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**WASHINGTON IS U.S. CHOICE FOR NEXT
ROUND OF TALKS; SHAMIR NOT CONSULTED**
By David Landau

JERUSALEM, Nov. 24 (JTA) -- The question of where the next round of Middle East peace talks will take place continued to be the main obstacle to the resumption of talks and was a new source of friction between the United States and Israel as Prime Minister Yitzhak Shamir returned Sunday from his 10-day visit to the United States.

Shamir made no secret of the fact that he was irked by the failure of the United States to consult with Israel before issuing invitations to Israel, the Arab states and the Palestinians to resume their bilateral negotiations in Washington on Dec. 4.

But Shamir, speaking at an airport news conference, rejected Police Minister Ronni Milo's earlier description of the slight as an "insulting ultimatum."

Shamir said he had voiced "a certain complaint" about the procedure during his meeting with President Bush at the White House on Friday. He insisted, however, that there was no crisis of confidence between him and the U.S. president, only differences over the site of the talks.

'Injury And Outrage'

Officials said the prime minister and members of his Cabinet would discuss the situation over the next few days. Washington has requested a reply to the invitation by Monday, but it is not likely to get one from Israel by then.

Israel could delay its reply in order to convey the sense of "injury and outrage" felt in government circles when Washington saw fit to issue the invitations only hours before Shamir's meeting with the president, without informing Shamir in advance.

But in the end, sources here said privately late Sunday, the talks will most probably resume in Washington on Dec. 4 as the Americans wish.

Jordan is the only invitee that accepted immediately. The Palestinians have not yet formally accepted the invitation, but have indicated that they will. The United States has heard nothing from Syria or Lebanon.

Shamir, for his part, prefers to play down the squabble with the Bush administration over venue and put the onus for the delay on the Arabs.

The Arabs, he told his news conference, do not want to talk directly to Israel, but to use Washington as a conduit to Israel.

"If indeed the Arabs' attitude toward direct negotiations with Israel has really changed, the first expression of that should be a willingness to hold talks in the region," the prime minister contended.

"But they are refusing to talk to us directly," he said.

Israel held its first bilateral meetings with Syria, Lebanon and a joint Jordanian-Palestinian delegation in Madrid on Nov. 3, following the ceremonial opening of a Middle East peace conference under U.S. and Soviet auspices there on Oct. 30.

No date or place was agreed upon for subsequent meetings.

U.S. Secretary of State James Baker announced at the time that the United States would make its own recommendations if the parties could not reach agreement among themselves within two weeks.

The Arabs wanted the talks to continue in Madrid. Israel insisted they be held in the Middle East, alternating between sites in Israel and the Arab countries.

'Nitpicking'

But the presence of Arab delegates in Israel would amount to de facto recognition, which the Arabs refuse to grant before Israel indicates it is willing to make territorial concessions for peace.

Israel is said to be prepared now to accept Cyprus as the locale of bilateral talks, a site it rejected two weeks ago.

Former Secretary of State Henry Kissinger, appearing on NBC-TV's "Meet the Press" program Sunday morning, said he could not understand why the administration was even engaged in a "nitpicking" discussion on the venue for the talks.

"I believe it is important for Israel and the United States to have serious substantive discussion about the nature of the process," Kissinger said.

He added that the Middle East diplomacy by the Bush administration has been "very impressive," except for an "excessive concern with procedure."

But Shamir left Washington concerned that there was excessive U.S. pressure on Israel to accept its offer of venue.

After a meeting with Baker on Thursday evening, Shamir said the question of the negotiating site was still open.

But even before Shamir met with Bush on Friday morning, the Palestinians announced they had already received an invitation from the administration to attend the negotiations in Washington.

Shamir left the White House maintaining that the site remained open to question. But about an hour later, White House spokesman Marlin Fitzwater announced that the invitations had been sent for Dec. 4 meetings in Washington.

'An Impression of Coolness'

In an apparent gesture to the Israelis, State Department spokeswoman Margaret Tutwiler said that "over time, there is no reason to exclude holding negotiations in the region."

But Shamir stressed after the meeting that his talks with Bush were friendly.

