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JEWISH LEADERS HAIL SOVIET CALL TO REPEAL U.N. ZIONISM RESOLUTION By Susan Birnbaum

NEW YORK, Sept. 25 (JTA) -- The fruits of glasnost and the failed August coup in Moscow were felt here and in Jerusalem as the Soviet Union, once a foremost foe of Israel at the United Nations, this week backed President Bush's call to rescind the 1975 General Assembly resolution branding Zionism a form of racism.

In a speech Tuesday, Boris Pankin, the new Soviet foreign minister, called on the United Nations to "once and for all leave behind the legacy of the ice age, like the obnoxious resolution equating Zionism to racism."

Jewish leaders here hailed the call, which was also made a day before by President Bush.

The Conference of Presidents of Major American Jewish Organizations "welcomes the Soviet minister's statement," said Malcolm Hoenlein, the umbrella group's executive director.

"As the initial author of the resolution, the Soviet Union's repudiation should be a major spur to the effort for its rejection by the entire

United Nations," he said.

In welcoming Pankin's statement, Steinberg, executive director of the World Jewish Congress, said the Soviet foreign minister "used the same kind of language that Ambassador (Yuli) Voronstov conveyed to us, that the resolution should be relegated to the dustbin of history."

Steinberg said Ukrainian President Leonid Kravchuk had made a similar statement to WJC leaders and Nobel laureate Elie Wiesel during their meeting earlier this month in Kiev. The Ukraine has its own seat in the General Assembly.

BAKER AND LEVY DISCUSS ASSURANCES ON PALESTINIAN REPRESENTATION ISSUE By Jackie Rothenberg

NEW YORK, Sept. 25 (JTA) -- The United States and Israel are hard at work on a letter of understanding between the two nations that would assure the Israelis of no surprises in terms of the Palestinian participants in the upcoming Middle East peace conference.

In a meeting here Wednesday with Secretary of State James Baker, Israeli Foreign Minister David Levy emphasized that the Israelis did not want any conference invitations to go out without prior knowledge on their part of all the essential details -- particularly with regard to any Palestinian delegation.

Among the details to be agreed upon are the choice of Palestinian representatives and the conference site.

Levy said that Baker understood the Israeli terms and assured him that there would be no "surprises" relating to the Palestinians.

Both sides characterized the meeting as positive and substantive, despite the friction between the two nations over Israel's request for U.S. guarantees covering \$10 billion in immigrant resettlement loans.

The two leaders touched on the sensitive issue only briefly in their 90-minute meeting, which dealt primarily with the particulars surrounding the peace conference.

"We talked about the importance of moving forward with the peace process and particularly the prospect of having Arab governments sit down face to face in direct negotiations with Israel," Baker said.

"I would hope we will soon receive a response from the Palestinians that they want to go to the peace conference and engage in negotiations with Israel," he said.

The Palestine National Council has not yet decided whether to authorize Palestinians from the administered territories to form a joint delegation with Jordan.

Levy said he and Baker may have a followup meeting on the subject, either in the United States or Israel. Baker was scheduled to meet later Wednesday with the foreign ministers of Jordan and three Persian Gulf states.

Baker and Levy also touched base on the 1975 U.N. General Assembly resolution branding Zionism as racism. The two countries have been working together toward rescinding the resolution since 1989, and President Bush called for its repeal in his General Assembly speech Monday.

In their meeting Wednesday, Levy said Baker told him that the United States and Israel would work jointly on the appropriate timing of such a resolution. Bush did not suggest a deadline in his General Assembly speech.

The Israelis have long said that they will not risk bringing a resolution to the floor without assurances of a comfortable majority of votes in their favor.

NEWS ANALYSIS: BUSH WINS FIGHT OVER GUARANTEES. BUT AT WHAT COST TO U.S.-ISRAEL TIES?

By David Friedman WASHINGTON, Sept. 25 (JTA) -- President

Bush has won his battle for a four-month delay in congressional consideration of Israel's request for guarantees covering \$10 billion in loans for immigrant resettlement.

But the cost of that fight to U.S.-Israeli relations and the Middle East peace process is not yet clear.

The future of both the loan guarantees and the relationship between Washington and Jerusalem may depend more than anything else on the Middle East peace conference that the United States still hopes to convene during the last week of October.

