

75th ANNIVERSARY YEAR**THURSDAY, APRIL 2, 1992****VOL. 70, NO. 64****CONGRESS ADOPTS FOREIGN AID BILL
WITHOUT LOAN GUARANTEE PROVISION****By Howard Rosenberg**

WASHINGTON, April 1 (JTA) -- Congress adopted a foreign aid bill this week that contains no reference to Israel's request for \$10 billion in U.S. loan guarantees.

Instead, the Senate voted 99-1 Wednesday evening to adopt a separate, non-binding resolution calling on the Bush administration to provide an appropriate level of loan guarantees to Israel.

The senators had originally hoped to pass a foreign aid bill that contained the guarantees, which Israel would have used to obtain up to \$10 billion in commercial loans to help cover the enormous cost of absorbing immigrants from the former Soviet Union and Ethiopia.

But President Bush vowed he would veto any legislation that provided the loan guarantees without requiring the Israeli government to stop building settlements in the West Bank and Gaza Strip.

So instead, both the Senate and House of Representatives passed a so-called continuing resolution that maintains last year's level of foreign aid to Israel and other recipients for the remaining six months of the 1992 fiscal year.

The non-binding resolution, sponsored by Sen. Frank Lautenberg (D-N.J.), was as far as pro-Israel lawmakers would go in challenging President Bush's veto threat.

Earlier this month, the Senate had proposed a compromise that would have provided Israel with loan guarantees for \$850 million, with no strings attached, and given the president discretion over providing guarantees for another \$9 billion.

But the administration was only willing to provide Israel with guarantees for \$300 million up front and wanted to place more stringent conditions on the remaining \$9.7 billion.

Baker Rejected New Compromise

Then last week, Sen. Howard Metzenbaum (D-Ohio) proposed a last-ditch compromise that would have had a U.S. government agency, the Overseas Private Investment Corporation, guarantee \$2 billion in loans to Israel for immigrant resettlement through the 1994 fiscal year.

Metzenbaum told the Jewish Telegraphic Agency that he discussed the matter personally with Secretary of State James Baker on March 26 and got word from him on Monday that the administration "found it unacceptable."

Baker "felt that in some way the money might be used as far as the settlements were concerned," said Metzenbaum.

Had the administration found it acceptable, the OPIC proposal would have been included in the continuing resolution approved by the Senate on Wednesday and by the House on Tuesday, Metzenbaum said.

The Ohio senator said the loan guarantee legislation could be revisited after the Israeli elections in June or after the U.S. elections in November.

Metzenbaum said that while there were probably enough votes in the Senate and House to approve loan guarantees for Israel, it was unclear

whether Congress could override the promised Bush veto.

He cited Bush's threat to make the loan guarantees "a political issue" during the U.S. election campaign as another reason for not voting on them at this juncture.

"We don't have the votes to override a veto," Sen. Timothy Wirth (D-Colo.) conceded on the Senate floor Wednesday. He said he believed U.S.-Israel relations would be better off without a confrontation now than with one.

Wirth's remarks were part of a floor debate on the loan guarantees that stretched on for five hours Wednesday, despite the fact that the sense-of-the-Senate resolution in question was entirely symbolic.

By contrast, the \$14.2 billion continuing resolution on foreign aid got about an hour of attention from the Senate, which adopted it by a vote of 86-14. The House vote was 275-131.

During the loan guarantees debate, Sen. Bob Packwood (R-Ore.) unveiled eight color poster maps, dating as far back as 1000 BCE, to demonstrate that there was a Jewish presence in the West Bank as early as the time of King Solomon.

A map of the Ottoman Empire's rule over Jerusalem from 1500 to 1919 was shown to illustrate that Jews were also allowed to settle in the West Bank then and that only between 1948 and 1967, when Jordan controlled the West Bank, were Jews not allowed to live there.

The lone vote against the loan guarantees resolution was cast by Sen. Robert Byrd (D-Va.). He argued that the United States should be "weaning Israel off foreign loans and deeper debt."

He questioned whether the loan money would really go to immigrants. Instead, he suggested it was really an "economic infrastructure package, on top of the aid that we are already providing this year."

