

**BAKER: ISRAEL BROKE COMMITMENT
AND THUS LOST LOAN GUARANTEES**
By Larry Yudelson

NEW YORK, May 10 (JTA) -- Israel did not get the \$10 billion in loan guarantees it sought from the United States because it violated an understanding with Washington not to increase settlement activity in the administered territories, Secretary of State James Baker said.

Baker made the statement to a delegation from the American Jewish Committee on Friday, according to AJCommittee President Alfred Moses.

It may have been the first time the Secretary of State had recounted on the record private Israeli assurances against expanding settlements.

These commitments were not raised publicly during the negotiations earlier this year between Israel and the White House over terms for securing the guarantees.

The promise not to increase the pace of building settlements in the West Bank and Gaza was made in February 1991 as a condition for receiving guarantees for \$400 million in loans to finance housing for new immigrants, Baker said. Those guarantees had been authorized by Congress the previous autumn.

The meeting with eight AJCommittee leaders, like a similar one the previous Monday with leaders from the American Jewish Congress, seemed design to help repair the rift between American Jewry and the administration that was opened by the bruising battle over the \$10 billion in loan guarantees.

The earlier set of loan guarantees was accompanied publicly by an October 1990 letter from Israeli Foreign Minister David Levy to Baker, in which Israel promised to keep the United States informed about expenditures in the territories.

The Government Accounting Office charged subsequently that "incomplete information was provided" and that Israel had failed to live up to the letter's promise of full disclosure.

But reports of private commitments not to expand settlement activity beyond the existing "baseline" rate of growth, as Baker put it Friday, surfaced in the Israeli press last year.

As recounted through a series of leaked documents, the United States had expressed concern over reported Israeli plans to build 12,000 new housing units in the territories over a three-year period. In reply, Prime Minister Yitzhak Shamir's office assured Washington that Israel had plans to build no more than 1,200 units, roughly the number it had built the year before.

On the basis of that official Israeli denial, the loan guarantees were then released.

As it turned out, building starts in the West Bank and Gaza rose to 8,110 in 1991, according to Israel's Central Bureau of Statistics.

State Department officials, among them Dennis Ross, director of the State Department's policy planning staff, have previously indicated that the tripling of settlement starts in the aftermath of the 1991 "assurances" led the administration to take its hard line stance on the \$10 billion in loan guarantees.

The president promised to veto any congressional authorization of the guarantees which did

not prohibit all new construction after Jan. 1, 1992.

Faced with this condition, Israel's supporters in Congress put aside the request for the guarantees, though they say the issue will be raised again following elections in the United States and Israel.

AJCommittee President Moses said that the U.S.-Israeli understanding was news to him.

"What I had heard before is that a major reason for the administration's ultimate stance on loan guarantees was indignation and outrage on how the \$400 million was handled. I had not heard there was an understanding outside the document itself, that there would be no increase over the baseline.

"I had not heard that a specific understanding had been reached, and had been breached," said Moses, who described Baker's account of the understanding as "quite explicit."

The discussion between Baker and AJCommittee leaders also dealt with Syria, Iran, Iraq, and non-conventional weaponry.

Moses said that regarding the peace talks, Baker foresees an agreement between the Israelis and the Palestinians on a self-governing authority in the territories.

**OVITZ BITTERLY CHARGES THAT ISRAEL
ABANDONED HIM IN EGYPTIAN PRISON**

By David Landau

JERUSALEM, May 10 (JTA) -- David Ovitz, whose release from an Egyptian jail last Wednesday was a widely celebrated Yom Ha'atzmaut event, accused the Israeli government of abandoning him during his three months' incarceration.

The bitter charge was contained in a letter the 33-year-old Givatayim furniture dealer wrote to his wife, Yael, from jail shortly before his release.

"I have been criminally neglected," Ovitz wrote. "No one gives a damn for my suffering. My only 'crime' is that I am an Israeli citizen. I have decided that I want no more assistance from the State of Israel. I forgo that humiliation."

The letter was published Sunday in Yediot Achronot, Israel's largest newspaper, to which Ovitz sold his story.

Ovitz was one of four Israelis -- the three others were Arabs -- arrested in Cairo in early February and jailed on suspicion of espionage.

