtain the loans for a longer period and at lower interest rates.

"We're interested in absorption aid," Bush told reporters who he had called into the Oval Office during a meeting Friday with Baker. "We take pride in the fact we've taken the leadership role" in helping Jews leave the Soviet Union.

"But it is in the best interest of the peace process and of peace itself that consideration of this absorption aid question for Israel be deferred for simply 120 days," the president said.

Avoiding 'All Sorts Of Questions'

Pointing out that Baker is going to the Middle East this week to work out arrangements for a regional peace conference, Bush stressed, "This is not the time for a debate which can be misunderstood, a debate that can divide."

"Give peace a chance," the president said.

Baker had called for a delay at a news conference two days before, but he did not give a specific time period as did Bush.

While Bush was not specific about how congressional debate over the loan guarantees would result in acrimony, State Department spokeswoman Margaret Tutwiler asserted Friday that the discussion could raise "all sorts of questions on how and where this money is going to be used."

"Issues related to the occupied territories are bound to be raised," she said. "We are seeking to avoid that linkage."

But observers here said that by asking Congress for the delay, Bush had, in fact, ensured the acrimonious debate he had sought to avoid.

They pointed out that he could have held the money up for 120 days by citing technical reasons, as he did last year, when he held up U.S. guarantees for a \$400 million loan to Israel for some nine months.

Observers wondered why Bush sought the delay now, after he had received an agreement from Israeli Prime Minister Yitzhak Shamir last February to postpone the request until after Labor Day.

Bush said Friday that Baker had asked the

Israelis to delay their request, in "two very friendly conversations" by telephone with Shamir.

The Israeli premier balked, and now the issue is expected to be high on the agenda when Baker arrives in Israel on Sept. 16.

But the American Jewish community is not waiting till then to press its case on Capitol Hill.

On Friday, the board of directors of the Council of Jewish Federations unanimously adopted a resolution calling on Congress to "act now" to approve the Israeli request.

And the Conference of Presidents of Major American Jewish Organizations and the National Jewish Community Relations Advisory Council are going ahead with plans to bring hundreds of Jewish leaders from across the country to Washington on Thursday to lobby individual senators and representatives for immediate approval of the loan guarantees.

"We see no reason to change," said Malcolm Hoenlein, executive director of the Conference of Presidents.

But the Jewish community appears to have an uphill fight.

Sen. Patrick Leahy, chairman of the Senate Appropriation subcommittee on foreign operations, has agreed on the need for a delay. The subcommittee was scheduled to deal with the request for the guarantees as part of the foreign aid bill.

Pro-Israel strategists on Capitol Hill are now looking at other "legislative vehicles" to introduce the loan guarantees package.

Many Members Of Congress Supportive

While it is still uncertain how much congressional support there is for Bush's request, a number of members of Congress have already weighed in against it.

Sen. Carl Levin (D-Mich.) fired off a letter to Senate Majority Leader George Mitchell (D-Maine) urging that the Israeli request be considered "this month on its own merits."

"Israel is shouldering staggering resettlement costs and has raised taxes to try to cope with them," he said. "More must be done, however, and these loan guarantees will make the greater effort possible, without any cost to U.S. taxpayers."

Pointing to the planned peace conference, Levin argued that "it is not wise to put unwarranted pressure on one of the parties to adopt specific policies before direct peace talks have even begun."

Sen. Alan Cranston (D-Calif.) also warned against linking the guarantees to the peace process. "There is an immediate humanitarian need, which should be met immediately," he said.

Bush warned Friday that he will make his position "as clear as I can to every single member of Congress and the American people."

Observers here recalled that Congress was ready to reject the Reagan administration's sale of AWACS reconnaissance planes to Saudi Arabia in 1981 until the president made a personal appeal. They said it would be difficult to deny such a public plea from Bush.

But pro-Israel strategists pointed out that support for the loan guarantees in the American Jewish community and in Congress is much greater than was the opposition to the AWACS sale.

