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**VIOLENCE ALONG LEBANESE BORDER
DISCUSSED AS PEACE TALKS RESUME**

By David Friedman

WASHINGTON, Feb. 24 (JTA) -- The week of violence along Israel's border with Lebanon was a major topic of discussion as Israel resumed bilateral negotiations with its Arab neighbors.

Israel brought up the issue in discussions Monday with both Lebanon and Syria, said Yosef Ben-Aharon, head of the Israeli delegation.

Ben-Aharon said Israel reiterated that it has no designs on Lebanese territory and is only concerned about the security of its northern areas.

The Lebanese argued that Israel would not have a security problem if the Israel Defense Force withdrew from its security zone inside southern Lebanon. But Ben-Aharon said the security zone is needed because Lebanon cannot control its own territory.

In the negotiations with Syria, Ben-Aharon said Israel pointed out that Hezbollah, the Shi'ite fundamentalist group responsible for the recent rocket attacks on northern Israel, is based in the Bekaa Valley, which has been under Syrian control for years.

He said the Syrian army could prevent attacks on Israeli troops and settlements.

The Israeli-Syrian negotiations are stalled on the same points as they were when talks broke off last month, said Ben-Aharon, who also heads the Israeli team negotiating with the Syrians.

He said Syria is willing to discuss only its demand for total Israeli withdrawal from the Golan Heights, while Israel wants to talk about a peace agreement.

'Identifying Areas Of Agreement'

Nevertheless, the discussions Monday with Syria and with the Lebanese and Jordanian delegations were all "businesslike" and dealt with substance, Ben-Aharon said.

The meeting with Jordan dealt with the agenda items to be discussed by the two sides.

Elyakim Rubinstein, who heads the Israeli delegation negotiating with the Jordanians and Palestinians, said that the next few days of talks with Jordan would be spent "identifying areas of agreement, identifying areas of disagreement, which obviously exist, and trying to move ahead to shrink the gaps between our positions."

Rubinstein met Monday with the chairmen of the Palestinian and Jordanian delegations. Israeli-Palestinian talks were being held late Monday.

This third round of negotiations in Washington is expected to last until the middle of next week. But Ben-Aharon made it clear that Israel wants the next round to be in the Middle East.

"It's nice to be back in Washington," he said in opening a briefing Monday.

"But let me remind you that Washington is 6,000 miles away from our part of the world. And we have had to travel this distance again to talk peace with our immediate neighbors."

Ben-Aharon, who is director general of the Prime Minister's Office in Jerusalem, expressed the hope that the Arabs would agree to move the talks to the Middle East, "where it belongs, so that our people and their people will see that there is a beginning of change."

**BAKER SPELLS OUT U.S. OFFER
TO ISRAEL ON LOAN GUARANTEES**

By Howard Rosenberg

WASHINGTON, Feb. 24 (JTA) -- Israel will try to "fine-tune" Secretary of State James Baker's offer Monday to underwrite up to \$10 billion in loans for immigrant resettlement, provided that the equivalent of what Israel spends on settlement-related activity in the administered territories is deducted from the total.

Michael Shiloh, deputy chief of mission at the Israeli Embassy here, said Israel wants to modify Baker's proposal to lessen the deduction for Israeli settlement-related spending.

As far as Israel is concerned, the test for such a formula, he said, is "Does it leave you with anything after the deduction?"

Shiloh said there is no Israeli government figure that quantifies its spending in the territories.

But some experts estimate that Israel may spend as much as \$1 billion a year on settlement-related activity.

Baker, testifying Monday before the House subcommittee on foreign appropriations, delivered a dead-on-arrival proposal to guarantee loans for Israel of "up to \$2 billion for five years if there is a halt or an end to settlement activity."

"We understand that the current government of Israel has a problem with that," the secretary acknowledged. "They have their principles and their positions on policy, just as we have our principles and our positions on policy."

The United States regards the Israeli settlements as an obstacle to peace. But the current Israeli government is ideologically committed to expanding settlements in the West Bank, which it regards as an integral part of the Land of Israel.

Cost Of Roads And Sewers Included

Recognizing this gap, Baker said the Bush administration would "support the provision of loan guarantees of some lesser amount if there was a halt or an end to new construction activity."

In other words, Israel would be allowed to complete any housing construction already under way in the territories, as long as it did not initiate any new building.

