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# ISRAEL WON'T USE U.S. LOAN MONEY FOR SETTLEMENTS, SHAMIR PROMISES

By Gil Sedan

JERUSALEM, Jan. 30 (JTA) -- Prime Minister Yitzhak Shamir promised Thursday that money Israel borrows through U.S.-guaranteed loans will be earmarked exclusively for the absorption of immigrants, not building settlements in the administered territories.

Shamir's remarks to leaders of the State of Israel Bonds Prime Minister's Mission here were clearly intended to mollify the U.S. administration and American public opinion.

The Bush administration has been adamantly opposed to Israel's settlement-building program, which it considers an obstacle to peace, and refuses to underwrite it, directly or indirectly.

Secretary of State James Baker called last week for a freeze of settlement-building in return for the loan guarantees.

Shamir fell short of making any such commitment. He said instead that Israel "must clarify to American public opinion clearly and strongly" that it is not seeking grants from the United States but merely guarantees, to help it negotiate commercial loans at reasonable rates.

These guarantees will not cost the American taxpayers one penny, he maintained.

He urged the Bonds leaders to continue to raise funds for aliyah. There are still many immigrants to absorb, he said, and absorption costs are very high.

Israel's ambassador to Washington, Zalman Shoval, who discussed the loan guarantees with Baker on Jan. 24, is returning here next week to confer with Israeli officials on the matter.

## NEWS ANALYSIS:

### PEACE AND IMMIGRANT ABSORPTION WILL BE MAIN ISSUES IN ELECTIONS

By Gil Sedan

JERUSALEM, Jan. 30 (JTA) -- Even before Israel's major parties agreed this week to hold Knesset elections on June 23, it was clear that an early referendum would take place and that the campaign would focus on two pressing issues: peace and immigrant absorption.

The outcome is likely to depend on the voters' perception of which party or politician offers the best economic, political and ideological choices. This year, about 200,000 voters will be new immigrants, mainly from the former Soviet Union.

Likud, the party that has governed Israel for 15 years, will claim success in both of the two key areas.

It will point to the fact that 400,000 olim have been absorbed since 1989. And it will prove to the public that it can make peace for the second time in the history of the state, declared Justice Minister Dan Meridor, a close ally of Prime Minister Yitzhak Shamir.

Likud's first peacemaking success was the 1978 treaty with Egypt, negotiated by Menachem Begin, who was then prime minister.

Now Shamir's government is engaged in peace negotiations with three Arab states and the Palestinians. "It will not be an irresponsible

peace, but rather peace combined with security," Meridor promised.

The opposition Labor Party, of course, will try to turn Likud's argument on its head.

Labor will contend that while Shamir talks peace, he does not mean peace, because he clings to ideological imperatives that make a peaceful settlement impossible.

It will claim that immigrant absorption has been a fiasco; that the government has no program to improve it; that funds are diverted to a frantic settlement-building program in the administered territories, jeopardizing American loan guarantees for resettling immigrants while 40 percent of the olim are jobless and immigrant housing remains in short supply.

The latest political polls show Likud and Labor evenly divided among the voters, with slight gains for the far-right parties.

According to Knesset member Binyamin Begin, son of the former prime minister and a rising star in Likud, the balance between the two major political blocs will be preserved in the elections, and another national unity government therefore cannot be ruled out.

But Labor is more seriously split over its future leadership than Likud.

Party Chairman Shimon Peres is clearly less popular than Yitzhak Rabin, his longtime rival for the office of prime minister, the polls show.

## Shamir Faces Challenge From Sharon

Moreover, Labor has a younger generation of ambitious politicians who may be ready to challenge either veteran. They include Yisrael Kessar, secretary-general of the powerful Histadrut trade union federation; Ora Namir; and Haim Ramon, chairman of Labor's Knesset faction.

Shamir's leadership of Likud seems on firmer ground. But a serious problem is posed by Housing Minister Ariel Sharon, the party's most outspoken hawk, who says he is running for Shamir's job.

Sharon has directed a barrage of criticism against the government for offering the Palestinians limited self-rule in the territories.

He calls autonomy a "disaster," thereby gaining mileage with the militant settlers movement in the territories, a core constituency of Likud.