During a picture-taking session with Bush, Shamir beamed as Bush expressed his respect "for this man."

In a prerecorded interview with "Meet the Press," Shamir denied he believed Bush has changed his opposition to a Palestinian state or to dividing Jerusalem.

He said he had told Bush that this was, however, the perception of the Arabs.

But Kissinger said that there has been "an impression of greater coolness (toward Israel) than has been the case."

SHAMIR CLAIMS AMERICAN JEWS ARE '100 PERCENT' BEHIND HIM

By David Friedman

WASHINGTON, Nov. 24 (JTA) -- Israeli Prime Minister Yitzhak Shamir ended a 10-day visit to the United States convinced that the American Jewish community completely supports his policies.

"I am sure 100 percent that the rank and file of the Jewish population, the Jewish community in the United States, supports my views, my opinions," Shamir said in an appearance on CBS-TV's "Face the Nation" on Sunday morning.

In the interview, which was taped before Shamir left for Israel on Saturday night, the prime minister said he did not believe a poll by the Los Angeles-based Wilstein Institute of Jewish Policy Studies that the majority of board members of the Council of Jewish Federations and local federation presidents did not support his policies.

The poll found that the leaders overwhelmingly favored a territorial compromise for "credible guarantees for peace" and would support a settlement freeze if it were the only way Israel could get U.S. guarantees for \$10 billion in loans to help absorb tens of thousands of Soviet Jews over the next five years.

"Who are these leaders?" Shamir asked. He said he met with thousands of people, not only when he addressed the CJF General Assembly in Baltimore on Thursday, but also in Los Angeles and Boston.

"Everywhere I got an enthusiastic reception and whatever I said about this question was received with great enthusiasm," he said.

PALESTINIANS IN THE WEST BANK DEMONSTRATE FOR AND AGAINST PEACE

By Hugh Orgel

TEL AVIV, Nov. 24 (JTA) -- Palestinians by the thousands attended rival demonstrations in the West Bank on Saturday, some ready to embrace peace, other still clamoring for violence. No clashes were reported between opposing groups.

Advocates of armed struggle clearly outnumbered those who turned out to support peace talks with Israel.

The largest pro-peace rally drew about 500 Palestinians and Israelis bearing olive branches to the Friends School in Ramallah. Held under the banner, "Two Peoples Speak Peace," the rally, inspired by Peace Now, described itself as the largest joint peace demonstration ever held by Arabs and Jews.

But it was dwarfed by a rally of several thousand Palestinians in Nablus protesting the Madrid peace conference under the slogan, "The Land is our identity; liberate it with the gun and the Koran."

That gathering, and several others of the anti-peace camp, were organized by the Islamic fundamentalist Hamas movement, which had agreed in advance not to interfere with the rally in Ramallah.

At a demonstration of about 500 Palestinians in Arraba near Jenin, the featured speaker was Ali Abu Hilal of the radical Democratic Front for the Liberation of Palestine, a breakaway faction of the Palestine Liberation Organization.

He urged the PLO to withdraw its support from the U.S.-sponsored peace talks before it is forced to make more concessions.

Hilal, a recently returned deportee, had been

proposed for membership on the official Palestinian delegation to the Madrid peace conference. Israel allowed him to return to the West Bank in exchange for the body of Samir Assad, the Israeli Druse who died of unknown causes while held in Lebanon by the Democratic Front.

But Hilal, who had been deported to Jordan five years ago for terrorist activities, did not take part in the talks, partly because of his own opposition to the peace process and partly because Israel would probably have refused to accept him.

The Democratic Front has, in fact, split over the peace process. Opposing the talks is a group led by the former head of the whole DFLP, Nayef Hawatmeh. That is the group to which Abu Hilal belongs, according to Ha'aretz Washington correspondent Ori Nir.

Meanwhile, a group of about 70 Arab and Jewish peace advocates was forced to move its rally from the Israeli town of Givat Haviva to a site on the 1967 "Green Line," the unofficial boundary between Israel proper and the West Bank.

Peace Now said the site had to be changed because the Israel Defense Force refused to allow West Bank Arabs to enter Israel.

