

**ARAFAT SAYS HE WANTS 'JIHAD FOR PEACE'
WHILE ISRAELIS FINISH GAZA WITHDRAWAL**
By Dvorah Getzler

JERUSALEM, May 18 (JTA) -- Claiming that he was the victim of a linguistic snafu, Palestine Liberation Organization Chairman Yasser Arafat said on Wednesday that a call he had previously made for a "jihad" to regain Jerusalem had been misinterpreted.

Arafat's comments came on the same day that the Israel Defense Force evacuated its last installation in the Gaza Strip, bringing to an end 27 years of Israeli administration of the region.

Speaking in Oslo on Wednesday, Arafat said that he had indeed called for a jihad during a speech at a South Africa mosque a week earlier. But he said he intended the word to mean a peaceful crusade rather than a holy war, as the Arabic expression is generally interpreted in English.

"I'll continue my jihad for peace," he told a news conference in Oslo.

Arafat asserted that he was committed to the declaration of principles signed last fall with Israel and that he was opposed to violence and terror.

Arafat had made the speech while in South Africa to attend last week's inauguration of President Nelson Mandela. On Tuesday, a tape recording of the speech was played on Israel Radio, prompting a furor.

"Jihad will continue and Jerusalem is not for the Palestinian people. It is for all the Muslim people," Arafat said in the speech. "Our main battle is Jerusalem."

Both Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres stated Tuesday that the remark could throw the entire peace process with the Palestinians into question.

But on Wednesday, appearing at a joint news conference with Arafat, Peres stated that he was satisfied with Arafat's explanation.

The two men had travelled to Oslo to attend an award ceremony honoring the role Norway played in the back-door diplomacy that led to the signing of the declaration of principles.

Remark Prompts American Criticism

Former President Jimmy Carter was also on hand to unveil a monument presented by the Carter-Menil Human Rights Foundation and to present a \$100,000 check to the Norwegian Institute for Applied Social Science, which had helped arrange the series of secret negotiations between Israel and the PLO last year.

Underscoring how strongly he initially felt about Arafat's jihad remark, Peres said on first arriving in Oslo that he would boycott any public gathering that Arafat attended until the PLO leader personally announced that he was fully committed to the declaration of principles, was opposed to violence and terror and was bent upon pursuing peace.

The remark was also taken quite seriously by the U.S. State Department.

Strobe Talbott, deputy secretary of state,

speaking to Jewish leaders in New York on Wednesday, said that Arafat must repudiate the statement.

"As Rabin said, if Arafat's statement is not clarified to the extent of repudiation, it will constitute a violation of his letter to Rabin," Talbott told the Conference of Presidents of Major American Jewish Organizations. He referred to letters exchanged between Rabin and Arafat last September which spelled out their commitments to one another and paved the way for the signing of the declaration of principles.

Talbott said that as soon as the United States heard of the statement, "we instructed our ambassador in Oslo to clarify it for us."

While Talbott had not heard the clarification Arafat issued on Wednesday from Oslo and therefore declined to comment directly on it, he said he was hard-pressed to understand how jihad could be defined as a struggle for peace.

Lester Pollack, chairman of the Conference of Presidents, rejected the clarification as "inadequate, insufficient and disingenuous."

Arafat will head a party of Palestinians due to arrive in the autonomous Jericho district during the first week of June, senior Arafat adviser Nabil Sha'ath announced in Cairo on Wednesday.

According to Sha'ath, Arafat intends to supervise implementation of the autonomy in person. Sha'ath did not say how long Arafat would spend in Jericho.

Israel handed over the 24-square-mile Jericho district to Palestinian control last Friday.

The official hand-over of Gaza was accomplished during a brief signing ceremony Tuesday, and the evacuation of the last Israeli installations there took place early the following day.

A convoy of eight Israeli jeeps left Ansar Prison in Gaza City at 3:00 a.m. Wednesday. Jubilant Palestinians marked the occasion by throwing stones at the departing troops.