Baker suggested that the cost of completing any housing construction that was begun by Jan. 1 might be deducted from the amount of loans guaranteed by the United States.

When pressed by members of the subcommittee, the secretary said such costs might include the clearing of land and the building of roads and sewers for settlements. But he said these points were still under negotiation with the Israelis.

Asked about Baker's comments, Yosef Ben-Aharon, head of the Israeli delegation to the peace talks that resumed Monday, said he hoped a compromise could be reached that would not violate Israel's principles or U.S. policy.

But Israel "will not capitulate on settlements, and we will not write off the loan guarantees," vowed Ben-Aharon, who is also director general of the Israeli Prime Minister's Office.

A pro-Israel lobbyist here, while objecting to Baker's tough conditions, praised him nevertheless

for raising "no question of Israel's need" for the loans or of "America's ability to do it."

"People will probably remember the hard part of what (Baker) said, but people will not remember the good part," the lobbyist said.

Baker told the panel the Bush administration "strongly supports the emigration of Soviet Jews," as well as "the principle of absorption assistance to Israel to absorb those immigrants."

Full \$10 Billion Mentioned

Observers pointed out that it was also the first time Baker had spoken publicly about underwriting up to \$10 billion for Israel over five years, as Jerusalem originally requested last fall.

To the delight of pro-Israel activists, Baker defended Israel's need for that amount, despite what he called a sharp decline in projected Soviet Jewish immigration to Israel over the next few years, given Israel's troubled economy.

In addition, Baker "didn't make a big deal about the risk factor," which the lobbyist said would likely put to rest a lingering issue: that a large amount of taxpayer money would have to be set aside in the U.S. government budget each year to protect against any short-term Israeli failure to repay the loans.

The lobbyist predicted that the Israeli government would cover the amount needed to be set aside, which may be as much as 3 percent of the loan, or \$300 million for all \$10 billion. Israel's ambassador to Washington, Zalman Shoval, has on many occasions said his government would be willing to do that.

Another matter that appears close to being clarified between the two governments are economic conditions on the guarantees. Economic questions were discussed here last week by the visiting governor of the central Bank of Israel, Jacob Frenkel, and Robert Zoellick, undersecretary of state for economic and agricultural affairs.

Back in Israel, Frenkel told reporters Monday that the United States would require a series of Israeli economic reforms. Top Israeli economic officials would draw up those reforms, and there would be an ongoing dialogue between Washington and Jerusalem to ensure that they were implemented, Frenkel said.

Congressional Clock Ticking

Shiloh, the deputy chief of mission here, said the loan guarantee issue is "not an economic problem; it's a political problem."

He said that "not only did Frenkel make his point but his point was very well received, that Israel has a very viable economy and (it) will be even more (viable) if it receives the guarantees."

Baker appears to be moving swiftly to define the issue in a way that may make it more likely to meet Congress' timetable for reviewing the Israeli request.

The 1992 foreign aid bill is being held up until March 31 to accommodate loan guarantee legislation. But should Israel and the United States not have agreed on the matter by that point, it becomes "far more difficult," if not impossible, to get Congress to vote on the request this year, the pro-Israel lobbyist said.

That is because of not only the constraints of the legislative process but also the political reality that votes on foreign aid issues become increasingly unpalatable as the U.S. election year heats up.

(JTA correspondent David Landau in Jerusalem contributed to this report.)

SHAMIR PUTS BEST FACE ON DISPUTE IN ADDRESS TO U.S. JEWISH LEADERS

By Michele Chabin

JERUSALEM, Feb. 24 (JTA) -- Prime Minister Yitzhak Shamir tried to put the best face this week on Israel's disagreements with Washington over the issue of U.S. loan guarantees and Israeli settlements in the administered territories.

"Obviously, we have our differences with the U.S. from time to time," Shamir told visiting members of the Conference of Presidents of Major American Jewish Organizations.

"But I am confident that the basic character of our close relations will not change," he said.

The prime minister appeared to respond directly to those American Jewish leaders who have counseled the Israeli government to be more flexible on its settlement policy, in order to win U.S. backing for the immigrant absorption loans.

"My friends," he said, "I want to say frankly to you, who work so hard to strengthen the relations between the United States and Israel, that I fail to understand the connection between the absorption of hundreds of thousands of immigrants and the continued development of Judea, Samaria and the Gaza District."