CABINET GETS THE LOWDOWN ON RAPID RISE OF JOBLESSNESS

By Gil Sedan

JERUSALEM, Nov. 24 (JTA) -- As hundreds of jobless demonstrated Sunday outside the Prime Minister's Office, the Israeli Cabinet heard alarming reports about the rapid rise of unemployment in Israel and the consequences it is already having for aliyah.

Menahem Porush, the deputy minister of labor and welfare, urged the government to take drastic measures immediately or face record unemployment of 250,000 next year.

Porush told the Cabinet that he has reports of children scavenging for food in garbage cans and children "chewing nylon sheets instead of food" in the development town of Netivot in southern Israel.

But by the end of a six-hour session devoted to the unemployment problem, the Cabinet had agreed to only one of several corrective measures proposed by the deputy minister -- doubling the number of persons eligible for vocational retraining.

It will be raised from 60,000 to 120,000. But that is unlikely to have an impact, considering that only 40,000 trainees have taken advantage of the program to date.

Absorption Minister Yitzhak Peretz said rising unemployment was responsible for the sharp drop in immigration, which fell from a high of 20,500 in June to the some 7,000 to 8,000 expected this month.

According to the latest figures, 145,000 Israelis are currently seeking work. The Labor and Welfare Ministry predicts 200,000 idle by the end of this year and 250,000 by the end of 1992.

Unemployment is now running at an annual rate of about 11 percent.

The paradox is that employment increased by 6 percent in the past year, attributable to incentives given the private sector. But the rise cannot keep pace with mass aliyah, which has swollen the number of immigrants unable to find work.

The Cabinet decided to continue the discussion at its next session.

**ISRAELI TRADE LEADER IN CHINA
PREDICTS TIES SOON ESTABLISHED**

By Hugh Orgel

TEL AVIV, Nov. 24 (JTA) -- The leader of Israel's first official trade delegation to China predicted Saturday from Beijing that diplomatic relations between the two countries would be established within a matter of months.

Dan Gillerman, chairman of the Federation of Israeli Chambers of Commerce, made that forecast to reporters in the Chinese capital after his delegation of 10 leading Israeli businessmen met with the Chinese vice president, Wu Xueqian.

It was the highest-level official meeting ever held between Israelis and Chinese, Gillerman pointed out.

He said he could not confirm reports that Israeli Defense Minister Moshe Arens had made a secret visit to China early this month, just after the Madrid peace conference.

Neither Arens nor his aides would comment. But the Israeli daily Yediot Achronot published a half-page photograph of the defense minister Friday, ostensibly in Beijing.

Gillerman said direct economic, travel and communications links would be set up within a short time between Israel and China. As for diplomatic ties, "all signs are that they will be established in the not-too-distant future," he said, adding that "I would think in terms of months rather than years."

**LABOR CONVENTION SEES PARTY
DIVIDED ON RELIGION, GOLAN**

By David Landau

JERUSALEM, Nov. 24 (JTA) -- Israel's Labor Party ended the first session of its national convention Thursday night deeply divided on two highly emotional issues -- the role of religion in national affairs and a Golan Heights settlement freeze.

The old-guard party leadership was stunned Thursday when the convention adopted a resolution supporting religious pluralism.

The party's so-called radicals engineered a winning 390-302 majority for a resolution providing for the separation of church and state and for a constitutional guarantee of religious pluralism.

Religious pluralism in Israel does not refer to non-Jewish faiths, which are recognized in the Jewish state, but to the Reform and Conservative branches of Judaism, which are not.

The Labor Party's resolution would effectively dismantle the present state-subsidized religious establishment, monopolized by Orthodox Judaism.

There was a swift outcry among Labor stalwarts, not only from the four Orthodox political parties firmly aligned with Likud in the governing coalition, but from Labor Party members who identify themselves as Orthodox or "traditional" Jews.

The Labor leadership looks hopefully to the religious parties as possible partners in a Labor-led coalition government. Party leader Shimon Peres said the resolution would gravely damage Labor's image, prospects and standing with its religious supporters.

In fact, the leadership had been successful in defeating a move to endorse civil marriage in Israel, but was unable to stop the resolution for religious pluralism.