**VOTERS PROPEL DOVES TO TOP
OF LABOR PARTY ELECTION SLATE****By David Landau**

JERUSALEM, April 1 (JTA) -- Labor Party members, voting in a U.S.-style primary Tuesday, selected a slate of candidates for the June 23 Knesset elections that represents all elements of the party.

In fact, under the leadership of Yitzhak Rabin, the party seems more united than it has been in many years. Rabin defeated incumbent Shimon Peres for the office of chairman in a nationwide referendum last month.

Peres, who was voted into the No. 2 spot Tuesday, had good reason to be satisfied with the outcome, which put several of his closest supporters in high slots, assuring them of election.

A big surprise was the elevation of the dovish Avrum Burg to the No. 3 position, up from No. 21 in Labor's outgoing Knesset delegation. Burg, son of former National Religious Party leader Yosef Burg, is part of Labor's younger generation of rising politicians.

His presence, along with at least three other confirmed doves among the top 10 names on the Labor list, drew fire from Likud.

Rabin is "surrounded by a dove-cote of

Peres-supporting doves," one Likud official claimed.

Asked to comment, Rabin said Labor in fact represents "the centrist opinion in the country" and stands on its platform.

Peres dismissed Likud taunts, asserting that the dove-hawk classification is "10 years out of date."

Candidates identified with the former party chief or regarded as doves include Ora Namir and Haim Ramon, in fifth and sixth places respectively, and Nissim Zvilli, secretary of the moshav movement, who is No. 10.

One of Peres' closest associates, Yossi Beilin, made the list but not among the top 20. So did peace activist Yael Dayan, who is not in the outgoing Knesset.

Setback For Left-Wing Bloc?

About 14 or 15 of the first 40 are fresh faces. On the other hand, several prominent veterans failed to make the first 40 and are not likely to get elected unless Labor wins by a landslide.

They include former Cabinet ministers Shoshana Arbeli-Almoslino, Gad Ya'acobi and Ya'acov Tsur.

There was a heavy turnout of voters at 700 polling stations around the country. Because of an embarrassing breakdown of the electronic vote-counting system, results were not known until late Wednesday afternoon.

By then, 95 percent of the approximately 112,000 votes cast had been tallied, and Labor was mightily pleased with the results, which demonstrated solidarity in contrast to the disarray in Likud's top ranks.

Meanwhile, Foreign Minister David Levy, who announced his resignation Sunday, seemed determined to go through with it. The daily newspaper Hadashot reported Wednesday that his supporters were poised to lay down the infrastructure of a new party to participate in the June 23 elections.

The loss of even two or three seats to a Levy slate could spell defeat for Likud in a close election. Aides to Levy and Shamir are trying behind the scenes to find a way out of the deadlock.

But it is the new left-wing Meretz bloc that might lose the most from Labor's newly found unity and dovish tilt.

Meretz, an alliance of the Citizens Rights Movement, Mapam and the Center-Shinui Movement, presently accounts for 10 Knesset seats. It had hoped to improve significantly with the support of peace-oriented voters who saw little difference between a Labor Party headed by Rabin and Likud.

But now those potential supporters might have second thoughts.

The ranking for the top 20 Labor candidates is Rabin; Peres; Burg; Binyamin Ben-Eliezer; Namir; Ramon; Micha Harish, the party's secretary-general; Yisrael Kessar, secretary-general of Histadrut; David Libai; Zvilli; Shimon Shetreet; Uzi Baram; Rafi Ellul, mayor of Mazkeret Batya; Ori Orr, a former Israel Defense Force general and former director of the Jewish National Fund; Avraham Shohat; Shevach Weiss; Haggai Meirum; Masha Lubelsky, secretary of the women's Labor organization Na'amat; Eli Ben-Menachem; and Nawaf Massalha.

Namir and Kessar each ran unsuccessfully last month for party chairman against Rabin.

LITTLE KNOWN ABOUT PEROT'S STANCE ON ISRAEL AND OTHER JEWISH CONCERNS **By David Friedman**

WASHINGTON, April 1 (JTA) -- H. Ross Perot, the Texas billionaire who is considering running as a third-party candidate for president, is an unknown quantity when it comes to Israel.

Some Dallas Jews say they believe Perot is a strong supporter of Israel, although there is little evidence from his speeches. When asked about the loan guarantee issue on a television show recently, he said he had not studied the issue.