Nonetheless, Shamir stated that "any funds received with the assistance of loan guarantees will not be used in the areas of question; nor will we direct Jews from the Soviet Union to those parts of Eretz Yisrael."

The prime minister, looking dapper in a dark suit and tie, was the first of several Israeli politicians to address the Conference of Presidents delegation, which was in Jerusalem for its annual study mission.

Yitzhak Rabin, newly elected head of the Labor Party, who was also smartly dressed, spoke to the 60-member delegation directly afterward.

While Shamir spoke of his devotion to the territories, Rabin focused on Jerusalem, which he called "the heart and soul of the Jewish people."

He said he does not oppose continued building of housing in "Greater Jerusalem." But he called all settlements that are not built directly along "the lines of confrontation" with Arab countries "an obstacle to peace."

The group also heard speeches by Foreign Minister David Levy, Housing Minister Ariel Sharon, former Labor Party leader Shimon Peres and members of the left-wing bloc representing Mapam, Shinui and the Citizens Rights Movement.

ISRAELI SHOT DEAD IN WEST BANK

By Gil Sedan

JERUSALEM, Feb. 24 (JTA) -- The murder of an Israeli security guard by a masked assailant Monday morning in the West Bank town of Jenin has convinced Israeli authorities that something must be done to crack down on terrorism there.

Defense Minister Moshe Arens described Jenin as a center from which Arab terrorists set out on murderous missions.

The name of the victim was not immediately released. He was standing guard over an oil tank truck while the driver was in a store getting paid for a delivery. A masked man approached, shot him to death at close range and escaped with the guard's Uzi submachine gun.

Jenin has served as the base for several terrorist attacks in recent months. Despite recent arrests, a terrorist cell called the Black Panthers continues to be active in town.

SPAIN'S AMBIGUOUS NAZI ERA ROLE EMERGES DURING REVISIONIST TOUR

By Judith Lew

MADRID, Feb. 24 (JTA) -- A lecture tour in Spain by French Holocaust revisionist Robert Faurisson has called attention to this country's ambiguous role during the Nazi era and its strivings toward democracy since the death of dictator Francisco Franco in 1975.

The Paris Court of Justice convicted Faurisson last year of falsifying history and inciting racial hatred.

A civil suit was brought against him by several organizations of wartime deportees after he denied the Holocaust and the existence of lethal gas chambers, in an interview published in an extreme right-wing monthly.

Faurisson is a self-styled historian, though his academic credentials identify him as lecturer in literature.

He was brought to Spain by CEDEDE, a small group of European neo-Nazis who met here last year to honor the memory of the Condor Legion, the Nazi bomber pilots Adolf Hitler sent to help Franco defeat the Republican forces during the Spanish Civil War from 1936 to 1939.

Since there is no law in Spain banning Nazi symbols or incitement to hatred, groups like CEDEDE can organize events that would be outlawed in other parts of Europe.

Shimon Samuels, head of the Paris office of the Los Angeles-based Wiesenthal Center, managed to prevent Faurisson's speaking engagement at the University of Barcelona.

But he could not keep the revisionist from lecturing Tuesday before the law faculty at Madrid's Complutense University.

"It is unthinkable for a man who has been convicted for falsification of history and anti-Semitic intent to be given an academic forum in the year marking the 500th anniversary of the expulsion of Jews" from Spain, Samuels said.

"It denies the very spirit of Jewish-Christian reconciliation," he added.

Franco Allowed Nazis To Hide

Although favorably disposed to the Axis powers during World War II, Franco's Spain stayed neutral and its official attitude always was ambivalent.

Nazi-hunter Simon Wiesenthal, who heads the War Crimes Documentation Center in Vienna, was, by coincidence, in Madrid for the premier of the film "Max and Helen," based on his book.

"Spain is light and shadow," Wiesenthal observed. "On the one hand, Franco allowed a few thousand Jewish refugees to take shelter and 25,000 others survived in camps here," he said.

"But he (Franco) also allowed Nazi war criminals to hide from the authorities searching for them" after the war.

Some of the worst war criminals and Nazi collaborators are believed still hiding in Spain.

They include Aribert Heim, the doctor at the Mauthausen concentration camp who is still wanted by the German authorities, and Pattist Hawke, a Dutch collaborator who lives openly in Oviedo.