Opponents to the resolution were promptly

assured the resolution would be revoked, by the "troika" at the head of the party: Peres, No. 2 leader Yitzhak Rabin and Yisrael Kessar, secretary-general of Histadrut, the powerful trade union federation that has always been the seat of Labor Party strength.

Peres said he was sure the resolution would be rescinded when the convention meets for its second session a month from now.

On the resolution calling for a freeze on settlement in the Golan, the leadership's response was less unified. The resolution was adopted by a margin of about 40 votes, with some 1,300 delegates casting ballots.

Negative reaction came from Labor Party members who live on the Golan Heights and activists of the kibbutz movement, another source of Labor strength.

A public meeting was held Saturday, at Katzrin in the Golan, at which the Labor-affiliated United Kibbutz Movement was urged to build a new Golan settlement immediately to demonstrate its dissociation from the resolution.

Some at the meeting threatened to leave the party unless the resolution is abrogated officially or ignored in practice. But the Labor leadership, including the hawkish Rabin, is on record in support of the party's platform, which endorses territorial compromise for peace.

That includes the Golan Heights, which Israel has annexed, no less than the West Bank and Gaza Strip, which it administers.

Rabin affirmed that position, saying he favored "a compromise, territorial or otherwise," on the Golan, adding that territorial concessions would be "in kilometers, not centimeters."

**SHAS RABBI OVADIA YOSEF
BANS NON-RELIGIOUS PAPERS**
By Gil Sedan

JERUSALEM, Nov. 21 (JTA) -- The spiritual leader of the Shas party published a ban on non-religious newspapers last week.

Pious Jews must refrain from reading the secular press because it contains "heresy and contempt for the Torah and the sages," Rabbi Ovadia Yosef, the former Sephardic chief rabbi of Israel, proclaimed in his column in the Orthodox weekly Yom Hashishi (Friday).

Secular newspapers are not to be permitted, "especially when there are children in the home who might be spiritually poisoned," the rabbi said.

He stressed he was not issuing a temporary edict but a strict halachic ban supported by all rabbis. He urged that it be circulated widely among the public.

Shas is one of the three Haredi -- ultra-Orthodox -- political parties in the Likud-led coalition government. Its constituency is largely Sephardic.

Yosef has shown no qualms about giving interviews on secular television and his spokesmen maintain contacts with non-religious journalists.

Nevertheless, he blasted the secular press for "licentiousness, obscenity, nonsense and violent incitement against anything which smells sacred."

He warned that even selling secular newspapers is a sin because it "assists the sinners."

The Sephardic rabbi particularly banned the reading of any newspaper on the Sabbath, even the pious journals. He said it applied especially to yeshiva students who might be tempted to peruse Orthodox newspapers on the holy day.

**CJC ASKS ONTARIO ATTORNEY GENERAL
TO LOOK INTO ZUNDEL GERMANY TRIAL**
By Gil Kezwer

TORONTO, Nov. 24 (JTA) -- The Canadian Jewish Congress has asked the Ontario attorney general to investigate whether convicted Holocaust revisionist Ernst Zundel violated his parole when he recently distributed material in Germany denying the Holocaust took place.

The CJC asked Attorney General Howard Hampton to look into whether Zundel's activities abroad are enough to order him deported from Canada.

The German national, who never acquired Canadian citizenship, was convicted in early November by a Munich court of distributing hate material and fined more than U.S. \$20,000.

He was also stopped last week from entering Spain to take part in a fascist demonstration that was held Nov. 19 in honor of the late Spanish fascist dictator, Gen. Francisco Franco.

A spokesperson for the Ontario attorney general said the Justice Ministry had already spoken with German authorities about the matter but had not yet decided whether Zundel had breached his bail conditions.

Zundel, 52, told the Munich court that the neo-Nazi videotapes and newsletters he was charged with distributing were made and circulated in Germany without his knowledge. He claims the tapes were edited from "documentaries" made in 1980 and 1982.

Zundel is appealing his conviction in Germany.

Zundel, who lives in Toronto, was arrested in Munich in March while attending a conference and rally of revisionist historians. His lawyer, Klaus Goebel, denies he intended to speak.