LITHUANIA DENIES IT HAS PARDONED WAR CRIMINALS BUT IS INVESTIGATING

By Susan Birnbaum

NEW YORK, Sept. 8 (JTA) -- The president of Lithuania has strongly denied a report that his newly independent government is pardoning citizens who collaborated in Nazi war crimes.

But the Simon Wiesenthal Center in Los Angeles says it has the evidence to prove it.

In a letter to Edgar Bronfman, president of the World Jewish Congress, Vytautas Landsbergis called "particularly provoking" claims made last week in The New York Times that Lithuania is exonerating war criminals.

He denied "the insinuations, that there are thousands of Holocaust suspects living here, who now are being legally absolved as patriots of Lithuania. Such an image is not only false, it is unjust."

The charges were made by the Wiesenthal Center, which reiterated Sunday that it has trial records showing that the Lithuanians "have, in fact, exonerated at least three individuals" who "confessed to participation in mass murders against Jews."

In his letter, Landsbergis stood by his proclamation of May 1990 that there is no statute of limitations for crimes committed by either Nazis or Bolsheviks.

But he underscored that the Lithuanian prosecutor general is investigating sentences set down by the KGB.

He said he has asked the Lithuanian chief prosecutor, Arturas Paulauskas, to investigate "material pertaining to those individuals who were mentioned" in the Times article.

Meetings With Lithuanian Officials

Concerned American Jewish leaders held meetings last Friday in person and by telephone with Lithuanian representatives in Washington and New York.

A U.S. Jewish leader who met with the Lithuanian ambassador to Washington came away feeling the Vilnius government is being sensitive to Jewish feelings.

Abraham Bayer, director of international concerns for the National Jewish Community Relations Advisory Council, said that more meetings would be held with Lithuanian representatives in Chicago and Los Angeles after the Rosh Hashanah holiday. The meetings had originally been scheduled for last Friday.

The Washington meeting included representatives of the American Jewish Committee, Anti-Defamation League, Religious Action Center of Union of American Hebrew Congregations and survivors of the Kovno and Vilna ghettos.

Bayer said the survivors presented painful memories of Jews in Lithuania being killed by neighbors and people with whom they had gone to school.

The Lithuanian ambassador, Stasys Lazaraitis, "sat there stunned," Bayer said.

The Jewish representatives told the ambassador "that no Lithuanian will be permitted to come into the United States unless his record is clear," said Bayer. "No Nazi war criminals in Lithuania must go unpunished."

Another leader, Benjamin Meed, president of the American Gathering/Federation of Jewish Holocaust Survivors, also stipulated that the Lithuanians must cooperate with the Justice Department's Office of Special Investigations.

2 RESIDENTS OF ADELAIDE CHARGED UNDER AUSTRALIAN WAR CRIMES ACT

By Jeremy Jones

SYDNEY, Australia, Sept. 8 (JTA) -- Two residents of Adelaide have become the second and third residents of this country to be charged under the federal War Crimes Act, which was upheld as constitutional last month by Australia's High Court.

The two men, whose names have been withheld by the Adelaide Magistrates Court, were charged Sept. 5 with mass murder during the Nazi occupation of the Ukraine.

Australia's only other person being tried under the War Crimes Act, Ivan Polyukhovich, is also a resident of Adelaide.

The court described one of the accused as a 78-year-old Ukrainian who was allegedly involved in the wilful killings of 102 Jews near the village of Grivan, in the Vinnitsa region of the Ukraine, between March 1 and July 31, 1942.

The victims, who were described as "mainly women, children and some elderly men," include 15 who have been named or identified by relatives.

The second man accused is a 67-year-old German, who is charged with involvement in the murder of 104 Jews near the village of Izraylovka (now Berezantka), in the Ustinovka district of the Kirovograd region.

The murders took place between May 1 and July 30, 1942. The accused is also charged with the murders of 19 children and a Ukrainian construction worker in 1943.

Both men became Australian citizens. They have each been remanded on \$16,000 (U.S.) bail.