Sharon would forego the U.S. loan guarantees rather than freeze settlement-building. He would further defy Washington -- and cripple the peace process -- by extending Israeli law to the Jewish-populated areas of the West Bank and Gaza Strip, a move tantamount to annexing both territories.

The June 23 election date was officially announced Thursday, after the Labor Party leadership approved an understanding reached with Likud. Labor had originally favored June 16.

But Prime Minister Shamir told reporters "a week earlier or later would not have mattered." He said he was satisfied with the date.

Ordinarily, elections would not have been held until November 1992, when the term of the 12th Knesset expires. But Shamir's Likud-led coalition government lost its parliamentary majority a week ago when the far-right Tcheiya and Moledet parties defected. Early elections then became a virtual certainty.

**PFLP LEADER'S ADMISSION TO HOSPITAL  
IN PARIS TRIGGERS FOUR RESIGNATIONS**  
By Michel Di Paz

PARIS, Jan. 30 (JTA) -- A political furor erupted this week after the leader of a radical Palestinian faction was hospitalized here.

Four top government officials tendered their resignations following the admission of George Habash, who suffered a stroke at his home in Tunis and was flown here Wednesday night for treatment.

Habash's dissident Popular Front for the Liberation of Palestine has been implicated in many terrorist attacks.

It was expected he would undergo minor brain surgery, Palestine Liberation Organization sources said.

The sources said Habash, 65, was admitted to France with the full approval of the French authorities and is hospitalized at a French Red Cross clinic in Paris.

The head of the French Red Cross was among those tendering resignations. Habash's admission found the Foreign Ministry and the Red Cross each placing responsibility on the other.

The decision to admit Habash apparently was taken by former Cabinet member Georgina Dufoix, who resigned Thursday as head of the French Red Cross. Dufoix has been an adviser to President Francois Mitterrand. The Elysee Palace said that Mitterrand had accepted his resignation.

Meanwhile, Foreign Minister Roland Dumas demanded and got resignations from his Cabinet director, Bernard Kessedjian, and his secretary-general, Francois Scheer.

The Cabinet director at the Interior Ministry, Christian Vigouroux, also resigned.

The PFLP has taken credit for several attacks on civilian airliners, including the 1976 hijacking of an Air France jet to Entebbe, Uganda.

The PFLP broke years ago with Yasir Arafat's mainstream Al Fatah faction of the PLO but remains under the PLO umbrella.

While Arafat has been officially received in Paris, the decision to bring Habash here, where so many terrorist attacks have taken place, was sharply criticized by the right-wing opposition.

"It is an insult to the victims of terrorism," said Gerard Longuet, head of the Republican Party.

Nor could French television find a member of the ruling Socialist Party willing to speak in favor of Habash's presence.

Mitterrand, on an official visit to Oman, was clearly embarrassed by the affair. He was quoted as saying Habash's time in France should be "extremely brief."

**IDF UNCOVERS EIGHT TERROR GANGS**

JERUSALEM, Jan. 30 (JTA) -- Eight terrorist gangs operating in the West Bank were recently uncovered by the Israel Defense Force in cooperation with the General Security Services, or Shin Bet, it was reported here Thursday.

The gangs, whose substantial arms caches included Israeli-made Uzi submachine guns and rifles, were responsible for many terrorist attacks, the report said.

The terrorists were identified as members of the Palestine Liberation Organization's Al Fatah faction, the Popular Front for the Liberation of Palestine-General Command and the Democratic Front for the Liberation of Palestine.

**AIPAC DIRECTOR SAYS AMERICAN JEWS  
SHOULD NOT OPENLY CRITICIZE ISRAEL**  
By Howard Rosenberg

WASHINGTON, Jan. 30 (JTA) -- Is it wrong for U.S. Jews to publicly criticize Israel on issues of security or political ideology?

Yes, according to Thomas Dine, executive director of the American Israel Public Affairs Committee, who debated the issue Wednesday with Leonard Fein, founder and former editor of Moment magazine, a U.S. Jewish monthly and now a columnist for the weekly Forward.

Dine's views drew no public support during a subsequent hostile question-and-answer session with 55 members of the New Israel Fund, which sponsored the debate on Jewish dissent. The group is a rarity among pro-Israel Jewish groups in that it donates money directly to programs in Israel rather than through the United Jewish Appeal.

