

**STILL HURT OVER LIKUD SETBACK,  
LEVY RESIGNS AS FOREIGN MINISTER**

By David Landau

JERUSALEM, March 29 (JTA) -- David Levy's ongoing feud with Prime Minister Yitzhak Shamir culminated Sunday in the foreign minister's announcement that he would resign from the government.

Levy, who is also a deputy premier, stressed he was not resigning from the Likud party, to which, he reminded his supporters, he gave "my youth and my love."

But he sounded almost like a Laborite in the long, bitter recital of grievances against the party leadership, which he gave to several hundred loyal followers gathered in a Herzliya hotel.

Levy accused his ministerial colleagues of political pigheadedness for courting a crisis with the United States, "as though we have an alternative to America's friendship."

He dwelt on his differences with the party leadership over the peace process, saying he had to fight constantly for policies of relative moderation and endure charges of "selling out" to the Arabs for proposals that were entirely consistent with the 1978 Camp David accords.

The Moroccan-born Levy, the highest-ranking Sephardic member of the Cabinet, hinted strongly at anti-Sephardic bias among the majority of Likudniks who are of Ashkenazic background.

He spoke of their contemptuous attitude toward him and how his policy initiatives on behalf of the poorer segments of society were frequently squelched by his own party.

Referring to those socioeconomic policies with which he is associated, Levy said he added to Likud's ideology a dimension not previously stressed in its doctrines and thereby induced many more people to join the party.

Though visibly grieved by his announcement, Levy's followers responded with a standing ovation and broke into their signature song, "David, Melech Yisrael," (David, king of Israel).

**Shamir May Try To Heal Rift**

The government Levy is leaving will be replaced after the June 23 elections. But his departure and the biting criticism of his valedictory is hardly an advantage for Likud in the midst of a bitter election campaign.

There was no immediate reaction from the Prime Minister's Office to Levy's announcement.

Some observers predicted that Shamir would attempt to heal his rift with Levy in the days ahead and prevail upon him to reconsider. But others felt Shamir might quickly appoint a new foreign minister in an effort to minimize the pre-election fallout from this open feud within the ruling party.

Although his relations with Shamir have long been shaky, mainly because of Levy's relatively moderate foreign policy views, the break Sunday stemmed from Levy's bitterness over the way his supporters were shut out when the Likud Central Committee picked the party's election slate on March 1 and 2.

Levy charges his supporters were shut out of safe spots on the election list because of col-

lusion between the camp of Shamir and his lieutenant, Defense Minister Moshe Arens, and that of Ariel Sharon, the hard-line housing minister.

The internal strife has been hurting the Likud politically. And in the view of most pundits, Levy's move is likely to aggravate the damage.

Likud campaign spokesman Yossi Ahimeir issued a call to party loyalists Sunday to work harder than ever for success on Election Day.

With respect to the current crisis with Washington over its linkage of a settlement freeze with loan guarantees, Levy said much of Israel's complaints were legitimate. But he clearly implied that some of the blame for the damaged state of relations resides with his Cabinet colleagues.

Meanwhile, unnamed Foreign Ministry officials were quoted by Israel Television within minutes of Levy's announcement as expressing fear that his departure and possible replacement by a Likud colleague may well lead to a hardening of Israeli foreign policy positions in the period leading up to the election.

**KOHL LASHES OUT AT JEWISH GROUP  
FOR CRITICIZING WALDHEIM MEETING**

By David Kantor

BONN, March 29 (JTA) -- German Chancellor Helmut Kohl has become embroiled in an angry confrontation with Jewish leaders here and abroad after a meeting Friday with Austrian President Kurt Waldheim.

Not only did Kohl hotly defend the meeting, he went on to assail the World Jewish Congress as an enemy of German unification.

Heinz Galinski, chairman of Germany's Jewish community, warned that the chancellor was fostering anti-Jewish sentiments in Germany.

The meeting and luncheon with Waldheim in Munich also drew criticism from the opposition Social Democrats and the Free Democratic Party, which is the junior partner in the governing coalition led by Kohl's Christian Democratic Union.

