

**ISRAELIS SAY DISAGREEMENT ON VENUE  
MAY DELAY RESUMPTION OF PEACE TALKS**  
By David Friedman

WASHINGTON, March 2 (JTA) -- Israeli negotiators are denying that the Israeli elections scheduled for June will slow down the peace negotiations. But they say delays may be caused by disagreements over where the talks should be held.

"It is quite absurd to assume that the functioning of the democratic process will in any way impede the peace process," said Yossi Gal, chief spokesman for the Israel negotiating team.

"Quite the opposite is very true," he said. "We believe there is no, and there should not be any, relationship whatsoever between the internal process Israel is going through, which is a healthy sign of democracy, and the peace negotiations."

But while the elections may not impede progress, Arab refusal to accede to Israel's insistence that the talks be held closer to the Middle East could stall the resumption of the negotiations after they adjourn Wednesday night.

Gal said Monday that only Israel has replied to a U.S. request that each party to the negotiations present a list of 10 possible sites. If a site appears on all the lists, then the United States as the "honest broker" will select that location for the continuation of talks, Gal said.

The venue situation was discussed when the chairmen of Israel's three negotiating teams met Monday with Edward Djerejian, assistant secretary of state for Near Eastern affairs.

**Bush To See King Hussein**

Meanwhile, Gal complained that the Palestinians have made public a three-page document rejecting Israel's proposal for Palestinian self-government in the West Bank and Gaza Strip. The Palestinians also released the 10-page Israeli proposal.

"I would like to believe that this impropriety on their part was simply the result of inexperience and not maliciousness," Gal said.

But he added that on the good side, the release of the documents showed how "forthcoming" were the proposals made by Israel.

Gal reported some progress in the negotiations with Jordan. Both sides have exchanged their versions of a common agenda and hope to begin specific talks soon.

The talks with Syria appear to have become a case of dueling histories.

Syria has been giving Israel its version of the causes of the 1967 Six-Day War and its interpretation of Resolution 242, which the U.N. Security Council adopted after the war, Gal said.

He said Israel gave its version Monday. Gal would not detail it, but Israel has often made clear that it must hold on to the Golan Heights because the area was used to shell Israeli settlements in Galilee at will before 1967.

Meanwhile, the White House announced that President Bush will meet with King Hussein of Jordan on March 11. It will be the first face-to-face meeting between the two since they met in Kennebunkport, Maine, in August 1990, shortly after the Iraqi invasion of Kuwait.

**BAKER NOW SAID TO BE PROPOSING CUTS  
IN AID TO ISRAEL BASED ON SETTLEMENTS**  
By Howard Rosenberg

WASHINGTON, March 2 (JTA) -- The Bush administration may have added a new condition for guaranteeing \$10 billion in loans to aid immigrant absorption in Israel, complicating the chances of congressional approval.

According to Sen. Patrick Leahy (D-Vt.), the administration is now suggesting that the amount Israel spends on settlements in the administered territories be deducted from the \$3 billion Israel receives each year in U.S. foreign aid, rather than from the total amount of loans guaranteed.

"I am less optimistic than I was on Friday" that there will be a bill approved in the Senate by March 31, Leahy said Monday after meeting with Secretary of State James Baker.

Leahy, who chairs the powerful Senate subcommittee on foreign appropriations, has said that if the administration and Congress cannot reach an agreement on the loan guarantees soon, it will be impossible to pass a foreign aid bill by March 31, meaning Israel will have to wait until the next fiscal year for the loans.

"If I could bring the parties together, we'll have a foreign aid bill," said Leahy. "If we can't bring the parties together, then it becomes sort of jump ball, and everybody's going to be for themselves."

Senior administration officials could not confirm that Baker had proposed a deduction from Israel's foreign aid package, saying they were not briefed after the meeting with Leahy. But they also did not deny that Baker had floated such an idea.

**'Many People Of Good Faith'**

When queried, the State Department's press office referred reporters to Baker's congressional testimony last week and said the administration wants to see "some sort of fungibility principle applied" to the cost of Israeli construction activity in the territories.

Clarification may come Tuesday morning when Leahy's subcommittee reconvenes to discuss the foreign aid bill.