Bush said he pushed for a 120-day delay on the loan guarantees in order to avoid a divisive debate that could harm the peace conference.

But many in Congress and in the American Jewish community feel the president actually created a divisive debate through his harsh public words about Israel and especially his threat to veto any congressional move to approve the guarantees before January.

Israel and its supporters on Capitol Hill believe the loans, which would be used to help absorb thousands of Soviet and Ethiopian immigrants, are a humanitarian issue that should never have been linked to political issues, such as the peace process or Israeli settlements in the West Bank.

But once Bush made the linkage and threat-

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ened to veto congressional action, his request for a postponement was assured.

"Bush has never been beaten on a veto,"
Mark Pelavin, Washington representative of the
American Jewish Congress, observed. None of his
21 vetoes has been overridden.

Bill Still To Be Introduced

The delay became a certainty when both Senate Majority Leader George Mitchell (D-Maine) and House Speaker Thomas Foley (D-Wash.) indicated this week they would support it.

Rep. Lawrence Smith (D-Fla.) said in a telephone interview Wednesday that while most of his colleagues in the House of Representatives supported the guarantees on their merits, they did not want to get caught in a political crossfire.

At one point, Bush threatened to go to the American people and cast the issue as whether the president should be the one to control U.S. foreign policy.

Smith said most lawmakers still want to find a way to support the loans in the right "political climate." But he said the House will be following the Senate's lead on how to proceed.

Sens. Daniel Inouye (D-Hawaii) and Robert Kasten (R-Wis) still plan to introduce legislation authorizing the loan guarantees, with the proviso that it not be taken up until January.

The bill will have at least 67 co-sponsors, proving that supporters of Israel have, in theory, the two-thirds majority needed to override a presidential veto. But it is not certain the majority would hold after an actual veto.

Meanwhile, the American Jewish community plans to continue campaigning for the guarantees, focusing now on the January date. There remains a lot of enthusiasm for the loan guarantees in the Jewish community, said Jason Isaacson, the American Jewish Committee's director of governmental and international affairs.

But Jewish leaders are also trying to heal the rift between Israel and the United States. In particular, they have tried to cool down the rhetoric between Washington and Jerusalem.

Bush began to tone down his remarks last week and even had his press secretary, Marlin Fitzwater, say that the president would support loan guarantees, although not necessarily for the full \$10 billion.

Israel Urged To Help Ease Tension

A group of American Jewish leaders met in New York last Friday with Zalman Shoval, Israel's ambassador to Washington, and urged the Israeli government to do its part to soften the tension.

But Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations, denied Israeli press reports that the meeting was a shouting match or that there were demands from the Jewish leaders that Israel freeze its building of settlements in the West Bank.

Kenneth Jacobson, director of international affairs for the Anti-Defamation League, also denied that such demands were made at the meeting. He described it as an exchange of questions.

While a number of American Jewish organizations oppose Prime Minister's Yitzhak Shamir's esttlement policy, most believe the issue should be kept separate from the loan guarantees proposal.

Jess Hordes, ADL's Washington director, said that for the next few months, any congressional discussion of the loans will focus on such issues as assurances that they will not be used in the territories and perhaps even the need to insist on certain economic reforms in Israel.

But many expect the settlement issue could be settled by the negotiations at the proposed peace conference. Secretary of State James Baker has long argued that the first step in the peace process should be an Israeli freeze on settlements in return for an end to the Arab League boycott.

But many in Congress have argued that the president's call for a delay in approval of the loan guarantees could sabotage the conference before it begins. They note that the Palestinians and the Arab countries did not raise the settlement issue as an obstacle to their participation, although now they are doing so.

Some believe that concern about Israel's rapid expansion of settlements may have been one of the reasons that motivated the Palestinians and the Arab states to go to the conference.

ISRAEL WELCOMES HOSTAGE'S RELEASE, BUT NOT READY TO FREE MORE DETAINEES By Hugh Orgel

TEL AVIV, Sept. 25 (JTA) -- Israel has welcomed the release from Lebanon of British hostage Jack Mann, but made clear it will not free any more Arab prisoners until it is given reliable information on the fate of Israeli servicemen missing in Lebanon.