According to a police spokesman, a warrant for Zundel's arrest was issued in Stuttgart as early as 1980.

Zundel was convicted of 210 counts of defamation and ordered to pay a fine of over U.S. \$20,000 but chose to appeal. Under German law, if a defendant decides to contest the fine, a trial is held.

Zundel, who is originally from an area in eastern Germany that was absorbed by Poland after World War II, came to Canada in the late 1950s.

A Scale Model Of Auschwitz

Because of his recent activities in Europe, the CJC has asked that Zundel not be allowed back in Canada.

Zundel is scheduled to appear before the Supreme Court of Canada, in Ottawa, on Dec. 10, for the appeal of his 1988 conviction for knowingly publishing false news, in violation of Section 177 of the Criminal Code.

Zundel was originally convicted in February 1985 on charges of distributing "Did Six Million Really Die?" That pamphlet denies the existence of any Nazi plan of genocide against the Jews during World War II and claims the Holocaust is a hoax designed to enrich the State of Israel through reparations. Both his convictions in Canada make him liable for deportation, which has so far been stayed pending his appeals.

In Zundel's first Canadian trial, a 12-person jury found him guilty of publishing false news and sentenced him to 15 months in prison. But the Ontario Court of Appeal overturned that conviction and ordered a new trial.

In May 1988, following a new trial that received far less media coverage, he was given a nine-month sentence.

Zundel is currently subject to a U.S. \$8,900 Ontario bail order pending his appeal. Should he lose that appeal, he faces deportation proceedings.

Zundel calls his Toronto house his "bunker," has a scale model of Auschwitz in his basement, bars on his windows and a security camera of his roof, and wears a bulletproof vest, according to a 1985 profile in the New York daily Newsday.

(JTA correspondent Ben Kayfetz in Toronto contributed to this report.)

**AUSTRALIAN FARMERS' ECONOMIC WOES
ARE FODDER FOR THE ANTI-SEMITES**
By Jeremy Jones

SYDNEY, Australia Nov. 24 (JTA) -- Australian farmers have become fair game for right-wing extremists and anti-Semitic groups because of the ongoing depression in the country's chief agricultural products, wheat and wool, Jewish leaders were told last week.

A delegation of the Executive Council of Australian Jewry met in Canberra with Rock Farley, executive director of the National Farmers Federation, the umbrella body of wheat and sheep farmers organizations.

He told them that the wheat and sheep belt in the eastern quarter of the country is in desperate straits because of the combined effects of drought and the European-American trade war.

Anti-Semitic organizations have taken advantage of the despair to recruit members searching for scapegoats, Farley said. The farmers find themselves turning to "simplistic political solutions," he explained.

The situation directly echoes one that has existed in the United States for some time, becoming more intense as the economy worsens.

In 1985 and 1986 Jewish groups held meetings with Christian clergy and rural farm organizations in efforts to combat a rise in activities by racist, anti-Semitic groups in the nation's farm belt.

Much of the anti-Semitic activity in the United States was, and, to a lesser extent, continues to be promulgated by adherents of the Christian Identity movement, a pseudo-Christian group that is part of the virulently anti-Semitic right.

Among those groups making anti-Semitic inroads in the American farm belt was the Lyndon LaRouche cult, which prophesied a worldwide agricultural collapse and mass starvation. A LaRouche affiliate group, the Schiller Organization, tried to sign up farmers at propaganda meetings throughout rural communities in the U.S. Midwest.

In New Solidarity, the newspaper of LaRouche's National Caucus of Labor Committees, a front-page story ran in 1985 claiming that the "Dope Lobby is Behind Reagan Farm Cutbacks."

"Dope lobby" is a LaRouche code word for a so-called Jewish conspiracy in drug trafficking, criminal violence and terrorism.

The Australian Jewish Executive Council provided information to Australian farmers on the activities of the LaRouche group, which is conducting an anti-British campaign in Australia.

The farmers' spokesman said the LaRouche views were repugnant to most Australians. But he agreed that their conspiracy theories are dangerous because of the professional manner in which they are presented.