"I think that there are many, many people of good faith in both the Congress and the administration working on this. But I think the approaches they are taking are so different that it is hard to bring them together," Leahy told reporters after his meeting with Baker.

"And there are still some in the Congress who really want no restrictions on foreign aid," he said, referring to, among others, Sen. Robert Kasten (R-Wis.), the panel's senior Republican.

"I cannot believe that's the way the American people feel. It's not the way I feel," Leahy added.

Baker told Congress last week that Israel could not receive U.S. guarantees for the full \$10 billion unless it agreed to stop building in the territories.

The secretary said that the amount Israel spent on completing construction already begun in the territories could be deducted from the total guaranteed by Washington.

Asked about taking the deductions out of

Israel's regular foreign aid, Baker told Kasten: "No sir, we have not suggested that."

But now, Leahy said, "the administration has recommended that they would be taken out of foreign aid funds themselves," referring to Israel's annual \$3 billion package of economic and military grants.

#### Won't Vote For A 'Blank Check'

The senator called this "obviously a major difference" from his own proposal, which is a "dollar-for-dollar reduction in any future loan guarantees" as a penalty for spending on settlements.

"I would take that money out of the loan guarantees," he emphasized.

Leahy said that he has a second difference with the administration: He wants Congress to have some leverage over whether Israel continues to receive the loan guarantees after the administration issues the first of five annual installments covering \$2 billion each.

If the administration decided to cut off the guarantees after the first year, for instance, Congress would want to have the power to veto that decision by a two-thirds majority.

"I, of course, have maintained that whatever decisions were made on future loan guarantees by the president would be reviewable by the Congress," the senator said.

Taking issue with those members of Congress who want to approve the guarantees for Israel without conditions, Leahy said, "It really comes down to a question with some in Congress still wanting to give basically a blank check."

"I'm not going to vote for a blank check for foreign aid for any country," he said. "I don't care whether it's Israel or Russia or any other country. I'm not going to do that, nor is the administration."

#### **DON'T BE DETERRED FROM LOBBYING, CONGRESSMAN TELLS JEWISH GROUP**

By David Friedman

WASHINGTON, March 2 (JTA) -- A key Jewish congressman has urged his fellow Jews not to let anyone from "the president on down" intimidate them against lobbying for loan guarantees or anything else.

"Don't you ever let anybody denigrate what you do or proceed to cast you as second-class citizens because you come to petition your government," Rep. Lawrence Smith (D-Fla.) declared Sunday night.

"As long as this is a democracy where you elect the people, that is your absolute right," he told some 700 women attending the opening dinner of the National Council of Jewish Women's Washington Institute.

Smith's remarks came against the backdrop of recent statements by Secretary of State James Baker reminding members of Congress that Israel already receives more U.S. foreign aid than any other country, without the loan guarantees.

Some Jewish leaders and media commentators have interpreted such statements as an indirect attempt to put Israel's supporters on notice that if they press too hard for the loan guarantees, the administration will take the issue to the American public as a whole, which is generally hostile to foreign aid, particularly in the current economic climate.

Nevertheless, participants in the four-day NCJW gathering planned to meet with their sena-

tors and representatives to urge support for the guarantees, which would provide favorable terms under which Israel could borrow \$10 billion for immigrant absorption.

Also in Washington this week to lobby for the loan guarantees, as well as other U.S.-Israeli issues, was the Israel Advocacy Center of the Zionist Organization of America, which was holding a two-day public action conference.

Some 180 delegates to the conference held a rally outside the State Department on Monday to urge that the guarantees be approved without any political strings attached.

#### ZOA Presents A Petition

The rally was held as six ZOA leaders met with Daniel Kurtzer, deputy assistant secretary of state for Near Eastern affairs. They presented him with a petition signed by 60,000 people urging U.S. approval of the guarantees.

W. James Schiller, ZOA's national president, said that the delegation told Kurtzer it would hold the U.S. government responsible for any adverse effects the U.S. refusal to issue the guarantees unconditionally would have on the Jews who have immigrated to Israel, as well as those in the formerly Soviet republics who are still waiting to do so.

But Kurtzer replied that it is up to Israel to choose between obtaining the guarantees and building additional settlements in the West Bank.