For several years, Perot has been a friend and benefactor of Shaarei Zedek Hospital in Jerusalem and is known to be an admirer of Ariel Sharon, Israel's hard-line minister of housing.

Perot has visited Israel, and "I know that he admires Sharon," said Morris Talansky, executive vice chairman of the American Committee for Shaare Zedek Hospital. "He admires the Jewish people, and he certainly admires Israel and is a very warm friend of the hospital."

Dallas Jews point to Perot's close relationship with a Jew, his longtime right-hand man Mort Myerson. When Dallas built a new cultural hall, Perot contributed the largest single gift for the center on condition it be named for Myerson.

During a recent appearance on public television's "MacNeil/Lehrer Newshour," Perot said the United States cannot afford hatred and bigotry as it seeks to restore its economic leadership.

There is "only so much energy in this country, and if we waste it hating one another, we are going to lose," he said.

Was Against The Gulf War

He said there are three categories in which he would put most people on this issue. "We ought to love one another -- that takes care of most of us," Perot said.

"For those who can't quite reach that, let's get along with one another, so we can team up and win," he said.

"Now for the hard-core haters," he continued, "my advice to you is we are stuck with one another. Nobody is leaving. Nobody is going back home. We are all here. So get at least up in category 2."

Perot's possible candidacy came about during an appearance on Cable News Network's "Larry King Show," when he said he would consider running if he received the 800,000 signatures needed to get on the ballot in all 50 states.

Since then, hundreds of thousands of people have been calling his headquarters in Dallas to offer support. He said he would be willing to spend \$100 million of his own funds to finance the race.

Perot's political outlook is difficult to assess. He said he wants to ban deficit spending by the government, overhaul the tax system, and make Europe and Japan pay for their defense. But he is less clear on other issues.

Perot has used his own people and funds to rescue two of his employees held in Iran and to search for U.S. soldiers missing in Southeast Asia. He was against the Persian Gulf War, but helped veterans of the war, as he has after other wars.

Pundits are divided over whether he would take away more votes from President Bush or the Democratic nominee. But being a folk hero in Texas, Perot could win that important state, which would hurt the prospects of one of the state's other prominent native sons, George Bush.

**VATICAN 'REACHING OUT' TO ISRAEL,
INFLUENTIAL CATHOLIC PRELATE SAYS**
By Debra Nussbaum Cohen

NEW YORK, April 1 (JTA) -- The Vatican is increasingly interested in establishing diplomatic relations with Israel and is looking for signs of interest from the Jewish state, according to New York's Cardinal John O'Connor.

The Catholic prelate, who has become one of the Vatican's leading figures on Israel, told a group of Jewish leaders this week that there has been "a significant change in Rome."

Over the past year, he said, he has sensed "a reaching out" from the Holy See to Israel.

"It seemed whereas for a long time Israel had been looking to the Vatican for signs that there was the possibility of diplomatic relations, I got the impression that now Rome was looking to Israel for signs," O'Connor said.

While in Israel last December during a tour of the region, O'Connor met with Prime Minister Yitzhak Shamir, President Chaim Herzog and Jerusalem Mayor Teddy Kollek.

The Catholic leader said he was encouraged by the good will and sincerity expressed by the Israeli officials, and their responsiveness to the issues he raised with them.

O'Connor, who was in the region as head of the Catholic Near East Welfare Association, a relief agency, bookended the tour with stops at the Vatican. During both of those visits in Rome, he met with Pope John Paul II.

His meetings with Israeli officials were considered significant because they seemed to signal a shift from past Vatican policy, which was harsh on Israel and included calls for international control over Jerusalem.

On a 1987 visit to Israel, O'Connor was forced at the last minute to cancel appointments with the same Israeli officials because he had failed to obtain prior Vatican approval.

Jerusalem Issue Close To Resolution

At the March 31 meeting with Jewish leaders here, hosted by the World Jewish Congress and the International Jewish Committee on Inter-religious Consultations, O'Connor said Rome is no longer so interested in internationalizing control over Jerusalem.

Now, he said, the Vatican is concerned primarily with having the Palestinian question resolved, ensuring free access to Jerusalem's holy sites, and guaranteeing protection of Christians in the Middle East.