Dine was partly echoing a standard policy plank of the Conference of Presidents of Major American Jewish Organizations, which claims that U.S. Jews should not publicly criticize Israel on security issues.

But Dine goes further than the Conference of Presidents in also making Israeli political ideology a taboo subject.

Political ideology basically refers to those tenets of the Labor or Likud parties that drive their policies, such as Likud's policy of accelerating Jewish settlements in the West Bank.

Dine argued that to air Israel's faults in public would be as insensitive as a marriage partner going public and saying something bad about his or her spouse.

He also cited how the ancient Greek kingdom of Athens fell to Sparta because of "internal strife." Continued public airing in the United States of criticism of Israel will create "splits among ourselves," Dine argued.

**'Ugly Along With The Pretty'**

Fein retorted by accusing Dine of formulating a "corruption of public discourse."

If U.S. Jews followed Dine's model, then they would lose their "credibility" for refusing to acknowledge the "ugly along with the pretty." That is the difference between being advocates and apologists, Fein argued.

Fein also accused Dine of challenging the motives of critics of Israel by saying that some do so to "get their name in certain newspapers."

Frank Fisher, treasurer of the New Israel Fund, protested Dine's position on political ideology, saying an issue such as settlement policy "does not move out of the realm of debate because the government feels deeply about it."

Dine advised that instead of criticizing Israel publicly, U.S. Jews should do so privately in meetings with Israeli officials.

He said that some of Fein's statements in the late 1970s critical of Israeli settlements were used by then-Rep. Paul Findley (R-Ill.) to argue for reductions in aid to Israel. Findley, who later blamed pro-Israel activists for his electoral defeat, was "not very friendly to Israel," Dine said.

Fein responded that he was glad to have Findley air his views. Had Israel heeded that "early warning" about its expansion of settlements in the West Bank, then it might very well have avoided its current bickering with the Bush administration over a request for \$10 billion in U.S.-guaranteed loans for immigrant absorption, Fein argued.

**BOB KERREY BRINGS HIS CAMPAIGN  
TO JEWISH ORGANIZATIONAL LEADERS**  
By Larry Yudelson

NEW YORK, Jan. 30 (JTA) -- Bringing his quest for the Democratic presidential nomination to Jewish organizational leaders here, Sen. Bob Kerrey described a flight over Israel as the guest of Benjamin Netanyahu.

He recalled traversing the distance between Tel Aviv and Israel's 1967 border in barely three minutes.

"The old political buzzwords of national security took on new meaning for me," the former Nebraska governor told the Conference of Presidents of Major American Jewish Organizations on Wednesday.

He did not tell the Conference of Presidents whether or not he was persuaded to adopt the views of his guide who, as a deputy minister to Yitzhak Shamir, believes Israel should not relinquish control over the administered territories.

But in his talk, Kerry repeatedly criticized the Bush administration for not sufficiently supporting Israel, and offered pro-Israel positions on a broad range of questions, including support for \$10 billion in U.S.-guaranteed loans for the Jewish state.

Opening with his domestic agenda, Kerrey likened unemployment to a natural disaster calling for an emergency response.

He also called for a cut in social security taxes; an industrial policy; investment in roads, communication systems and cities; and national health insurance.

But warning that the "safe little isolationist cocoon" spun in the 1930s led to world war, Kerrey returned to his August visit to Israel, devoting the final 11 pages of his 14-page prepared speech to his positions and record on the Middle East and Jewish issues.

He recalled confronting the anti-Semites who were taking advantage of the farm crisis, and his support for Holocaust commemoration.

**Scuds Fell 'Because We Went To War'**

He cited his support for non-binding resolutions declaring united Jerusalem to be the capital of Israel and for repeal of the U.N. resolution linking Zionism with racism.

As for the senator's most controversial vote -- that opposing the use of force against Iraq -- Kerrey said:

"I believed the Persian Gulf War was an avoidable war. I believed that the president had insufficiently identified the interests that would justify a war. I believed that instead of proving our manhood by rushing headlong into battle we could have proved our humanity by moving patiently into diplomacy."