U.S. MOVES TO REVOKE CITIZENSHIP OF PA. MAN SUSPECTED OF WAR CRIMES

WASHINGTON, Sept. 8 (JTA) -- The U.S. Justice Department has moved to revoke the citizenship of a Pennsylvania man who is charged with having been an SS guard at three concentration camps during World War II.

Denaturalization proceedings were begun against Nikolaus Schiffer of New Ringgold, Pa., who is said to have served at the Sachsenhausen, Flossenburg and Majdanek camps.

A complaint filed in U.S. District Court in Philadelphia by the Justice Department's Office of Special Investigations alleges that Schiffer, 72, willfully concealed his service at the camps and membership in the SS Death's Head Battalion when applying for U.S. citizenship in 1956.

"Abundant evidence exists concerning the atrocities against civilians at these concentration camps during the period of Schiffer's SS service," Neal Sher, OSI director, said in a statement.

The complaint charges that Schiffer was an armed SS guard from 1943 until the end of the war in 1945.

According to the complaint, from about August 1943 until December of that year, Schiffer was a guard at Sachsenhausen, in Germany. It says that during January 1944, he served in the Nazi Waffen SS at the SS training camp in Trawniki, Poland, and that from February 1944 through about July 1944, he served at Majdanek, also in Poland.

It also claims Schiffer was an armed guard of prisoners at the Hersbruck subcamp of Flossenburg, in Germany, from about August 1944 through about April 1945.

GERMANY MIGHT BE CHANGING TUNE ON RELEASE OF HAMADEI BROTHERS

By David Kantor

BONN, Sept. 8 (JTA) -- Germany has turned down a demand by Shi'ite groups holding Western hostages in Lebanon to release two brothers imprisoned here for terrorist activities.

But according to diplomatic sources, the German government is not ruling out an eventual pardon of Mohammed and Abbas Hamadei, whose freedom has been pegged by Shi'ite groups to the release of the Western hostages.

That appears to signal a shift for Germany, which has come under pressure from the United States not to give in to the terrorists' demands.

In mid-August, German authorities totally rejected any suggestion that the Palestinian terrorists be included in any global prisoner swap. A high-ranking official said then, "We can't compromise on murder."

The United States is particularly interested in the case, because Mohammed Hamadei is serving a life term in a German prison for the 1985 hijacking of a TWA jet to Beirut and the killing of a U.S. Navy diver, Robert Stethem.

The United States relinquished its request for his extradition only after what was then West Germany promised he would be treated as a criminal and accordingly punished.

Bonn's refusal to turn Hamadei over to Washington had been premised on the fact that the United States imposes the death penalty, which Germany has banned.

Mohammed Hamadei's brother, Abbas, was apprehended in January 1987, shortly after his brother was arrested, and sentenced to 13 years for his role in kidnappings of two German businessmen in Lebanon following his brother's arrest.

Either All Freed Or None

The two Germans kidnapped on Abbas' intervention were subsequently freed. However, two more Germans, humanitarian aid workers in Lebanon, were later kidnapped and remain in captivity. Bonn is seeking their release.

It is believed the Germans and other hostages are being held by the Shi'ite fundamentalist Hezbollah. On Sept. 1, the group's spiritual leader, Sheik Mohammed Fadlallah, told German journalists that the release of the Hamadeis is one of the conditions for freeing the Western hostages.

"Either they all enjoy freedom or none," he was quoted as saying.

Fadlallah accused Israel of blocking the effort to free the hostages by refusing to release Arab detainees and by demanding hard evidence about seven Israeli servicemen missing in Lebanon.

The Hamadeis' release also was hinted at in a letter the Islamic Jihad group had freed British hostage John McCarthy deliver to U.N. Secretary-General Javier Perez de Cuellar.

Fadlallah, who is a devotee of Iran's late Ayatollah Ruhollah Khomeini, is a strong-willed and powerful leader who believes absolutely in an Islamic state and is fiercely opposed to Israel, as well as the United States.

In an April 1985 interview with the German magazine Der Spiegel, Fadlallah said Israel's very existence is illegitimate, because Israelis took the land of the Palestinians.

"Even if the Jews suddenly would become Moslems, we would demand that they leave the land of Palestine that they have usurped," he said.