It was widely seen as an attempt to rehabilitate the controversial Austrian head of state and two-term U.N. secretary-general, who has not been received by any Western leader since his Nazi past was exposed by the WJC during the Austrian election campaign in 1986.

Kohl "brought dishonor to Germany," the WJC's executive director, Elan Steinberg, declared in New York on Friday. He contrasted the chancellor's behavior with that of Germany's President Richard von Weizsacker, who "by not meeting with Mr. Waldheim defended Germany's honor."

Kohl retorted by charging that the WJC actively opposed German unification after the Berlin Wall was torn down in 1989 and propagandized against it.

He made the charge in Waldheim's presence during a brief meeting with journalists, also attended by Max Streibl, the prime minister of Bavaria, who co-hosted the luncheon.

Visibly angry, Kohl said the WJC argued against German unification "in an outrageous manner" when sentiment for a united Germany peaked after the collapse of communism in East Germany.

He accused the WJC of sending a mission to

East Berlin in 1989 to "polemicize against Germany's unity and therefore against the right of the German people for self-determination."

German media reports said Kohl was referring to a meeting in East Berlin in November 1989 between a WJC official, Maram Stern, and Oskar Fischer, then foreign minister of East Germany.

The WJC's emissary reportedly said his organization opposed unification and would do anything to forestall it. German Jewish activists insist their community's attitude was in total variance with the WJC on that subject.

#### 'I Do Not Need Any Advice'

Of his lunch with Waldheim, Kohl declared: "Whom I meet here in Munich, I as chancellor will decide. I do not need any advice on that."

Streibl told reporters he did not understand the criticism. "What is all this nonsense about?" the Bavarian prime minister asked. "Waldheim was a respected and successful United Nations secretary-general and was elected president of Austria by a comfortable majority."

In further remarks, Kohl said the WJC had never responded to a letter he sent it in 1989 asking for an explanation of its alleged propagandizing efforts against German unification.

In New York, Steinberg said that WJC President Edgar Bronfman had sent a letter denying the charges to Kohl in October.

The Chancellor's Office in Bonn confirmed Saturday that a letter was received "a few months ago" from the WJC in New York explaining its attitude toward German unity.

But the letter was "wholly unsatisfactory," the chancellor's spokesman said. He maintained that Kohl never got a reply to his criticism of the WJC's behavior.

Simon Snopkowski, chairman of Munich's Jewish community, said that Kohl's meeting with Waldheim was "outrageous and disappointing."

Galinski expressed his views on the meeting in an interview published Sunday in the weekly *Welt am Sonntag*.

While it is the chancellor's right to meet with whomever he chooses, he "should be ready to accept criticism when he chooses to meet a highly controversial politician," the German Jewish leader said. "I would expect the chancellor to demonstrate more responsibility and sensitivity," he added.

#### May Heighten 'Anti-Jewish Resentments'

With respect to Kohl's comments about the WJC, Galinski said such remarks were likely "to give rise to certain anti-Jewish resentments in this country," at a time when anti-Semitism is increasing in Germany and all over Europe.

He stressed that German Jewry never opposed unification and in fact welcomed the process by which it was achieved.

Apart from Galinski, German Jewish leaders maintained a low profile on the affair, leaving the criticism mainly to Jewish organizations in the United States.

Steinberg recalled Kohl's 1985 visit with President Reagan to the Bitburg military cemetery, where members of the Nazi Waffen SS are buried. He maintained that episode, like Kohl's meeting with Waldheim, "showed shocking insensitivity to the moral concerns of the Jewish people."

Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations, who was in Germany, said

Jewish leaders were "deeply disturbed that Mr. Waldheim is being received by Chancellor Kohl."

He added: "Given Mr. Waldheim's record, we believe this meeting to be inappropriate, insensitive and inconsistent with the very positive developments and achievements we have seen during our visit to Germany, and with Mr. Kohl's own record in confronting Germany's past."

Waldheim's long-concealed record, which the WJC unearthed from U.N. war crimes archives and other sources, included service as an intelligence officer in a German army unit involved in the deportation of Greek Jews and in atrocities against civilians and partisan fighters in the occupied Balkan countries during World War II.