"The question of Jerusalem seems to me to be much closer to resolution than ever in the past," O'Connor said.

He added that "resolution of the Palestinian problem is not the responsibility of Israel alone."

"We move toward a resolution when we emphasize that the responsibility for Palestinians must be shared by a variety of countries," he said in his remarks.

The Vatican's lack of full and formal diplomatic relations with Israel has long been a priority for Jewish participants in Jewish-Catholic interreligious dialogue.

Though there is a Vatican delegate in Jerusalem, he has responsibility for Jordan as well, and does not have ambassadorial status.

The Vatican is the only remaining government in Europe without formal diplomatic relations with Israel.

Still, Israel and the Vatican have had infor-

mal relations for many years. Israeli politicians, including Prime Ministers Golda Meir, Shimon Peres and Yitzhak Shamir, have visited the Vatican since 1969, according to Rabbi Leon Klernicki, a member of IJCIC and director of interreligious affairs at the Anti-Defamation League.

O'Connor has for many years advocated that the Vatican bridge the diplomatic gap with Israel.

He is considered an important ally because he has the ear of the pope on the matter and because he has an extensive network of friendships with Jewish leaders.

**ARAB COUNTRIES PLACE BUSY SIGNAL
ON DIRECT DIAL CALLS FROM ISRAEL**
By Hugh Orgel

TEL AVIV, April 1 (JTA) -- Israel's unilateral attempt to open direct-dial telephone connections with the Arab world has encountered a busy signal.

While the Arab countries could not selectively block calls from Israel beamed via satellite from Europe, they were able to pressure European telecommunications companies to stop relaying them, the Jerusalem Post reported Wednesday.

The experiment was started by Bezek, the telecommunications corporation owned by the Israeli government. As of midnight March 25, it became possible for the first time in Israel to telephone parties in 11 Arab states, from neighboring Jordan to distant Morocco and Yemen.

A few calls were completed to hotels and news agencies, but thereafter direct dialers to Saudi Arabia, the Persian Gulf emirates and Lebanon got only dial tones.

Spokespersons for Bezek and the Israeli Communications Ministry said they had no information that the Arab states were actively blocking the calls.

But Palestinian sources in East Jerusalem confirmed that some of the Arab governments refused to accept any telephone calls from Europe unless those originating in Israel were eliminated.

"For the Arab countries, it is a matter of principle," said one source. "They don't want a highly publicized phone connection with Israel's state telecommunications corporation."

SLOVENIAN-ISRAEL AIR ROUTE BEGINS

TEL AVIV, April 1 (JTA) -- A Slovenian airline will inaugurate service from Eastern Europe to Israel on Thursday.

The Israeli and Slovenian ministers of transportation plan to be at Ben-Gurion Airport to welcome the first flight of the new Adria Slovenian Airlines.

Slovenia, the westernmost of the original six Yugoslav republics, has been flexing its muscle as a viable sovereign state since it declared independence last June.

STORMS DOWNED MILLION TREES

JERUSALEM, April 1 (JTA) -- More than 1 million trees were destroyed by the freak storms that buffeted Israel this winter with gale-force winds, blizzards and frigid temperatures.

Whole areas of forest must be cleared and replanted, especially in northern Israel and around Jerusalem, according to the Jewish National Fund, which concluded a study of the damage last week.

The casualties include thousands of recently planted saplings that simply froze to death.

ALIAH FROM FORMER USSR UP A BIT, BUT STILL BEHIND LAST YEAR'S LEVEL

By Michele Chabin

JERUSALEM, April 1 (JTA) -- Immigration to Israel rose by nearly a quarter in March, but the level is still far below last year's total for the month.

The number of olim from the former Soviet republics rose 16 percent in March, but was still the second lowest monthly total since January 1990.

Aliyah from North America, on the other hand, was well ahead of the level at this time last year.

According to the Jewish Agency, 6,274 immigrants arrived in Israel last month, including 4,913 from the former Soviet Union. This is a 23.6 percent increase over February, when 5,077 people immigrated, including 4,233 from the former Soviet republics.

Last month's aliyah figures are down more than 50 percent from March 1991, when 14,609 people immigrated. For Jews from the Soviet successor states, the drop is even greater: from 13,336 in March 1991 to just 4,913 last month.