U.S. REJECTS SHAMIR'S DEFENSE OF USING TERRORISM FOR JUST ENDS

By Howard Rosenberg

WASHINGTON, Sept. 8 (JTA) -- The State Department has taken issue with a statement Israeli Prime Minister Yitzhak Shamir made last week defending the use of "personal terrorism" to bring about the establishment of Israel.

"No matter what the justification or objective, we condemn terrorism," department spokesman Richard Boucher said Sept. 5 when asked about remarks Shamir made in a radio interview the day before.

The occasion of the interview was the 51st anniversary of the Stern Gang, which committed a series of violent acts, including assassinations, aimed at ending British control of Palestine.

Shamir was a leader in the group, which was officially called Lohamei Herut Israel, or Fighters for the Freedom of Israel. And he defended its activities in the Sept. 4 interview.

"We believed in what we did. We believed in what we said, discussed and wrote. Therefore, it was correct," he said.

"From the moral point of view, there is no difference between personal terror and collective terror. Here and there blood is spilled; here and there people are killed," he said.

Boucher was asked by reporters the following day if he would consider the Stern Gang's activities terrorist.

"I'm not in the position to analyze those specific acts of 40 or 50 years ago," he replied, adding: "I think our position on terrorism is very clear."

Howard Sachar, history professor at George Washington University and author of a two-volume history of Israel, said in an interview that he believed the Stern Gang engaged in terrorism.

"Obviously you can't idealize these people. Their first founder was an admirer of (Benito) Mussolini," Sachar said, referring to Avraham Stern. "They accepted many of the tenets of Italian fascism."

CALIFORNIA ADOPTS ANTI-BOYCOTT BILL

By Tom Tugend

LOS ANGELES, Sept. 8 (JTA) -- The California State Assembly has adopted a bill prohibiting the state's huge pension funds from investing in international corporations that participate in the Arab League's economic boycott of Israel.

The main target of the legislation is the Arabs' "secondary boycott" of companies that do business with Israel. While state and federal laws already make such boycotts illegal for American firms, many foreign and international companies are among the boycott's strongest adherents.

"California exercised leadership in 1976, when we made it illegal for companies in this state to participate in the boycott," said Assemblyman Burt Margolin, who introduced the bill.

"With this new effort, California can be a leader again in opposing this unjust boycott by targeting foreign companies that participate in this disgraceful, discriminatory practice."

The measure passed by a vote of 57-16, three more than the required two-thirds majority.

REMINDER: The JTA Daily News Bulletin will not be published Tuesday and Wednesday, Sept. 10 and 11.

STATEMENT BY CARDINAL GLEMP GIVEN WIDE COVERAGE IN POLAND

By Debra Nussbaum Cohen

NEW YORK, Sept. 8 (JTA) -- A statement made last month by Cardinal Jozef Glemp of Poland, expressing regret over his "misunderstandings" with Jews, has been widely disseminated in Poland, according to information from the Polish Episcopate made public by the Polish Ministry of Foreign Affairs.

Glemp's statement was published by the Polish press agency PAP, three daily newspapers, Polish television and all Catholic weekly magazines, according to Hubert Romanowski, Poland's consul general in Chicago.

Romanowski notified Rabbi A. James Rudin, national director of interreligious affairs at the American Jewish Committee, of the Polish Foreign Ministry's information.

Glemp made his statement in an Aug. 12 letter to Archbishop Arthur Maida of Detroit, in which he "restated" that "anti-Semitism is evil and contrary to the spirit of the Gospel."

In that letter, he also said that he understood that "the seven members of the Jewish community who disturbed the peace of the Carmelite sisters" in July 1989 "did not intend to kill the sisters or destroy the convent."

He was referring to a demonstration at the Carmelite convent at Auschwitz, led by Rabbi Avi Weiss of New York.

In a homily Glemp made a month later, on Aug. 26, 1989, he charged that the demonstrators had intended to kill the nuns and destroy the convent.

Glemp also said, in that homily, that Jews were "getting peasants drunk," "spreading communism," and acting "from a position of a people raised above all others," statements which he did not refer to in his letter to Maida.