In 1987, the United States banned Waldheim from entering the country for participating in "acts of Nazi persecution."

In New York, the Anti-Defamation League condemned Kohl's decision to "dignify" Waldheim. It "sends the wrong signal" at a time when neo-Nazis are active in Germany and Austria, the group said.

Similarly, the American Jewish Committee observed that "at a time when united Germany's new assertiveness is the focus of intense international discussion," Kohl's meeting with Waldheim "was particularly unfortunate and conveys the very wrong message."

Rabbi Jerome Epstein, executive vice president of the United Synagogue of Conservative Judaism, said Kohl's behavior was "incongruous with efforts to educate the German populace about the Holocaust."

#### ADL ASKS KOHL TO HALT RACIST MUSIC

NEW YORK, March 29 (JTA) -- The Anti-Defamation League has urged German Chancellor Helmut Kohl to halt the flow of racist and anti-Semitic rock music recordings from Germany to the United States.

It called them the "chief propaganda weapon and most important influence" on the actions of Skinheads and other violence-prone neo-Nazis.

Such groups have been responsible for 13 murders and hundreds of beatings and synagogue desecrations, the ADL said.

It linked them to the recordings after a lengthy investigation which resulted in its special report, "Sounds of Hate: Neo-Nazi Rock Music from Germany."

In a letter to Kohl made public here last week, ADL National Chairman Melvin Salberg and Abraham Foxman, national director, urged the chancellor to invoke Germany's law forbidding the production and dissemination of neo-Nazi and racist propaganda.

It cited "hate-filled" discs and tapes manufactured by the German firm Rock-O-Rama, which it described as the largest producer of such recordings in the world.

In reply, Friedrich Bohl, chief of the Chancellor's Office, said the ADL's concern about the recordings was "completely shared by the federal government" and judicial inquiries were initiated which have resulted so far in "the confiscation of an entire edition of a record."

But the ADL maintained that confiscation of one edition of one record "is not enough."

Its report said recordings with titles such as "Blood and Honor," "White Rider" and "Backlash," containing lyrics about "alien cultures, the cultures of Zionist scum" are available in specialty shops in most large cities and by mail order.

## WHITE HOUSE DENIES URGING EUROPEANS TO HOLD UP LOAN GUARANTEES FOR ISRAEL

By David Friedman

WASHINGTON, March 29 (JTA) -- The Bush administration has denied charges that it is urging Western European countries to follow its example and refuse to provide loan guarantees to Israel unless it agrees to stop building settlements in the administered territories.

The charges, which were called "disturbing" by one American Jewish leader, surfaced last week in the Israeli daily Ma'ariv and the New York newspaper Newsday.

Ma'ariv said that the United States has been trying to discourage the European Community countries from providing Israel with guarantees.

Newsday quoted German officials as saying that the government of Chancellor Helmut Kohl had decided not to provide Israel with loan guarantees now.

An unidentified Kohl aide told the newspaper that to provide such aid would be a "stab in the back" to U.S. peace efforts in the Middle East.

The reports of administration pressure on the Europeans drew a sharp response from Rabbi Alexander Schindler, president of the Union of American Hebrew Congregations, which is the congregational arm of Reform Judaism.

"Such a deplorable and reprehensible policy could only be regarded as a hostile and malicious act against a friend, ally and fellow democracy," Schindler said in a letter to President Bush.

But White House spokesman Marlin Fitzwater insisted Friday that the reports are "not true. We emphatically deny them," he said.

Fitzwater maintained that while the European countries know the U.S. position on settlements and loan guarantees, the administration is not trying to "influence their decision-making."

In Bonn, a visiting delegation of Jewish leaders asked German officials to provide the aid.

"We would like you to act on the request consistent with the humanitarian commitment and not dependent on a particular decision of the United States," Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations, reportedly told German officials.

Newsday also reported that at a dinner with German officials, Hoenlein predicted the United States would eventually provide the guarantees.

"We have the Congress with us, three-quarters of the Senate and a majority of the House" of Representatives, and Bush and Secretary of State James Baker "are only two people," Hoenlein was quoted as saying.