No formal ceremony was held to mark the hand-over of authority, although one had been planned. The ceremony was canceled at the insistence of settlers of living in the Gush Katif bloc within Gaza, who viewed the Israeli pullout as a surrender to the PLO and an abandonment of the settlers.

(Contributing to this report was JTA staff writer Larry Yudelson in New York.)

**JOINT ISRAELI-PLO PANEL TO INVESTIGATE
CHARGES OF DESECRATION OF JERICHO SHUL**
By Dvorah Getzler

JERUSALEM, May 18 (JTA) -- A joint Israeli-Palestinian commission will investigate allegations made by settlers and yeshiva students that Palestinian police desecrated the ancient synagogue in the West Bank town of Jericho.

On Wednesday, National Religious Party Knesset member Hanan Porat said he would sleep in the synagogue to prevent "further desecrations."

Porat's vow came after settlers and students said that Palestinian police had ripped away a

mezuzah from a door at the synagogue and tore the ornamental curtain covering the Holy Ark.

The Palestinian police in turn claimed that six armed students came to the synagogue and attempted to fly an Israeli flag from the roof.

They said that the students had ignored a police request to put aside their weapons.

Under the terms of the autonomy accord, settlers are allowed to visit the synagogue at any time. But the Palestinian police want them to be unarmed.

While there are no Jewish settlers living in Jericho, Israeli students have attempted to keep the synagogue in the news on an almost daily basis following last Friday's Israeli hand-over to Palestinian control of a 24-square-mile area that forms the newly autonomous Jericho district.

The students previously alleged that Palestinian police had moved their equipment into the synagogue and hung a photograph of Palestine Liberation Organization Chairman Yasser Arafat alongside the Holy Ark.

Commenting on the alleged desecration, President Ezer Weizman said that both sides would need "patience and tolerance.

"This is not a good beginning," Weizman said. "If our partners in this agreement do not understand" the need for looking after the property of others and showing it respect, "then we are starting off on the left foot."

In an address to the Labor Party's Knesset faction on Wednesday, Police Minister Moshe Shahal stated that he supported Palestinian demands to disarm Israelis wanting to pray or study at the ancient synagogue.

Shahal criticized the yeshiva students for allegedly insulting the Palestinian police officer guarding the building.

"The students must not treat the (Palestinian) police as if they did not exist," he said. "That is a provocation. They are human beings, just like us."

SPECIAL ISRAELI POLICE UNIT TO PATROL ROADS CONNECTING GAZA AND JERICHO By Hugh Orgel

TEL AVIV, May 18 (JTA) -- Israel is establishing a special unit of nearly 2,000 border police to patrol four roads that will be used by Palestinians traveling between the newly autonomous Gaza Strip and Jericho districts.

While announcing plans for the so-called "safe passage routes" through Israel at a news conference, Police Chief Assaf Hefetz warned that security forces could not guarantee that terrorists would not take advantage of their free passage rights to carry out attacks against Israelis.

Hefetz admitted that Israeli police officials had had little prior input concerning the four routes because Israeli-Palestinian agreements covering regulations for the roads' use had been made by political leaders without consultations with the police.

"It's not as if the four roads, two passing from Jericho to Gaza north of Jerusalem and two south of the capital, are going to have high fences built on each side," the police chief said.

Police Minister Moshe Shahal told the Labor Knesset faction shortly before Hefetz spoke to the press that Palestinian cars with special "autonomy identification" will have to clock in at

the beginning and end of each trip, registering the names of all drivers and passengers at each checkpoint.

Shahal said vehicles would not be allowed to make any stops on the roads and police patrols along the route would make spot checks of vehicles in transit, noting the time of their arrival at each checkpoint to ensure they had not stopped anywhere along the way.

Under normal circumstances, only one route will be in use at a time, although one or two more would be opened under special circumstances. The routes will be in use only during daylight hours, closing at night.