Their release was finally secured only after the United States stepped in, according to Noach Dear, a city councilman from New York who spoke here at a news conference.

Dear, a Democrat and an Orthodox Jew, said he got involved a month ago at the request of Ovitz's relatives who live in his Brooklyn district.

Dear said he submitted a letter on behalf of Ovitz to the Egyptian ambassadors in Washington and Tel Aviv, signed by 50 members of the U.S. Senate, House of Representatives and New York City Council.

According to Dear, Secretary of State James Baker became personally involved in the affair and a key Baker aide, the State Department's head of planning, Dennis Ross, was active in discreet diplomatic efforts that eventually led to the release of the prisoners.

He said the State Department preferred to play down its role, despite obvious political benefits for the Bush administration, out of consideration of diplomatic sensitivity.

"But I believe that if we criticize the administration on aspects of its policy toward Israel, we should praise it publicly when it is deserving of praise," the council member said.

Ovitz and his wife phoned Dear in New York hours after the businessman's release to thank him, and through him, Baker and his aides.

The incident severely strained Israeli-Egyptian relations. As part of Israel's efforts to free its citizens, Prime Minister Yitzhak Shamir placed a rare personal telephone call to Egyptian President Hosni Mubarak.

According to Yediot, it was initiated in response to "hints from the Egyptian Embassy in Tel Aviv that a direct appeal from the prime minister would move the affair towards resolution."

But Egyptian officials are now angry that news of the phone call was "leaked" by the Israelis, the newspaper reported.

Shamir went out of his way over the weekend to praise the work of Foreign Minister David Levy in resolving the affair.

Ovitz, since his release, has spoken angrily against his Arab fellow-prisoners, Fares Mussarti, 41, of Ramla, his son Majid, 21, and his daughter, Faya, 17.

The Mussartis, who confessed to travelling in Egypt with false documents, implicated Ovitz.

Ovitz said the family framed him because the Egyptian authorities promised they would be allowed to settle in Egypt. His only connection with the Mussartis was his occasional employment of Fares as interpreter on furniture-buying trips to Egypt, Ovitz said.

But the Egyptians wanted to incriminate an Israeli Jew to make their case against the Israeli Arab suspects more credible, Ovitz said.

He disparaged Faya Mussarti's claim that she was tortured with electric shocks and starved to force her to accuse him.

FORMER ISRAELI SPY PLUNGES INTO ISRAELI POLITICAL FRAY By Gil Sedan

JERUSALEM, May 10 (JTA) -- A former Israeli spy who says he would surely have been executed 30 years ago if his Egyptian captors had not believed he was a German, has plunged into Israel's political fray at age 71 on behalf of the right-wing Tehiya party.

Wolfgang Lutz, to use the alias he adopted for espionage, is a German-born Jew who previously was a Likud supporter. On May 3, he formally joined Tehiya.

"I have always been a man of the right. Only Attila the Hun was further right," he boasted to reporters, though he might have mentioned the Nazis he came to Palestine to escape in 1933.

In any case, Lutz, whose Hebrew name is Ze'ev Gur-Aryeh, agrees with Tehiya that Likud has swung to the "left."

Though he will continue to live in Germany, where he has resided for the last 11 years, he intends to campaign for Tehiya in preparation for the June 23 Knesset elections.

Lutz came to Israel, with his fifth wife, German journalist Herma Hadorf, to make a documentary on the Israeli-Palestinian conflict for German state television.

His own life story would probably make a more suspenseful TV drama.

Born in 1921, Lutz's aliyah at age 12 coincided with Hitler's rise to power.

He studied in Ben Shemen, a youth village near Lod where one of his contemporaries was Shimon Peres.

In 1961 he was serving in the Israel Defense Force with the rank of major when the Mossad, the secret service, approached him with the offer of a spy mission to Egypt.

His cover was Wolfgang Lutz, a deceased SS officer who had been an enthusiastic horse trainer. Secretly financed by Mossad, he would open a high-class stud farm in Egypt bound to interest Cairo high society.

Lutz undertook his mission with a new bride, Wolltrud Neumann, a German woman he met on the Paris-Munich express who had no idea of his identity.