## HERZOG COMMUTES JAIL SENTENCE OF PEACE ACTIVIST ABIE NATHAN

By Gil Sedan

JERUSALEM, March 29 (JTA) -- Peace activist Abie Nathan will be a free man Wednesday.

President Chaim Herzog reduced his 18-month prison sentence to six months, which will be up on April 1. The president reached this decision following a request by Nathan, in which he promised to abstain in the future from breaking the law.

Nathan was sentenced last year for having had a second meeting with Palestine Liberation Organization chief Yasir Arafat in Tunis after going to prison for the first.

He began serving time in November 1991.

The remaining one year of his term will be added to the 18-month suspended sentence Nathan received after his first meeting with Arafat. He served three months in prison in 1990 for that offense.

Nathan's pledge to abide by Israeli law marks a change in his longstanding refusal to obey a law he has repeatedly said needed to be disregarded for the sake of peace. Israeli law forbids contact with the PLO.

Nathan had previously said he was willing to go to jail if he had to because the law frustrates peace efforts.

Herzog's amnesty was hailed by the left-wing bloc in the Knesset, though Nathan's supporters thought the commutation should have been granted months ago.

The law Nathan violated should be repealed, a spokesman for the bloc said.

## TWO-THIRDS OF SENATE URGES DAMASCUS TO FREE JEWS, STOP BACKING TERRORISTS

By David Friedman

WASHINGTON, March 29 (JTA) -- In a move applauded by the Council for the Rescue of Syrian Jews, 69 U.S. senators have written a letter urging Syrian President Hafez Assad to improve human relations practices, end support of terrorism and allow Jews to emigrate freely.

"I think it is a very significant effort by members of the Senate to place the government of Syria on notice that they cannot assume there will be normalization of relations with Syria until all these issues are resolved," said Gilbert Kahn, the council's executive director.

"For the council, the strong statement on behalf of Syrian Jewry is especially important because it reiterates the Senate's longstanding concern for human rights in the world," he said.

In the letter, initiated by Sen. Edward Kennedy (D-Mass.), the senators asked Syria to free two Jewish brothers, arrested in 1987 after traveling to Israel, "and permit free emigration for all Syrian Jews."

The senators also asked Assad to expel all terrorists now headquartered in Syria and close all terrorist training bases in Syria and Lebanon. They noted that Syria remains on the U.S. State Department list of countries that support terrorism.

The senators expressed alarm at Syria's decision to buy sophisticated offensive weapons with the \$2 billion it received from the Persian Gulf states for its participation in Operation Desert Storm.

They also called for the extradition of Nazi war criminal Alois Brunner, who has lived in Syria for years.

Syria also was asked to end human rights violations such as torture, discontinue its involvement in the international drug trade and commit itself to withdrawing its army from Lebanon.

These steps and "a sincere commitment to peace in the Middle East are necessary before normal relations can occur between our two countries," the senators stressed.

Kahn said he believes Syria will not dismiss the letter lightly.

"There has been a clear, heightened awareness by the government of Syria that the Congress is not comfortable with many initiatives that have been taken by the Bush administration in its bilateral talks with Syria," he said.

**BEHIND THE HEADLINES:  
ISRAELI ECONOMY IS STAGNATING,  
BUT PUBLIC DOESN'T SEEM TO CARE**  
By Gil Sedan

JERUSALEM, March 29 (JTA) -- Less than three months before elections, Israel's economy has rarely been in worse shape.

It is stagnant. There are no harbingers of growth. The retail trade is suffering. And unemployment continues to rise.

The Bank of Israel, the country's central bank, reported a 3 percent decline in economic activity during the first quarter of 1992.

"The economic picture is not rosy," said the bank's governor, Jacob Frenkel, who has a reputation for understatement.

Yet the public seems almost indifferent. There are no signs that people are alarmed by the bad economic news. The Tel Aviv Stock Exchange remains bullish.

The central bank measures economic activity by a special index that combines data on industrial production, retail trade, imports and job offers.

Despite the gloomy statistics it released over the weekend -- economic activity down 0.3 percent in February alone -- stock prices soared Sunday. Some shares, such as Elite foods, gained 6.5 percent in value.