The most notorious is Leon Degrelle, founder of the pro-Nazi Rexist party in Belgium. Last November, Holocaust survivor Violeta Friedman won a landmark ruling in Spain's highest court which agreed the Belgian expatriate offended her honor by denying the existence of gas chambers.

Degrelle has become a source of inspiration for young neo-Nazis in Spain, Wiesenthal said. But he believes those groups are insignificant.

"I have confidence in the new generation. These young neo-Nazis are not representative of the German or Austrian youth or the youth of other countries," the Nazi-hunter said.

"You may see the painted swastika but you don't see the millions of people who work and learn," Wiesenthal said.

Nevertheless, he suggested that "democracies should spend a little more time and effort with their youths because dictators are very busy with them."

Wiesenthal and Faurisson did not cross paths here. But Wiesenthal recalls that "Faurisson once walked into my office and I showed him to the door and asked him if he could find his way from there."

GULF WAR SEEN AS CAUSE OF INCREASE IN AUSTRALIAN ACTS OF ANTI-SEMITISM

By Jeremy Jones

SYDNEY, Australia, Feb. 24 (JTA) -- A sharp escalation of anti-Semitic acts in Australia during the first half of 1991 has been attributed in large measure to the Persian Gulf War.

January 1991, when the war began, was in fact the worst month on record. There were 31 overt acts of anti-Semitism reported, including the first of five arson attacks on Sydney synagogues and a series of bomb threats to Jewish institutions.

There was an 8 percent rise in anti-Jewish violence, vandalism and harassment for all of last year, according to figures released last week by the Executive Council of Australian Jewry. But more than 80 percent occurred in the first half of the year.

"Our records clearly show that during the Gulf war, the incidence of racist violence against Jews and Jewish property escalated to a level of most serious proportions," said Leslie Caplan, president of the Executive Council.

The Jewish community believes that concern over the ease with which racism entered the public debates over the Gulf war and immigration policy has been reflected in the federal government's outspoken support for national anti-racism legislation.

Anti-Semitic acts diminished in the second half of 1991 due in part to arrests, better policing of Jewish communal buildings and the publicity given bomb threats and telephone harassment, the Executive Council reported.

Of particular concern to the Jewish community was the vandalizing of 22 synagogues in Queensland, New South Wales, Victoria, the Australian Capitol Territory and Tasmania, which is off the mainland.

Serious damage was done and one congregation was forced to close.

The Executive Council said the criteria for "racist violence" it used to compile the record were established by the Australian Human Rights and Equal Opportunity Commission. They are considerably narrower than those used in the United States and Canada.

The community recorded 165 incidents of arson, vandalism, daubings, hate mail and threatening telephone calls in 1991.

There was a decrease from the previous year in anti-Semitic graffiti. But "even 'normal' levels are unacceptable," Caplan said.

CONFERENCE HELD IN BRITAIN TO DETER MISSIONIZING OF JEWS IN FORMER USSR

By Lee Levitt

London Jewish Chronicle

LONDON, Feb. 24 (JTA) -- British Jewry has expressed alarm over missionary activity aimed at Jews in the republics of the former Soviet Union, including many on their way to Israel.

The first international conference organized to combat the phenomenon heard an urgent message from the Rabbinical Alliance of the Commonwealth of Independent States and the Baltic Republics.

These missionary groups "have a very sophisticated program targeted specifically at Soviet Jews," the message said. It described the ex-Soviet Jews as "extremely vulnerable" to the advances of missionaries since the collapse of communism.

The meeting, held here Feb. 16, was attended by religious and secular leaders, including Chief Rabbi Jonathan Sacks; Judge Israel Feinstein, president of the Board of Deputies of British Jews; and all of the board's officers.

Their presence reflected their "increasing concern" about what is going on in the missionizing world, according to the Board of Deputy's chief executive, Neville Nagler.

Lawrence Littlestone, executive director of the National Council for Soviet Jewry here, said, "Missionary and messianic material" often masquerading as "Jewish books" is being sent "by the cartload" from Britain, North America and Finland to synagogues in the former Soviet Union.

Littlestone, who stressed that Jews en route to Israel are emotionally vulnerable targets, spoke of Christian groups which assist their immigration ostensibly out of good will.