"When such irrefutable evidence is available, I believe Israel will make suitable gestures, but not before," said Uri Slonim, a lawyer attached to the Israeli team negotiating a prisoner exchange through U.N. Secretary-General Javier Perez de Cuellar.

Prime Minister Yitzhak Shamir said Tuesday night that he hoped to have good news for Israelis soon about the fate and return of Israeli prisoners. "But I cannot say anything about the further steps being taken in these complicated negotiations," he added.

Shamir welcomed the release of Mann, a 77year-old World War II fighter pilot held captive for 28 months. The pro-Iranian Hezbollah, or Party of God, turned him over to British officials in Damascus on Tuesday.

"I would hope that in the near future I will be able to announce something about which our public will be glad to hear," Shamir said.

Israel wants confirmation of reports that Capt. Ron Arad, an air force navigator shot down over Lebanon in 1986, is alive, and it ultimately hopes to get him back.

Israel also demands more credible information than it has obtained so far about the fate of Yosef Fink, an Israel Defense Force soldier captured in Lebanon in 1986 and believed dead.

It has accepted as "credible evidence" information confirming the death of another IDF soldier, Rachamim Alsheikh, kidnapped the same time as Fink.

The Israeli-backed South Lebanon Army released 51 Lebanese and Palestinian prisoners from El-Khiam detention camp in southern Lebanon on Sept. 11. At the same time, Israel returned the bodies of nine Hezbollah fighters.

In exchange, Hezbollah returned the body of Sgt. Samir Assad, a Druse IDF soldier who had died in captivity. The Shi'ite group now contends Israel had promised, through Perez de Cuellar, to free 80 prisoners in exchange for Assad's remains.

Defense Ministry spokesman Danny Naveh flatly denied that. He said the next move is up to Iran and the Lebanese groups holding hostages.

NOTORIOUS 'BUTCHER OF LYON' KLAUS BARBIE DIES OF CANCER

NEW YORK, Sept. 25 (JTA) - Convicted war criminal Klaus Barbie, the Gestapo chief in Lyon during World War II, died Wednesday in the city where his relentless cruelties earned him the epithet "bucker of Lyon,"

Barbie, a remorseless torturer who seemed to take special pleasure deporting orphaned Jewish children to death camps, succumbed to cancer of the blood, spine and prostate gland, according to a late report from Paris.

He was 77 and was serving a life sentence for crimes against humanity in St. Paul Prison, where many of his victims were once confined and interrogated by the Gestano.

and interrogated by the Gestapo.

Barbie had been in prison in Lyon since 1983, when he was extradited from Bolivia. He had prospered in business there for 33 years under the alias Klaus Altmann, protected by the right-wing dictatorship until it was overthrown.

Barbie not only evaded justice but avoided a death sentence pronounced on him in absentia in France shortly after the war. By the time he stood trial, the statute of limitations on war crimes had taken effect and the death penalty was abolished in France.

His trial began in Lyon on May 11, 1987 and lasted a year. Barbie was defiant and in fact refused to appear in court after the first day, his right under French law.

The testimony against him was damning, offered mainly by Holocaust survivors, among them Nobel Peace Prize winner Elie Wiesel.

Possibly his most brutal act was to order the arrest and deportation of 44 young Jewish childrens sheltered at a school in the village of Izieu, near Lvon, in April 1944.

Theoretically, Barbie could have been eligible for parole after serving 30 years of his sentence. He served only four.

On Monday, he was transferred to a hospital, where doctors said his condition was terminal.

GREEK COURT AGAIN POSTPONES ACHILLE LAURO EXTRADITION CASE By Jean Cohen

ATHENS, Sept. 25 (JTA) -- The Greek Supreme Court on Tuesday postponed for the second time an extradition hearing for Palestinian terrorist Abdulrahim Khaled, who is wanted in Italy for planning the hijacking of the Italian cruise ship Achille Lauro on Oct. 7, 1985.

Khaled, arrested in Greece in March on unrelated charges, was to go on trial here this week for drug and arms smuggling.

An appeals court had ordered his extradition to Italy, where he was convicted in absentia in the Achille Lauro case. But the Greek Supreme Court has now twice delayed hearing his appeal.

Khaled, 56, is described as the right-hand man of Palestinian terrorist Mohammed (Abul) Abbas, said to have actually masterminded the hijacking, which occurred in Egyptian waters.