The stock market did not reflect the fall-off in exports and the 2 percent drop in imports of raw material used by the export industries in February.

Nor did it seem troubled that the volume of trade is off or that agriculture has suffered badly from the exceptionally harsh winter.

**A Dearth Of Investments**

But economists are seriously concerned by the dearth of investments in new projects since the beginning of the year. In part, the lag is attributed to Washington's refusal to underwrite \$10 billion in immigrant absorption loans Israel needs over the next five years.

Economists also point to the sheer drop in aliyah as a basic cause of the slump. Since the country failed to offer them job opportunities, the flood of olim became a trickle.

From a peak of 20,000 arrivals a month from the former Soviet Union, the aliyah rate has fallen to under 5,000. Meanwhile, the rate of job offers fell by a record 19 percent in February, the Bank of Israel reported.

The boom in demand for housing and other consumer essentials that massive immigration was supposed to trigger did not materialize. Small businesses reported a dramatic decline in sales. Electrical appliances were off by 50 percent in February; clothing and shoe sales fell 37 percent.

The Treasury has criticized the Bank of Israel for not stimulating the economy by a reduction of the prime rate, the interest rate banks pay for money.

But while the government is keen on showing improvement in an election year, it can point to little more than holding down Israel's double-digit inflation rate to 14 percent.

It predicts, however, that the jobless rate will fall in the near future, when work begins to repair the infrastructure damaged by the succession of winter storms.

If Israelis do not seem worried, it may be because they have learned by now that election campaigns tend to remedy economic ills.

**HEALTH OFFICIAL, BROTHER ARRESTED  
FOR LEAKING MAXWELL AUTOPSY PHOTOS**  
By Hugh Orgel

TEL AVIV, March 29 (JTA) -- A veteran Israeli Health Ministry official and his brother have been arrested on charges of having provided a French magazine with confidential videotape of Robert Maxwell's autopsy in Israel.

Naim Batzrit, 65, of Rishon le-Zion and his brother, Sasson, were remanded by a Petach Tikva magistrate's court last Thursday for allegedly stealing and selling copies of a report of the autopsy performed on the late British media magnate before his burial in Jerusalem in November.

Naim Batzrit is a former police officer employed for years as chief photographer at the Health Ministry's Pathology Institute in Tel Aviv.

He is charged with copying the record of the post-mortem, which was sold to the French magazine Paris Match. Sasson Batzrit was charged with acting as an intermediary with the magazine.

Maxwell, a Czechoslovak-born Holocaust survivor who became a billionaire in Britain, died mysteriously on Nov. 5, 1991 when he jumped, fell or was pushed from his yacht cruising in the Canary Islands.

An autopsy performed by the local Spanish authorities concluded that the 68-year-old Maxwell suffered a heart attack before his nude body was fished from the sea.

A second autopsy was conducted in Israel at the request of the Maxwell family, apparently for life insurance purposes.

According to the video pictures taken by Batzrit and the findings of the second autopsy, Maxwell was struck on the head before he fell from his yacht.

That was reported in Paris Match. The Health Ministry, disturbed by the leak, asked the police to investigate.

They reportedly questioned Batzrit many times. He and his brother denied in court that they had any connection with the theft. But the magistrate decided the police presented sufficient circumstantial evidence to warrant the remand in custody, pending completion of the investigation.

**CONVERSIONS TO JUDAISM ON THE RISE**  
By Gil Sedan

JERUSALEM (JTA) -- The number of Christians in Israel who converted to Judaism rose significantly last year.

There was a 15 percent increase over the previous year, according to data released by the Religious Affairs Ministry's Christian Communities Department.

The 593 converts included 17 Jews who had converted to Islam but returned to the Jewish faith last year. They consisted of four women with 13 children among them.

There was only one Jewish conversion back from Islam in 1990.

The ministry reported that 27 Christians converted to Islam last year, compared to 26 the previous year. Most are European women married to Arab men.

The report also showed that there are 555 Samaritans split between Nablus in the West Bank and Holon, south of Tel Aviv.

The Samaritans were an ancient Hebrew sect that broke from Judaism. Their present community is demographically unusual in that men outnumber women by 303 to 252.