The Mossad was unhappy with that twist. But Wolltrud turned out to be an asset, helping to organize the orgies which attracted top Egyptian political and military figures to the farm where they were pumped for information.

For four years, Lutz fashioned a complex web of contacts with the Egyptian elite. Using his expensive flat in Cairo and the farm as bases, he was able to transmit valuable information to Mossad.

It included details of the development of missiles for Egypt by German scientists. Lutz was involved in sending letter-bombs to some of them.

When Egyptian counterintelligence tracked him down in 1965, they were convinced he was a German simply working for the Israelis. According to Lutz, that saved his life, for had he been identified as an Israeli Jew, he would have been shot.

The Egyptians released him after the 1967 Six-Day War.

"Lutz's joining us has been a pleasant surprise," Tehiya Knesset member Elyakim Haetzni said. "The right feels isolated after Likud's turn to the Left, and therefore I am glad a personality such as Lutz has joined us."

ISRAELI POLITICIANS HOT ON THE FUND-RAISING CIRCUIT IN EUROPE By David Landau

JERUSALEM, May 10 (JTA) -- Although the state, by law, funds the campaigns of political parties competing in the Knesset elections, no law prevents them from seeking financial support from private sources as well.

That requires going where the money is, which is often overseas.

Yitzhak Rabin, who hopes to lead the opposition Labor Party to victory June 23, made two 24-hour trips to Europe in the last two weeks.

He reportedly attended gala fund-raising dinners for his party in Geneva and in a German city not named.

Labor has a campaign budget of \$12.6 million which, when adjusted for inflation, is modest compared to previous campaigns.

Another politician on the money trail is Absorption Minister Yitzhak Peretz, who flew to Europe this week, reportedly to Geneva.

Peretz, who quit the haredi Shas party two years ago and retained his Knesset seat as an independent, announced last week that he would launch a new ultra-Orthodox party called Moriah to run in the upcoming elections.

McDONALD'S CHAIRMAN APOLOGIZES FOR COMMENTS OF JAPANESE PARTNER

By Howard Rosenberg

WASHINGTON, May 6 (JTA) -- McDonald's Corp. has apologized to the Anti-Defamation League on behalf of its Japanese partner's "stereotypical references" to Jews in recent public comments.

Den Fujita, the fast-food company's business partner, wrote a book entitled "The Jewish Way of Doing Business," which has sold more than 1 million copies.

He told The New York Times in a March 22 interview that business people in Osaka "are craftier than those from Tokyo because Jews settled in Osaka about 1,000 years ago."

When asked about the impact of his statements, Fujita replied that he does "not consider it insulting to characterize Jews purely as stereotypes."

"Please don't misunderstand me," he said. "I'm trying to do something good for the Jewish people. Most Jewish people speak two or three different languages. They're good at mathematics. The Japanese should learn from that."

Fujita has since written another book, "How to Blow the Rich Man's Bugle Like the Jews Do."

In a letter to ADL National Director Abraham Foxman, McDonald's Chairman Michael Quinlan said that he told Fujita that his comments "could be interpreted as bigoted" and "were insensitive and could be hurtful."

But Quinlan said that Fujita's views are "not intentionally prejudicial, nor his beliefs anti-Semitic."

Fujita "expressed his personal and profound apologies and asked me to pass these apologies on to all who were, or could be, offended," Quinlan added.

Foxman said he accepts Fujita's "apology at face value," but that he remains "troubled by Mr. Fujita's mind set.

"We look toward his future actions, words and behavior to see if he has truly understood our discomfort," Foxman said.

RABBI AND BISHOP FACE OFF ON FRONT PAGE OF ROME DAILY

By Ruth E. Gruber

ROME (JTA) -- The peace of the Passover and Easter holidays, which coincided this year, was disturbed by an impassioned dispute between Rome's chief rabbi, Elio Toaff, and the president of the Italian Bishops Conference, Cardinal Camillo Ruini.

It was conducted mainly on the front page of the Rome daily *Il Messaggero*, which published an Easter article by Ruini saying that the God Christians believe Jesus personified "was too different from the concept of God on which the leaders of the Jewish people were fixed." From this, he said, stemmed the Jews' decision to "suppress Jesus."