Aliyah from the republics has been dropping more or less steadily since last June, when over 20,000 Jews immigrated. The March figures are the first indication that the bottom of the curve has been reached.

In New York, the Hebrew Immigrant Aid Society reported that 3,498 Jews from the former Soviet Union came to the United States in March under the government's refugee program. This brings the total for the first half of the 1992 fiscal year to 23,173, well ahead of the 9,059 who came during the same period last year.

Whereas aliyah from the former Soviet republics seems to have hit a plateau, immigration to Israel from the United States and Canada is definitely on the upswing. The first three months of 1992 have witnessed a 25 percent increase in North American aliyah over the same period last year.

While aliyah officials say the increase is significant, they point out that the number of North American olim is still extremely small. In 1990, 1,924 North Americans moved to Israel, while 1,962 did so in 1991. Approximately 300 have come since the beginning of this year.

Jewish Agency spokesman Gad Ben-Ari attributes the rise to several factors. First, he said, "the agency's North American office has made a tremendous effort to encourage aliyah over there. We feel that the time is right, that people are ready to try Israel."

The sluggish American economy is another contributing factor. "The recession in the U.S. has certainly had an effect," he said. "The American standard of living isn't what it used to be."

Perhaps most important, said the spokesman, is the "aliyah fever" that has swept Jewish communities around the world. "When Diaspora Jews see the great inpouring of Jews from the former Soviet Union and Ethiopia, they are caught up in the wave, too," he said.

"We would like to see people come to Israel not out of a sense of desperation but because things are so attractive here. That is what we are working toward."

As for the future of immigration from the former Soviet republics, Ben-Ari adopted a wait-and-see attitude.

"The high unemployment rate among olim," he said, "will keep potential olim away."

The jobless rate among new immigrants is now more than triple the national average, according to figures released Tuesday by the Central Bureau of Statistics.

Unemployment among immigrants has reached 36 percent, compared to 11 percent unemployment nationwide.

Of the 260,000 immigrants of working age who arrived in Israel since 1990, 48,000 have no jobs and are actively seeking employment, the Central Bureau reported.

Although the immigrants represent only 6 percent of Israel's work force, they account for 24 percent of its unemployed, up from 15 percent in the first quarter of 1991.

"This kind of information has a drastic effect on peoples' decision on whether or not to leave," said Ben-Ari. "People are sitting on their suitcases, emotionally ready to leave, waiting for a positive signal from Israel, primarily regarding employment."

Until that happens, he said, "many potential immigrants will stay where they are."

GRAFFITI SCRAWLED ON GRAVESTONES IN CHILE REFER TO SPANISH EXPULSION

By Susan Birnbaum

NEW YORK, March 31 (JTA) -- Some 100 gravestones were vandalized Monday in a Jewish cemetery in southern Chile, the World Jewish Congress reported.

Among the anti-Semitic graffiti at the cemetery in Temuco, Chile, were slogans referring to the 500th anniversary of the expulsion of Jews from Spain, said Elan Steinberg, executive director of the WJC.

One of the slogans said, "Jews, you were expelled from Spain in 1492. It can happen again," Steinberg was told by Manuel Tenenbaum, director of the Latin American Jewish Congress, headquartered in Buenos Aires.

Tuesday marked the 500th anniversary of the edict ordering Jews expelled from Spain.

The graffiti, which also included Stars of David but not swastikas, were spray-painted on the gravestones.

Only a handful of Jews are now believed to live in the area, Steinberg said, adding: "There was a larger community at the turn of the century."

He estimated that the cemetery contains a few hundred graves.

ISRAEL NAMES HIGHWAY FOR BEGIN

By David Landau

JERUSALEM, April 1 (JTA) -- Israel's newest superhighway will be named in memory of the late Prime Minister Menachem Begin, it was announced Wednesday.

Tel Aviv's recently completed Ayalon route, which bisects the city from north to south, will bear the name of the Israeli leader who died in Tel Aviv on March 9 at the age of 78.

The four-to-six-lane highway has become Tel Aviv's major traffic artery. A suburban commuter railroad is being built to run alongside it.

The Jerusalem municipality announced its proposal to name a still unfinished highway in memory of Begin. Known now as Route No. 4, it connects the center of the city with its northern outskirts and will eventually extend to the south.