Khaled, who was aboard the Achille Lauro, disembarked at Alexandria before gunmen seized the vessel, which was on a Mediterranean cruise from Genoa with a large number of American tourists aboard.

The passengers and crew were held hostage until Oct. 10. In that period, Leon Klinghoffer, an American Jew confined to a wheelchair, was shot to death by a hijackers and thrown overboard.

POLISH CARDINAL SERVED IN ALBANY WITH PAPERS FOR DEFAMATION SUIT By Susan Birnbaum

NEW YORK, Sept. 25 (JTA) -- Rabbi Avi Weiss was successful Wednesday in serving court papers for defamation and libel on Cardinal Jozef Glemp of Poland.

The papers were served in Albany by a court officer as the Polish primate left a cathedral in the New York state capital.

The suit will be filed in the next couple of days in Supreme Court, which in New York state is a trial court, not the highest appellate court.

The charges against Glemp are based on a homily he gave in August 1989, in which he accused Weiss and accompanying Jewish activists of trying to kill nuns living at a Carmelite convent situated on the site of the Auschwitz death camp.

The cardinal also accused the activists of trying to destroy the convent, and his speech was laced with references to Jews getting Polish peasants drunk, introducing communism to Poland and controlling the world news media.

Weiss's attorney, Alan Dershowitz, called the suit "really quite historical."

In a telephone conversation from his office at Harvard Law School, Dershowitz said it was "the first time ever that a cardinal has been sued by a rabbi for defamation relating to anti-Semitic statements."

He said the suit has "an airtight jurisdictional base," particularly because on Sept. 18, Glemp gave an interview to the Polish press in which he reiterated his 1989 remarks, claiming his statements were supported by literature and sociological research.

"Now he has an opportunity to summon those historians and sociologists, to see if they will back up his statements. He also has to explain to the American court why he falsely accused Rabbi Weiss, when he knew they were coming for a peaceful prayer vigil," said Dershowitz.

Complete Retraction Sought

He said Glemp has "no immunity whatsoever," despite his high clerical office and citizenship of another country.

The summons gives Glemp 20 days to answer the charges in an American court.

"In case of failure to answer, judgment will be taken by default for the relief demanded," said Dershowitz. "If we get the default, we will then enforce it in a Polish court," he said.

Weiss is not seeking monetary award. Money awarded in the case would be donated to charity,

the rabbi said.

"We would be satisfied if he issued a full and complete retraction that was widely circulated in Poland, as his original remarks were circulated in Poland and throughout the world," said Dershowitz.

"And while he is at it," he added, "it would be nice for him to retract his statements about Jews causing alcoholism and communism. It's one thing for him to say he is not an anti-Semite, but to in the same breath blame all of Poland's ills on Jews certainly incites anti-Semitism."

The lawsuit in a U.S. court was enabled by the distribution by Glemp's office of copies of his offensive speech.

"He knowingly made it in front of the world press. So under New York law, he knew, or should have known, that his statements would be published in New York," Dershowitz said.

GERMAN POLICE SEEM HELPLESS IN FACE OF NEO-NAZI VIOLENCE By David Kantor

BONN, Sept. 25 (JTA) -- Scenes reminiscent of the Hitler era are occurring in Germany, with intensive violence by neo-Nazis and Skinheads leading to injuries and, last week, even death.

In one of several attacks against foreigners in Germany, an African asylum-seeker was killed and two others seriously injured Sept. 19, in a fire attack on a hostel in Saarlouis, a town in the Saarland near the French border.

The hostel, housing some 30 asylum-seekers, was badly damaged. No arrests were made.

The same hostel was attacked recently, but all inhabitants had ample warning to evacuate before that assault. Saarlouis has seen several neo-Nazi attacks recently.

And another furious assault took place last Saturday night in Hoyerswerda, in former East Germany, close to Poland. It, too, was the latest of a series of attacks in the same town.

In the Saturday attack, another heavily guarded hostel housing foreigners was attacked by neo-Nazis, as hundreds of townspeople cheered.

Five refugees were injured, two of them seriously, in that assault. There were 16 arrests.

On Sunday, police in Hoyerswerda evacuated about 60 foreigners from the hostel as a protective measure.