Toaff's reply, duly published on *Il Messaggero*'s front page on April 23, accused the cardinal of reviving the anti-Semitic canard that the Jews killed Jesus, "a falsification of history, of which Cardinal Ruini should be well aware, and the dissemination of which was first put an end to by Pope John XXIII."

It was also solemnly repudiated by the present pope, John Paul II, the chief rabbi pointed out.

A day later, *Il Messaggero* carried Ruini's response. "I had no intention of polemics with the Jewish people, less still of intolerance," he wrote.

The exchange prompted commentaries in other newspapers. "The clash probably would not have occurred if the cardinal had been wiser in his choice of words and the chief rabbi had been less hasty," wrote Domenico Del Rio, a widely respected commentator on Vatican affairs, in another Rome daily, *La Repubblica*.

WARNINGS AGAINST REVISIONISM MARK DUTCH REMEMBRANCE OF WAR DEAD

By Henriette Boas

AMSTERDAM, May 10 (JTA) -- The Dutch honored their war dead in Memorial Day ceremonies last week that included a warning against Holocaust revisionism and the unveiling of a controversial monument to the Jews and other inmates of the Westerbork transit camp, a way station to Auschwitz.

Queen Beatrix of the Netherlands and her consort, Prince Claus, attended the main event May 4 in the center of Amsterdam. The principal speaker was Dutch author Harry Mulish, a local personality of Jewish descent.

Mulish said that although freedom of expression is sacred, denial of the Holocaust is a form of expression that should not be tolerated.

The new monument unveiled at Westerbork in northeastern Holland consists of over 100,000 small red bricks, most of them bearing a Shield of David.

They memorialize more than 100,000 Dutch Jews who passed through Westerbork or died there. Several hundred bricks are in memory of the Gypsies who suffered a similar fate.

The unusual memorial was the initiative of Louis De Wijze, himself a Westerbork survivor, who raised the money by public subscription.

But some members of the Jewish community are critical. They prefer the original monument--which still stands--consisting of two twisted railroad tracks which symbolize the trains that carried deportees to their deaths in Eastern Europe.

Also last week, Yehuda Bauer, a professor of Holocaust studies at Hebrew University, delivered the first annual Raoul Wallenberg lectures in Amsterdam and Utrecht.

He suggested that the best way to counter Holocaust revisionist propaganda is to show television documentaries such as Claude Lanzmann's "Shoah."

The lectures honor Wallenberg, the Swedish architect-turned-diplomat credited with saving the lives of thousands of Hungarian Jews in Budapest during the final year of World War II.

Wallenberg was arrested when the Soviet armed forces entered Budapest in January 1945 and has not been heard from since.

They are sponsored by four organizations in Holland dedicated to fighting anti-Semitism and racism: the Anne Frank Foundation; the Center for Information and Documentation on Israel; the Consultative Council of Jews and Christians; and the Countrywide Office for Combating Racism.

Bauer spoke about the denial of the Holocaust by revisionist historians. He said he was appalled, for example, by the publicity given in Britain to David Irving, who had just been fined by a German court for denying the existence of gas chambers during World War II.

**CHALLENGES ON THE CAMPUS:
CRCs HELPING JEWISH STUDENTS FIND
A PLACE IN THE MULTICULTURAL DEBATE
[Part I Of A Series]**
By Debra Nussbaum Cohen

NEW YORK, May 5 (JTA) -- On the Champaign-Urbana campus of the University of Illinois, Jewish students were specifically voted out of a student coalition on culture and color about a month ago.

The University of Washington in Seattle recently decided not to allow courses related to Judaism or Jewish history to fulfill an ethnic studies requirement.

And the initial agenda of a University of Oklahoma-sponsored conference on multiculturalism, to be held June, failed to include any events about the Jewish experience.

Jews are no longer regarded as a minority by other campus ethnic groups, contrary to the way in which Jewish students perceive themselves.

This change has coincided with a heightened ethnic consciousness on college campuses everywhere as the multicultural ethic finds its way into the curricula and policies of major institutions of higher learning.

Jews are simply not legitimate partners in the multicultural debate, in the eyes of those spearheading it. Jews are viewed not as allies in oppression but as part of the white establishment.