Like staunch Israel allies Sens. Daniel Inouye (D-Hawaii) and Frank Lautenberg (D-N.J.), he said he was worried what effect the war would have on Israel's safety.

"Remember, we did not go to war last January because Scuds were falling on Tel Aviv; Scuds fell on Tel Aviv because we went to war," he said.

"Nor did we think through at the time what the consequence for American foreign policy would be of leaving Saddam Hussein in power and Saudi Arabia as the new strategic linchpin of American Mideast policy."

While crediting Bush and Secretary of State James Baker for the present peace talks, he

attacked the president for his attitude toward Israel, for allowing his relationship with Prime Minister Shamir "to deteriorate into personal pique and acrimony," for supporting "one-sided U.N. resolutions against Israel," for not extracting concessions from Saudi Arabia and Kuwait regarding the Arab boycott and for practicing the "racial politics" that resulted in David Duke.

After treating Iraq with kid gloves, the administration "now treats Syria as a special case -- immune from criticism for its intervention in Lebanon, its arms build-up, its brutal treatment of its own Jewish population, its evident involvement in drug trafficking and the Pan Am 103 bombing and now its tough and destructive stance in the peace talks.

"It is never in the interest of the United States of America to ingratiate itself with a foreign dictator to the detriment of democratic nations," he said.

**Settlement-Building Not Productive**

Condemning the proposed sale of advanced F-15 aircraft to Saudi Arabia, he demanded a moratorium on the sale of high technology weapons to the Middle East.

He said he believed Israel's request for U.S. guarantees covering \$10 billion in loans needed to help resettle Jews from the former Soviet Union is justified, and should not come with political strings.

"This is humanitarian aid we are talking about," he said, adding that U.S. foreign policy does not link humanitarian aid with political disputes, citing in particular U.S. aid to Bangladesh and Ethiopia.

In the furthest he ventured to dissent from Israeli government policies, he called Israeli construction on the West Bank "counterproductive, making it more difficult for those of us backing Israel's request to win support for that assistance among our colleagues and the American public.

"But the settlements are not the heart of the issue," he added.

"I have not come here to say that as president I will always agree with you," he said in conclusion.

But he promised, referring to Bush's outburst to the lobbying for loan guarantees organized by the Conference of Presidents in September, that "I'll never pound my fist in anger against our only democratic ally in the Middle East."

**VIETNAM LOOKS TO ISRAELI AID**  
By Hugh Orgel

TEL AVIV, Jan. 30 (JTA) -- Vietnam is looking to Israel for assistance as it prepares for a major development program after two generations of war.

A delegation of Israeli businessmen will go to the Southeast Asian country early in March, the newspaper Hatzofeh reported Thursday. It will consist of 12 managers of Israeli industrial plants.

The group was organized by the Israel Export Institute in cooperation with the Asia-Israel Chamber of Commerce. The members plan to meet Vietnamese leaders in industry and agriculture who have expressed an interest in mutual relations with Israel.

According to the newspaper, Israel and Vietnam plan cooperative ventures in a variety of manufacturing and agricultural projects and the use of water resources.

# BEHIND THE HEADLINES:

## ETHIOPIAN JEWS WHO CONVERTED FACE MISERY WITH LITTLE HOPE

By Gil Sedan

JERUSALEM (JTA) -- About 3,000 Falas Mora -- Ethiopian Jews who converted to Christianity -- still live in Addis Ababa under deplorable conditions.

Nothing sustains their hope for the future but a stubborn determination to go to Israel, according to Barbara Ribakove Gordon, executive director of the North American Conference on Ethiopian Jewry, who recently returned from Ethiopia.

These people -- whose claim to Jewishness is questioned by both Israeli and Ethiopian authorities -- share a historical affinity with the Marranos, the crypto-Jews of the Iberian Peninsula in the 15th century.

They say either they or their forefathers were forced to convert from Judaism to Christianity. But they were left out of Operation Solomon, the 24-hour airlift that brought more than 14,000 Ethiopian Jews to Israel last March.

Now, far from their original homes and without decent job prospects, they exist in limbo, awaiting word from Israel that they are welcome and word from the Ethiopian authorities that they can leave.