In his speech to the NCJW, Smith described his well-publicized clash with Baker last week after the secretary of state told a House subcommittee that Israel would not get the guarantees unless it stopped building settlements in the West Bank and Gaza Strip.

Smith maintained that the whole reason for the clash was that Baker refused to answer his question on whether the United States had ever conditioned anything for the Arab countries on their abandoning the economic boycott of Israel.

"I will not rest until I get an answer to that question," Smith vowed.

He said that the large-scale emigration from the former Soviet Union is a "modern miracle" brought about in part by U.S. policy.

But Smith accused the Bush administration of using a "tremendous victory" to make Israel a "whipping boy" for domestic political gain.

"Helping Israel absorb these immigrants is a humanitarian aspect, and that should never be tied to the politics of Israel or the United States," the congressman declared.

#### **ARABS RE-ENACT MURDER FOR POLICE**

JERUSALEM, March 2 (JTA) -- Two Arabs suspected of murdering Hebrew University Professor Menahem Stern three years ago re-enacted their alleged crime for police Monday in the western Jerusalem park where it occurred on a June morning nearly three years ago.

Stern, one of Israel's most distinguished academicians, was fatally stabbed while walking from his home in the Rehavia neighborhood of the city to the National Library on the Hebrew University's Givat Ram campus on June 22, 1989.

He was waylaid in the Valley of the Cross park. One of the suspects pointed out the exact spot where the assassins waited for their victim, the police said Monday.

The same suspects are accused of murdering electronics technician Eli Amsalem a month later in the Nahlaot section of downtown Jerusalem.

**FORCES LOYAL TO LEVY LOSE OUT AS LIKUD SELECTS ELECTION SLATE**

By David Landau

TEL AVIV, March 2 (JTA) -- Foreign Minister David Levy and his supporters received a staggering political setback this week as the Likud Central Committee went about the task of assembling the party's Knesset slate for the June 23 elections.

Levy, who dropped from first to third place in Sunday's voting for the top seven candidates to follow Prime Minister Yitzhak Shamir, saw his backers squeezed out of most of the other groups of seven as the Central Committee put together the Likud slate in descending order.

The forces aligned with Shamir and Defense Minister Moshe Arens, joined by those loyal to Housing Minister Ariel Sharon, effectively kept Levy and his supporters at bay.

Apart from Levy himself, only two of his supporters ranked among the 21 candidates comprising the first three groups of seven chosen Monday evening.

And Levy's principal ally, Commerce Minister Moshe Nissim of Likud's former Liberal Party wing, was not among them. In fact, only two former Liberals placed among the top 21 spots on the party list.

The list consisted mainly of candidates recommended by the Shamir-Arens and Sharon blocs, giving the party a hard-line complexion and, according to Levy, boding ill for the peace process.

The foreign minister accused Shamir of "destroying the Likud" by trying to "crush" opposing camps and install his own people.

The deepening rift drew comments from thoughtful Knesset members and activists on both sides, who suggested that Likud's method of selecting candidates was divisive and harmful to the party as a whole and therefore helpful to its political foes.

Limor Livnat, one of the few women to make Likud's initial list of 50 candidates last week, said the Likud should adopt Labor's primary elections system, which allows all registered party members to vote for candidates.

Emotions ran so high after Levy's initial defeat Sunday that some disgruntled activists chanted "Rabin, Rabin."

Primary elections two weeks ago propelled Yitzhak Rabin to the leadership of the Labor Party, replacing his longtime rival, Shimon Peres. Most political pundits believe Rabin will be a stronger candidate against Shamir than Peres.

Labor will compose its party list via the primary process later this month.

**AMAL LEADER CLAIMS LEBANESE ARMY TURNS BLIND EYE TO HEZBOLLAH ARMS**

By Hugh Orgel

TEL AVIV, March 2 (JTA) -- A senior leader of Amal, the mainstream Shi'ite militia in southern Lebanon, charged Monday that the Lebanese regular army was turning a blind eye to arms traffic by Hezbollah in the region the army ostensibly controls.

Hezbollah, the pro-Iranian Shi'ite fundamentalist militia, is "making fools" of the regular army the Beirut government sent to establish its authority in southern Lebanon, according to Sheik Ali Amin.