In his address to the Labor Party faction, Shahal said that he had asked the government to provide funding for an additional 1,400 police officers to patrol the roads.

A new police district staffed by an additional 3,000 officers will also be established in the next few days to provide security for Jewish settlements in the West Bank and Gaza.

FORMER LEUMI CHAIRMAN ERNST JAPHET GETS HARSH EST SENTENCE IN BANK SCANDAL By Dvorah Getzler

JERUSALEM, May 18 (JTA) -- Ernst Japhet, former chairman of Bank Leumi, was sentenced this week to an 11-month prison term and fined some \$300,000 for fraudulently manipulating his bank's shares in Israel's biggest financial scandal ever.

Japhet, who four months ago returned here from New York after fleeing Israel more than 10 years ago, personified the country's banking establishment for most Israelis until the 1983 bank shares scandal.

He was the last of the senior officials at Israel's leading banks to face trial on charges surrounding the 1983 scandal.

Japhet's sentence was the severest to be handed down by the Jerusalem District Court against any of those involved in the affair.

In April, the nation's leading banks and more than a dozen of their top officials were given large fines, and the executives sentenced to prison, on charges relating to the scandal.

The manipulation of bank share prices a decade ago spurred buying of shares until they dominated 70 percent of the market. When the Tel Aviv Stock Market crashed in October 1983, many small investors and private businesses were devastated, and billions of shekels were lost.

Only the intervention of the government, which effectively nationalized the banks, prevented large-scale bankruptcies and the closings of major banks.

When the sentence was delivered Wednesday, Judge Miriam Naor described Japhet as bearing "the largest share" of responsibility for the crisis.

Among the others who were previously tried in connection with the banking scandal, the harshest sentence was eight months in prison and a fine of approximately \$200,000. That sentence was given to Japhet's second in command at Bank Leumi, Mordechai Einhorn.

Japhet took the news of his sentence with the same stony stoicism with which he received last week's guilty verdict. It is considered certain that he will launch an appeal.

HALDEMAN DIARIES ATTRIBUTE ANTI-SEMITIC COMMENTS TO NIXON

By Deborah Kalb

WASHINGTON, May 18 (JTA) -- Just-published diaries of H.R. Haldeman, the late President Richard Nixon's chief of staff, reveal new information about Nixon's reputed anti-Semitism.

At one point, Haldeman wrote that Nixon believed there was "total Jewish domination of the media."

The question of Nixon's views about Jews came to the fore following the former president's death last month.

The American Jewish community was split over whether Nixon was in fact an anti-Semite.

"The Haldeman Diaries," which was published this week by G.P. Putnam's Sons, provides new fodder for those who believe Nixon was anti-Semitic. Haldeman, who died last year, was Nixon's chief of staff until the Watergate scandal prompted the president to dismiss him.

His book draws from tape recordings and Haldeman's daily diary entries.

One entry reveals evidence of Nixon's penchant for conspiracy theories, and his dislike of both Jews and the media.

"There was considerable discussion of the terrible problem arising from the total Jewish domination of the media and agreement that this is something that would have to be dealt with," Haldeman wrote.

And in an entry dated Feb. 26, 1970, Haldeman said that Nixon had "really raged against United States Jews," and had ordered Haldeman "not to let any Jews see him about the Middle East."

Nixon Made Remarks In Front Of Kissinger

The conversation took place in the presence of Nixon's then-national security adviser, Henry Kissinger, who is Jewish.

The Anti-Defamation League was quick to respond to the new revelations this week.

"What Haldeman wrote about Nixon shows something that many of us felt for a long time," said Ken Jacobson, ADL's director of international affairs.

Jacobson said that Nixon was a "great man in history" who was helpful to Israel, but that he had a "singular flaw -- his anti-Semitism and his bigotry beyond anti-Semitism."

The diaries also cited several racist remarks by Nixon, including a remark that "the whole problem is really the blacks."