The Israelis have not decided whether to accept the Falas Mora as Jews. They must be carefully scrutinized by Israel's religious establishment to determine whether they meet the strictly Orthodox criteria of who is a Jew.

To be admitted to Israel under the Law of Return, one must be unquestionably Jewish. But other immigrants may gain admission on the principle of family reunification.

### 'Like Visiting Shtetls In Poland'

The new Ethiopian government, though much more liberal with exit permits than its predecessor, the Marxist regime of Mengistu Haile Mariam, remains suspicious of organizations it thinks might proselytize its people.

The North American Conference and the American Jewish Joint Distribution Committee, meanwhile, try their best help the destitute. They provide the Falas Mora with modest financial aid, food rations and basic health services.

In addition to the Falas Mora, there are still some 4,000 Jews living in Ethiopia, mostly in the Quara region, near the Sudanese border in the north. They are leftovers from the great exodus last year -- those who could not make it at the time for various reasons and now want to join their brethren in Israel.

They are leaving in small numbers, and after all are gone, the Jewish population of Ethiopia will have passed from history.

Gordon witnessed that phenomenon when she visited former Jewish villages in the Gondar region earlier this month.

"It was somewhat like visiting shtetls in Poland which used to be Jewish centers," said Gordon. "Of course, the circumstances are different, but there still is a feeling of a Jewish world that is no more."

Village that two years ago were humming with Jewish activity are now empty.

The small synagogue in the village of Wolleka has been converted into a residence. The streets once bustling with Jews selling pottery are deserted. Three Ethiopians sell coffee, but few

tourists are there to buy. Ethiopia still bears the stigma of a country locked in civil war.

The North American Conference has been actively assisting Ethiopian Jews in that country since 1982. Gordon has visited Ethiopia 10 times.

Her last visit, she said, was the most relaxed. Nothing was left of the feeling of a police state that had characterized the previous regime. She could move freely across the country without having to obtain special permits. She left feeling that the atmosphere in Ethiopia has improved.

Gordon was told that Israeli backpackers have been seen in the Ethiopian countryside, a sure sign of normalization.

Meanwhile, the North American Conference has switched its focus from Ethiopia to Israel, trying to aid the new immigrants in spheres where the government and the Jewish Agency are not doing enough.

The organization has opened two dental clinics to preserve the strong teeth of Ethiopian Jews, who used to clean them meticulously with twigs. Now, Western diets are causing them the same dental problems as are seen in the rest of the population.

The conference's Project Vision has brought volunteer American ophthalmologists to Israel who have already restored sight to three Ethiopians who were believed totally blind.

The organization provides stipends to about 150 university students who cannot live on the grants they receive from the Jewish Agency.

Finally, the conference has given high priority to the preservation of Ethiopian culture surrounded by modern Israeli society.

An Ethiopian synagogue was built in Beersheba two years ago, and the organization plans to build two more.

The conference depends on grass-roots funding in the United States. Last year, it spent some \$500,000 in Israel. This year it wants to spend more.

## ISRAEL BONDS LEADERS TOUR ABSORPTION SITE IN THE NEGEV

By Gil Sedan

BEERSHEBA, Israel, Jan. 29 (JTA) -- Some 200 Israel Bonds leaders from North America and Europe on Wednesday visited the largest immigrant camp in the country, at Nahal Beka, on the southern edge of Beersheba, to watch absorption in the making.

About 5,000 immigrants already reside on the site: 472 from Ethiopia, the rest from the former Soviet Union. They live in 2,300 mini-apartments, with two units to a pre-fabricated home.

The camp is one of the few immigrant sites where Ethiopians live side-by-side with Russian-speaking immigrants. And, unlike at other sites, the immigrants at Nahal Beka enjoy a comprehensive set of services, including Hebrew classes, medical services, educational facilities and afternoon sports and entertainment clubs.

The Bonds leaders, members of the prestigious State of Israel Bonds Prime Minister's Club, were here on a five-day mission ending Jan. 31.

The delegates were received by Yitzhak Ragger, mayor of Beersheba and Bonds past president.

Ragger promised the delegates that each time they would come to Beersheba, the capital of the Negev, they would find "more homes, more kindergartens, more trees -- and, most important, more Jews, fulfilling David Ben-Gurion's dream of a prosperous Negev."