Jews Urged Not To Meet With Glemp

It is for that reason that Kalman Sultanik, president of the Federation of Polish Jews and vice president of the World Jewish Congress, has urged American Jewish leaders and representatives of American Jewish organizations not to meet with Glemp when he arrives in the United States.

"The statement of Cardinal Glemp is reminiscent of the notorious anti-Jewish publication 'The Protocols of the Elders of Zion,'" Sultanik charged.

"A meeting between Jewish leaders and the Cardinal should take place only after Cardinal Glemp clearly and unequivocally repudiates his anti-Semitic remarks of two years ago," Sultanik said Sept. 4.

He said he would urge representatives of the American Section of the World Jewish Congress not to meet with Glemp.

But no representatives of the World Jewish Congress have been invited to meet with Glemp, said Dr. Eugene Fisher, director of Catholic-Jewish relations for the National Conference of Catholic Bishops.

Invitations have been extended to those Jewish leaders who are "our traditional dialogue partners in the United States," Fisher said, not organizations like the World Jewish Congress, which deal primarily in the international arena.

The conference will be hosting a meeting between Glemp and about a dozen representatives of American Jewish organizations on the morning of Sept. 20 at its offices in Washington.

CROWN HEIGHTS CALM AFTER GRAND JURY DECIDES NOT TO INDICT HASIDIC DRIVER

By Debra Nussbaum Cohen

NEW YORK, Sept. 8 (JTA) -- Crown Heights remained quiet after a Brooklyn grand jury decided last week not to indict Yosef Lifsh, the Hasidic driver of a car that struck two black children, killing one of them, in an Aug. 19 accident that sparked four days of rioting.

Kings County District Attorney Charles Hynes called on the residents of Crown Heights "to refrain from senseless violence."

Black leaders, including the Rev. Al Sharpton and Colin Moore, a New York City Council member and lawyer, heeded his call, at least for the moment. Moore is representing the family of Gavin Cato, the 7-year-old child who was killed in the accident.

But the Lubavitch community was uneasy as the High Holy Days began.

"We just hope that from now on, everything will be peaceful and that the streets of Crown Heights will be returned to the people," said Lubavitch spokesman Rabbi Shmuel Butman.

"We are encouraged by the decision of the grand jury. It proves that the system can work, and that it can stand up to hatred, racism and terrorism."

"But there should have been no grand jury from the start," he said. "In none of the other 21 cases of vehicular accidents that resulted in death in Brooklyn in the last 12 months has a grand jury been empaneled."

Lifsh, who waived immunity to testify to the grand jury, has left New York to return to his home in Israel, Butman said.

Lifsh was one of 30 witnesses who testified before the grand jury.

There is no news yet on legal action being planned by the Lubavitch community against the city, or against those who murdered Yankel Rosenbaum, the Australian student stabbed to death by a gang of rioting black youths on the night Gavin Cato died.

ISRAELI POPULATION NOW 5 MILLION, AFTER LARGEST GROWTH IN 4 DECADES

By Hugh Orgel

TEL AVIV, Sept. 8 (JTA) -- Boosted by mass immigration from the Soviet Union, Israel's population grew more in 1990 than in any single Jewish year in the last four decades.

The population was estimated by the Central Bureau of Statistics to have reached 5 million by Rosh Hashanah, including 4.1 million Jews, 695,000 Moslems, 120,000 Christians and 85,000 Druse.

The Jewish population rose last year by 256,000, about 85 percent of them new immigrants, mainly from the Soviet Union, with a smaller number from Ethiopia. The growth was 6.7 percent, the highest since the end of massive immigration from 1948 to 1951.

Some 350,000 Soviet immigrants have arrived since 1989.

Uri Gordon, head of the Jewish Agency's Department of Immigration and Absorption, said over the weekend that an estimated 1 million new immigrants from the Soviet Union, expected over the next five years, would bring Israel's total population to between 5 million and 6 million.

This would make Israel the world's largest Jewish population center, replacing the United States.