'A Shoulder To Cry On'

He mentioned Good News Travel, a Christian-owned bus company in Hull, northern England, which has been busing Jews since last June from Kiev to Warsaw, where they are placed on flights to Israel.

He also mentioned the Ebenezer Emergency Fund, based in Bournemouth, which chartered a Greek car ferry to transport Jews from Black Sea ports to Haifa.

The vessel has made three trial trips so far, bringing hundreds of Jews to Israel by sea. Littlestone said that while there was no evidence of overt missionizing during the voyage, he heard reports that several of the Israeli "volunteers" aboard were Jewish converts to Christianity.

"They are giving friendship, warmth and a shoulder to cry on. Where we and Israeli society fail, missionaries and their ilk pick up," Littlestone said.

Rabbi Shmuel Arkush, director of the Birmingham-based Operation Judaism, said he was satisfied that the operators of the bus line and the sea route were not out to convert Jews.

But he was wary of the motives of some of their aides, who accompany the immigrants on the trip and urged countermeasures.

"I would like to see the Israeli authorities providing positive Jewish educational programs for the olim while they are in transit," Arkush said.

Rabbi Yonah Prus, director of the Lubavitch movement's Revival for Soviet Jewry organization, said nearly \$18 million a year is needed to raise the level of Jewish identity among Jews of the former Soviet Union.

ARMS DEALER NIMRODI BUYS MA'ARIV, A CASUALTY OF THE MAXWELL DEBACLE

By Hugh Orgel

TEL AVIV, Feb. 24 (JTA) -- Ma'ariv, Israel's second-largest newspaper, which was part of the late Robert Maxwell's crumbling media empire, is back in Israeli hands, and its future apparently is secure for the time being.

The debt-ridden afternoon daily has been taken over by Israeli arms dealer Ya'acov Nimrodi and his associates, who reportedly paid \$18 million for Maxwell's 87 percent share of Modi'in, the company that publishes Ma'ariv.

He also reportedly agreed to take over Ma'ariv's debts, amounting to \$50 million.

The deal was signed Sunday in London by Nimrodi and Arthur Anderson, the court-appointed accounting firm that has been managing Ma'ariv since Maxwell's mysterious death Nov. 5.

The buyout came as a relief to Ma'ariv staff members worried about their jobs. They were especially pleased that the newspaper would remain under Israeli control.

"We are glad it's gone that way," one staff member told Israel Radio on Monday. "Recent experience of Israeli newspapers bought by foreign interests has not been too good."

The journalist was referring to the English-language Jerusalem Post, bought two years ago by the Canadian-based Hollinger chain, which promptly fired most of its veteran staff members and gave the previously moderate newspaper a tilt to the right.

Hollinger reportedly was interested in acquiring Ma'ariv but dropped out because it could not obtain all of the information it wanted about the paper's debt burden.

Lagging In Circulation

Nimrodi is chairman of the board and majority stockholder of the Israel Lands Development Co. His son, Ofer, is managing director.

Nimrodi, who was for 10 years Israel's military attache in Teheran in the time of the shah, played a pivotal role in the Iran-Contra arms deal. He is a business associate of Saudi arms merchant Adnan Khashoggi, as well as a personal friend of Shimon Peres, the former Labor Party leader.

Nimrodi bought Ma'ariv in partnership with the family of Shimon Hefetz, the paper's managing editor, who owned 8 percent of the stock, and Ma'ariv's former editor in chief, Ido Dissentchik, who held 0.5 percent.

The only minority shareholder who refused to join is the current chief editor, Dov Judkowsky, who owns 5 percent of the paper's stock.

Judkowsky was appointed to his job personally by Maxwell, who was related to the editor by marriage. Dissentchik's future with the newspaper and that of other senior editors has been the subject of conflicting reports.

Although it is the second most widely read newspaper in Israel, Ma'ariv's circulation lags far behind its afternoon competitor, Yediot Achronot.

According to a 1991 media survey by the Israel Advertising Association, 51.7 percent of the Hebrew-reading public buys Yediot Achronot on weekdays, compared to 14.6 percent who buy Ma'ariv and 8.8 percent who buy Ha'aretz, Israel's intellectual daily newspaper.

Yediot's weekend edition, published Friday, draws 79 percent more readers than Ma'ariv, Hadashot and Ha'aretz combined.