More than 20 people have been hurt in Hoyerswerda, and property damage there has been estimated at \$1.3 million.

Attacks on foreigners seeking political asylum have also been reported in Hamburg and Stuttgart, both in former West Germany. In suburbs near Dresden, police barely prevented attacks on two other hostels for foreigners.

'No Place For Us In Germany'

On Sunday, a convoy of human rights activists came from Berlin to demonstrate solidarity with the Hoyerswerda refugees, but found most of them too frightened to stay.

"There is no place for us in Germany," one said. "It is a dangerous place for non-Germans."

The peril has been greatest in former East Germany where neo-Nazi groups apparently enjoy wide popular support and sometimes even get help from local police chiefs.

Such conditions were commonplace in Germany in the early 1930s. Even before Hitler came to power, brownshirt thugs beat up Jows, leftists and others on the streets, while bystanders applauded or looked away.

But it seems to observers that the government's current response to the situation has been to try to mollify the neo-Nazis instead of cracking down on them.

On Sunday, Interior Minister Wolfgang Schaueble urged the opposition Social Democratic Party to support government legislation that would drastically limit the entry of foreigners into the country. It is the only way to prevent the escalation of hatred against them, he said.

The government last month rejected propos-

als by the Jewish community to tune up the legal machinery to deal swiftly with neo-Nazi violence. The proposals were repeated Sunday by

Heinz Galinski, the Jewish community chairman, in the aftermath of the violence in Hoyerswerda.

The German government on Monday issued a statement condemning the violence, but blamed it largely on the legacy of East German communism.

CANADIAN CANDIDATE LEAVES RACE BECAUSE OF NEO-NAZI CONNECTION By Gary Pogrow

VANCOUVER, British Columbia, Sept. 25 (JTA) -- A candidate in this month's provincial elections dropped out of the race Monday after his links to neo-Nazi propagandist Ernst Zundel were exposed by the Vancouver Sun.

John Ball, running on the slate of the governing Social Credit Party, admitted he was employed briefly as a consultant by Zundel, who denies the Holocaust ever occurred.

He said he had worked for him for three days in Washington examining aerial photographs of Auschwitz and other Nazi death camps, for which he was paid several thousand dollars.

Ball claimed it was just another job and that he did not agree with Zundel's politics.

But later he admitted attending a meeting sponsored by the Canadian Free Speech League, an organization headed by Doug Christie, defense lawyer for suspected war criminals, neo-Nazis and Holocaust revisionists such as Zundel.

The expose won praise for Sun reporter Stewart Bell, who discovered that Ball and Zundel had appeared together on a Canadian Broadcasting Corp. television program in 1985.

But it further soured Jewish attitudes toward the Social Credit Party, which has given the Jewish community cause to be wary.

Ball's name was found among the acknowledgements in a revisionist book titled "The Grat Holocaust Trial." He was credited with "playing an important role" at Zundel's trial for disseminating hate propaganda.

Nevertheless, Social Credit Premier Rita Johnston, who is running for re-election, seemed less than enthusiastic about accepting Ball's resignation.

'No Big Deal'

It is "no big deal," she said on British Columbia Television. "This is an unfortunate incident that has been blown a wee bit out of proportion," she said.

She accused the media of "trying to make a mountain out of a molehill."

Johnston said she learned of Ball's association with Zundel when the story broke Monday morning and promptly obtained his resignation.

But there is evidence she was well aware of the situation several days before.

Reporter Bell told the Jewish Telegraphic Agency that Ball telephoned Campaign Manager Jess Ketchum the previous Friday night and offered to resign then.

Ketchum confirmed later that he and Patrick Kinsella, the campaign chairman, talked to Ball that Friday night, when Ball offered to quit "for the good of the party."

The Social Credit Party apparently withheld his resignation until Monday, when it would see the story and decide if it was damaging.

A spokesman for the Canadian Jewish Congress-Pacific Region, Michael Elterman, said, "We were quite annoyed that the premier didn't ask Ball to resign as soon as she heard about it, but instead waited to see what the media reaction was going to be before she accepted Ball's resignation."

But Elterman said he is relieved Ball is out of the race, "because there has been a trend in recent years to have extremist right-wing candidates enter legitimate mainstream politics."