The remarks revealed in Haldeman's diary represent the "dark side of Nixon," and are a "reconfirmation of something we've seen" before, Jacobson said. He called the remarks "extremely distressing."

Nixon's views about Jews have always proved paradoxical.

On the one hand, he hired a number of Jews as key advisers, including Kissinger, who served as secretary of state after his stint as national security adviser.

And Nixon was viewed by most as a strong supporter of Israel.

But it was well-known in the American Jewish community that Nixon voiced derogatory attitudes about Jews during his now-infamous White House taping sessions.

PRESTIGIOUS NEW JEWISH ART MUSEUM IS SLATED TO OPEN IN PARIS IN 1997

By Michel Di Paz

PARIS (JTA) -- A new, prestigious museum of Jewish art is scheduled to be opened by 1997 in the heart of Paris.

Paris already has a Museum of Jewish Art, created in 1948 and situated in the northern Montmartre section of the French capital. But that museum has suffered financial straits and a lack of space.

The idea of creating a larger Jewish museum and placing it in a historical Jewish area was broached in 1980 by Leon Abramowicz, an art historian.

The project got official impetus in 1986, when Jack Lang, a Jew who was then minister of culture, got together with the Paris municipality to plan construction of the new museum.

The museum will be housed in the Hotel Saint-Agnan, a XVIIth-century mansion now being renovated. The building is located in the Marais, the historical heart of Paris, which is also the site of the city's ancient Jewish quarter.

Announcement that the museum would be opened by 1997 was officially made by Paris Mayor Jacques Chirac. Postponement of the museum's opening has been caused by the high cost of renovation still to be carried out: 195 million francs, about \$34 million.

The museum, which will have about 36,000 square feet of space, will include a large permanent collection from the existing Jewish museum, as well as a famous Strauss-Rothschild collection of Jewish ritual objects which has until now been in storage in the Museum of the Middle Ages of Cluny, in Paris.

Besides ever-changing temporary exhibitions, the new Jewish museum will include a documentation center and an auditorium.

Jacques Toubon, the current French minister of culture, said the new Jewish museum of art shows "France's desire to put the culture, artistic expression and history of France's Jewish communities in their rightful place among France's museums."

MIDEAST TRANSPORT ISSUES DISCUSSED

By Michel Di Paz and Beatrice Luzzatto

PARIS, May 18 (JTA) -- Officials at the multilateral talks on economic development in the Middle East agreed during meetings here last week to establish a group that would coordinate transportation issues affecting the region.

Participants at the multilateral talks outlined the significant role played by transportation in the economic development of the Middle East.

They also emphasized the need to provide training and technical assistance on transportation issues to the newly emerging Palestinian entity in the Gaza Strip and West Bank town of Jericho.

During the talks, the participants identified existing barriers to the movement of goods and people in the Middle East, and decided that a new group had to be established to oversee the removal of those barriers.

At the talks, workshops were held on issues relating to rail transport, road infrastructure, road transport, civil aviation and on formulating a general approach to regional transportation.

CLOUDS OF LAST YEAR WON'T RAIN ON THIS YEAR'S PARADE FOR ISRAEL

By Larry Yudelson

NEW YORK, May 18 (JTA) -- Organizers and marchers are getting ready for New York's Salute to Israel celebration on Sunday, relieved that last year's clouds won't rain on this year's parade.

Last year, a debate over participation by New York's gay and lesbian synagogue left the participation of dozens of the area's Orthodox day schools -- and thousands of students -- up in the air until three days before the march began.

This year, students of Congregation Beth Simchat Torah's religious school will march under the banner of the Reform movement's youth group.

With the gay and lesbian congregation, and also listed on the banner, will be several other synagogues that do not have the 75 students marching that new parade regulations require of any marching group.

Parade organizers say the new policy is not an attempt to finesse Beth Simchat Torah's participation, but is designed for a more impressive and shorter parade.

But the true diversity of New York's Jewish community will still find full expression on Sunday as Central Park, bordering the parade route, will host two other events appealing to the two opposing sides of last year's conflict.