He said the army is being forced to ignore

large quantities of weapons transported through the region by Hezbollah gunmen.

Amal has frequently complained that Beirut's policy of disarming the "unofficial militias" in the south strips Amal of its weapons but allows Hezbollah guerrillas to flaunt theirs.

Meanwhile, Gen. Antoine Lahad, commander of the Israeli-backed South Lebanon Army, warned Amal not to harbor Hezbollah guerrillas in its villages.

If the Hezbollah fighters resume firing Katyusha rockets at Israel, they will suffer "severe retribution" by the Israel Defense Force, he said in a statement broadcast by the SLA-controlled Voice of the South radio station.

Lahad made pointed reference to Kafra and Yater villages, just north of the southern Lebanon security zone, which were raided by IDF units last month in an operation aimed at destroying Katyusha launching sites.

Lahad's warning was similar to his broadcasts before the IDF attack. But unlike last month, it was not backed up by similar warnings from Israeli political and military leaders, such as Defense Minister Moshe Arens and the IDF chief of staff, Lt. Gen. Ehud Barak.

**DISCIPLINE, LAXITY CHARGES PRESSED AGAINST OFFICERS FOR BARRACKS ATTACK**

By Hugh Orgel

TEL AVIV, March 2 (JTA) -- The Israel Defense Force will press charges against eight officers and three soldiers from the ranks for breach of discipline and laxity on duty in connection with the murders of three recruits by Arab terrorists at their training billet during the night of Feb. 15.

The decision to prosecute was announced Monday by the IDF's judge advocate general, Brig. Gen. Ilan Schiff. He said he accepted the findings of Maj. Gen. Nehemia Tamari, the officer assigned to investigate the episode by the IDF chief of staff, Lt. Gen. Ehud Barak.

Schiff said the officers who will be tried by a disciplinary court include a colonel, two lieutenant colonels and a captain.

Credit for the killings was claimed by the Black Panthers, a group within the Palestine Liberation Organization's Al Fatah branch. The three victims, two of them immigrants from the former Soviet Union, were hacked to death in their sleep with knives, axes and a pitchfork.

The killers are still at large.

The murders occurred at Nahal Training Base 80 at Galed, at the southern end of the Carmel range. The men were sleeping in tents at the lightly defended training facility, which is attached to a base whose staff was responsible for the recruits.

Tamari found serious shortcomings at both installations in his investigation.

The highest-ranking officer to be tried is the colonel who commanded Camp 80 and has since been removed from his post.

The two lieutenant colonels were in charge of the associated training camps. The captain who was the duty officer on the night of the murders was found not to have been carrying a weapon.

One of the three soldiers charged is a medical orderly alleged to have acted contrary to established regulations. Another is a new immigrant recruit from Argentina who shared the tent with the slain men but failed to come to their rescue.

**SEPHARDI GROUP PRAISES TURKEY  
FOR HELP 500 YEARS AGO AND NOW**

ANKARA, Turkey, March 2 (JTA) -- A delegation of Sephardic Jews who came here to express appreciation for the hospitality extended to the Jews by the Ottoman Empire 500 years ago have also given thanks for the protection Turkey is now giving Jewish institutions that have been targets of terrorist attacks.

The group of 40, headed by Nessim Gaon of Geneva, president of the World Sephardi Federation, arrived in the Turkish capital Sunday, when the Neve Shalom Synagogue in Istanbul was attacked with hand grenades by two assailants.

Only one of two grenades exploded, and the only casualty was a blind passerby, who suffered minor injuries. No damage was done to the synagogue and one of the assailants was captured.

Gaon observed that the assault might have been more serious were it not for the police protection at the synagogue.

That protection was beefed up considerably after the 1986 machine gun and grenade attack on the same synagogue killed 22 Sabbath worshippers and the two terrorists who executed it.

Gaon said he was confident the Turkish authorities would apprehend and punish those responsible for the latest attack.

At a meeting Monday morning at the presidential palace here in Ankara, Gaon and his delegation presented the World Sephardi Federation's first Star of Peace award to both President Turgut Ozal of Turkey and Prime Minister Suleyman Demirel.