The problem is that Jews do not share the agenda of the white establishment with which they are being lumped.

Ironically, Jews are being excluded as partners in the multicultural enterprise just as the philosophy of inclusivity that Jews have long favored gains currency.

Jewish Students Have No Allies

The net result is that Jewish students wind up in a vacuum of support, bereft of allies when Holocaust revisionists and other anti-Semites come to prey on college campuses.

The prevailing sentiment on college campuses has also alienated Jewish students who want to work with their peers on political issues.

"Every time Jewish students get involved with something like apartheid, or the Gulf war, the anti-Zionism finger is pointing at Israel, and Jewish students feel they can't be a part of it," according to Sandy Edry, director of the Jewish Student Press Service.

"Jewish students are told they're Zionist pigs who control the media. They're lumped in with white frat types, 'the oppressors,' when many Jews would feel comfortable on the other side," he said.

Ultimately, the pressure "plays out in a very dangerous way for Jews on campus. It's almost like the only choice left for them is to melt into the melting pot," said Richard Joel, international director of the B'nai B'rith Hillel Foundations.

Others say that the current trend pushing Jewish concerns to the margins of campus debate is not maliciously intended and offers students opportunities as well as obstacles.

"Those incidents happen out of ignorance, and it opens a door for Jewish students to say, 'Let me educate,'" said Rachel Weinberg, campus leadership director at the American Israel Public Affairs Committee.

"There is neglect," agreed Rabbi Chaim Seidler-Feller, Hillel director at the University of California-Los Angeles, "but it's a chance to

promote the Jewish agenda. It's not that they've closed their ears, it's that we have to awaken them. We have to co-opt multiculturalism, rather than fight against it."

To better do just that, students are being taught sophisticated intergroup relations techniques by community relations professionals.

B'nai B'rith Hillel Foundations and Jewish community relations councils in five cities have established CRCs on nearby campuses, at Brown University, Washington University, Rice University, Ohio State University and Brooklyn College.

Several more are being planned for next year, according to the National Jewish Community Relations Advisory Council.

Model Being Developed At Brooklyn College

NJCRAC, the umbrella group for the country's 113 CRCs, and national Hillel are cooperating to develop a model campus CRC at Brooklyn College, which they hope to perfect and replicate on campuses around the country.

Forty percent of the students at Brooklyn College are Jewish, and intergroup relations are particularly important because of the campus's complex ethnic makeup, said Shlomo Seidenfeld, the school's acting Hillel director.

Special attention is being focused on training the campus CRC's core committee members in human relations, intergroup affairs and public affairs skills.

One of the group's first efforts was to establish a connection with other ethnic student groups. It extended invitations for informal luncheon get-togethers separately to the Black Student Union, the Caribbean Students Union, the Haitian-American Student Alliance and the Middle Eastern Culture Club, which serves the Arab students. Each group accepted.

"It's been educational," said Eli Kornreich, a senior who co-chairs the Brooklyn College CRC. "We were surprised to realize that the Arab student group is willing to come out and talk to us, about Israel or a clothing drive for the homeless. There is a willingness to agree to disagree."

Kornreich and a few other Jewish students have also met their peers from other campus groups through Brooklyn College's Multicultural Action Committee.

"We haven't let ourselves be excluded" from the multicultural debate, he said. "It's imperative that Jewish students get involved, because there's no other way to get rid of the image that Jews are at the head of the white power structure."

**EX-BOYFRIEND CONFESSES TO MURDER
By Hugh Orgel**

TEL AVIV, May 10 (JTA) -- A lurid murder was solved within hours by Israeli police Monday when a 22-year-old suspect from Carmiel in Galilee confessed to beating and strangling his 16-year-old ex-girlfriend in a fit of rage.

Only 36 hours after she was reported missing, the battered body of Caroline Sten, a local beauty queen, was discovered in underbrush on a roadside less than 2 miles from Carmiel.

The immediate reaction of residents was to seek out and beat up young Arab laborers in town, although the police ruled out the intifada as a motive. Thirteen residents were detained for assault.

But after several hours of questioning, Yitzhak Schram, the former boyfriend, admitted killing Sten, police said.