Some marchers -- including contingents from Reform temple youth groups -- will start the day with the city's annual fund-raising AIDS Walk.

And some will follow the march by attending a Central Park concert featuring leading Orthodox bands and political sentiments of the Israeli opposition.

There remains the question of whether the Orthodox community, which supplies the bulk of the schoolchildren for the parade and has been generally highly critical of the Israeli government's autonomy accord with the Palestinians, will wait for the end of the parade to make known its political leanings.

One group, Kahane Chai, hopes it won't.

Creating A 'Much Stronger Kahane Presence'

"We intend on creating a much stronger Kahane presence than there has been in the past," said Michael Guzofsky, leader of the extremist group. "We hope to involve thousands of spectators in our message."

Kahane Chai, which has marched in the parade in past years, is barred this year along with all other adult groups, a policy Guzofsky takes personally.

"Obviously, the intent is to keep Kahane Chai from marching," said Guzofsky, whose organization was banned in Israel following the massacre committed by Kahane follower Baruch Goldstein in February.

Guzofsky himself is the subject of an administrative detention order drawn up by the Israeli government.

Don Adelman, executive director of the American Zionist Youth Foundation, denies that the new regulations were aimed at Kahane Chai, as well as the more plausible speculation that they were drawn up to finesse the question of Beth Simchat Torah's participation.

"Under no circumstance was this the case,"

he said. "These are issues that have been under discussion for two or more years.

"It is not the case that these are rules and regulations created of one particular problem last year. Absolutely not," Adelman said.

Two years ago, Beth Simchat Torah's initial application to march in the parade was turned down because it lacked sufficient students in its school, under earlier rules requiring 35 students. Last year, the synagogue pressed its case, and a compromise was worked out in which it would march under a joint banner with the Association of Reform Zionists of America.

Orthodox groups then balked at that, and at least 24 of 40 participating Orthodox schools pulled out of the march.

A newspaper interview with the synagogue's spiritual leader, Rabbi Sharon Kleinbaum, prompted the remaining Orthodox schools to withdraw, leading the AZYF to expel the synagogue from the parade.

This year, the issue has taken a low profile in the Orthodox community, where activists are much more concerned over questions of politics.

"We thought the atmosphere in the parade might not sufficiently express what we want expressed about events going on in Israel now," said Joyce Lempel, one of the organizers of the Central Park concert.

Performers will include Rabbi Shlomo Carlebach, D'veykus and Yossi Piamenta, the Chasidic jazz guitarist who recently proved a crossover success at New York's hip Knitting Factory stage.

'Dangers Created By The New Arrangements'

Among the subjects for the talks between the musical numbers will be what Lempel described as "the dangers created by the new arrangements" with the Palestinians and "some of the wonderful things that have come out of our return to certain areas of biblical Israel."

Among the sponsors of the concert are the National Council of Young Israel and Joseph Frager, president of the Jerusalem Reclamation Project, which finances Jewish settlement in Arab neighborhoods of Jerusalem.

The concert is being held at 3:30, as the march is wrapping up, to draw from the parade's crowd but not detract from it.

The executive organizer of the parade, Sam Domb, has supported the Jerusalem Reclamation Project in the past, as have at least two of the local dignitaries expected in the parade, Mayor Rudolph Giuliani and Sen. Alfonse D'Amato (R-N.Y.).

According to one source, the coincidence of the parade with the AIDS Walk is hurting the parade's efforts to find marshals for the early morning organizing.

"They said, 'No, no, it's a different community,'" said the source, "and then I got a frantic call about a week ago (saying) we're not sufficiently recruited."

AZYF officials deny difficulty in getting volunteers.

And Robert Mittleman, a regional adviser for the Reform movement's National Federation of Temple Youth, said the dual march is good news for his kids.

"We have a number of kids doing both," he said. "It's very exciting for them, and very convenient."