The Star of Peace, a Star of David juxtaposed with the crescent emblem of Turkey, symbolizes "the Judeo-Turkish traditions that have allowed our people to flourish together throughout the centuries in peace and tolerance," Gaon said.

The award, mounted on wood, is made of gold encrusted with rubies and diamonds.

**'A Spirit Of Tolerance'**

In his presentation to Demirel, Gaon said Turkey "has provided a spirit of tolerance that can well serve as a model for the entire region."

Demirel responded, "If the Arab, Jewish and Turkish people can live together in peace, together we can achieve many things."

"We hope we have shown exemplary behavior over the last 500 years between Turks and Jews. We hope we have been an example for mankind and a model for others," the prime minister said.

The visit to Turkey was the first leg of a "Sephardi Odyssey" undertaken to mark the 500th anniversary of the expulsion of Jews from Spain and their dispersion across Europe and North Africa, as far east as Turkey, where they were warmly received.

The Odyssey will continue later this year with journeys to other historic centers of Sephardic life: Egypt, Morocco, Brazil and Chile. Local branches of the World Federation will hold events in France, Britain, Holland and Switzerland.

The American delegation participating in the Odyssey to Turkey included Jack Nasser, treasurer, and Agajam Nassimi, vice president, of the World Sephardi Federation; and Leon Levy, president, and Raymond Mallel, vice president, of the American Sephardi Federation.

Alberto Nasser of Rio de Janeiro, chairman of the World Federation's board of governors, headed the Latin American delegation. Other participants came from Canada, Mexico and Israel.

**JEWS ATTEMPT TO BLOCK BUILDING  
OF MALL OVER CEMETERY IN HAMBURG**

HAMBURG, Germany, March 2 (JTA) -- Jews from Europe and the United States used their bodies Monday to prevent bulldozers from preparing the ground for a shopping mall on the site of a 350-year-old Jewish cemetery in this northern German port city, which they say still contains the graves of Jewish sages.

Police estimated about 80 demonstrators but Jewish sources put the figure at 200. They, and supporters all over the world, are determined to save what remains of the former Ottensen cemetery, which was largely destroyed by the Nazis during the 1930s.

A police spokesman said the Jewish protesters interfered with the construction work for an hour but there was no violence.

Representatives of Athra Kadisha, the Society for the Preservation of Jewish Holy Sites, based in Brooklyn, N.Y., sent a message.

"We will die first before we allow the cemetery to be desecrated," said Rabbi Zvi Kestenaub, president of the society.

The Ottensen cemetery was acquired in 1663 in what was at the time Danish territory. It was enlarged several times, the last time in 1815, according to the Universal Jewish Encyclopedia.

According to Athra Kadisha, the cemetery, which once contained 4,000 graves, was respected by all German governments until the Nazis.

But "today's German government is showing incredible insensitivity with respect to this sacred Jewish cemetery," charged Dr. Bernard Fryshman of the Conference of Academicians for the Protection of Jewish Cemeteries.

He said negotiations have been going on for some time with German federal and local authorities to return the cemetery to Jewish hands.

But the government claims it was sold with the approval of a group of Jews who returned to Hamburg right after the war. "This is an obviously fraudulent claim, since Jewish law forbids the desecration of a cemetery for other uses," Fryshman said.

According to Jewish sources, the site was sold to several developers since the end of World War II who did nothing with it. In 1991, however, it was sold to the Bull Co., which announced ambitious plans to build a shopping mall and 60 housing units on the site.

**CHURCHES WARNED ABOUT ANTI-SEMITISM  
By Tamar Levy**

GENEVA, March 2 (JTA) -- The Conference of European Churches has expressed "deep concern" about the resurgence of anti-Semitism and other forms of racism in Europe in a letter to its constituents.

The letter, released after a joint meeting of its presidium and advisory committee here last week, warned of "the rise of xenophobia, racism, anti-Semitism, discrimination and urban violence directed against refugees.

"People are exposed to violent attacks by 'Skinheads' and neo-Nazi groups," the letter said.

"This rise of open or veiled racist attitudes and sentiments clearly threatens to divide people within the countries of Europe, and furthermore, between European nations," the letter said.

"Nationalism, chauvinism, racism and totalitarian barbarism must not be allowed to rise again," the church group wrote.