

**JEWISH IDENTITY ISSUES CAN BE  
REMOVED FROM ISRAEL'S POLITICAL  
AGENDA, JEWISH LEADERS HOPE**

By Andrew Muchin

NEW YORK, July 30 (JTA) -- A group of high-level North American Jewish leaders is encouraged that the religiously divisive issue of defining Jewish identity can be removed from Israel's political agenda, United Jewish Appeal (UJA) national chairman Martin Stein said Thursday.

Stein had just returned to the U.S. from a trip to Israel with fellow Jewish leaders including Council of Jewish Federations (CJF) president Shoshana Cardin and top decision-makers of the United Israel Appeal in the U.S. and Canada.

They discussed with Israeli leaders and at a large press conference their concern that passage of an impending Knesset bill could severely strain Jewish unity.

The bill would have given Israel's rabbinic courts sole authority to validate conversions, marriages and divorces performed abroad. A similar bill was defeated two weeks ago. The latest bill was at the last moment Wednesday not introduced by the ultra-Orthodox Shas party. (See July 30 Bulletin.)

Reflecting prevailing political wisdom, Stein said he didn't think time permitted another attempt at the vote before the current Knesset session ends next week.

Shas leader Yitzhak Peretz cancelled a meeting with the leaders, Stein told the Jewish Telegraphic Agency. However, he said he and his colleagues told leaders of both major parties, including Premier Yitzhak Shamir and Foreign Minister Shimon Peres, that the Jewish identity issue must not be decided in a political venue.

"Shamir indicated to us that he has set up a committee to look into this, that he personally would like to see it resolved in a different arena, and that he would welcome any help we could do to change it from political to otherwise," Stein said.

**Formerly Case-By-Case**

He noted that the prickly but infrequent question of whether non-Orthodox converts to Judaism could receive immediate Israeli citizenship as Jews under the Law of Return used to be addressed quietly and case-by-case by former Interior Minister Yosef Burg.

With the small number of people directly affected by this issue, why, then, all the fuss?

"We're not making it an issue," Stein said. "The issue is made because of what it doesn't say. When you tell me that my rabbi is not a rabbi (by not accepting that rabbi's conversions, for instance) then you indicate to me that my shul is not a legitimate facility. I perceive myself as not a full-class Jew any more. The issue is the five million people that it affects indirectly." He was referring to non-Orthodox North American Jewry.

The message got through to Israeli leadership, the UJA chairman indicated.

"The general feeling was that this is an issue that relates to the whole Jewish community, particularly America ... that they understand after

our visit that it is a most significant issue, that they're willing to work with us to remove it from the agenda," he said.

Stein added that he appreciated Shamir's suggestion that the North American Jewish leaders bring together Labor and Likud leaders to agree that Jewish identity will no longer be used as a political football to keep government coalitions together or to threaten to rupture them. He didn't elaborate.

"We had very positive productive meetings, learned more about how the political process works, and were encouraged to be continually involved by everybody we work with," he said, to get the issue off the political agenda.

**Hints At Consensus Hopes**

Stein said he supported taking the issue to "an international Beth Din (rabbinic court), and let everybody get together to decide if there have to be changes."

Noting that half of world Jewry doesn't follow the letter of Jewish law, he suggested that "maybe it's time -- I'm no authority -- but there are plenty of able and smart people who sitting down could" devise Jewish legal compromises that "satisfy 85 percent" of Jews.

The changes in Jewish identity laws have been advocated by the Lubavitch Hasids in the U.S. Stein wouldn't say what action he would attempt domestically other than, "We hope to meet with major religious, political figures in America."

He added that CJF, and he hopes UJA, will bring "Knesset members to America to see how American Jews really live ... I don't know if they really understand pluralistic Jewry, how this pluralistic society works, the love for Israel that exists among all the Jews of America. For a lot of Jews, this represents their real commitment to Judaism."

**JUDGE ORDERS DISMISSAL OF 46 OUT OF 50  
COUNTS OF INDICTMENT AGAINST FOUR  
ISRAELI ARMS MERCHANTS CHARGED WITH  
CONSPIRACY TO SELL U.S. ARMS TO IRAN**  
By Margie Olster

NEW YORK, July 30 (JTA) -- Four Israeli arms merchants charged here with conspiracy to sell U.S. weapons in Israeli stockpiles to Iran without U.S. government approval face substantially reduced penalties after a U.S. District judge here ordered the dismissal of 46 of the 50 counts of the indictment Thursday.

The Israeli defendants, Guri and Israel Eisenberg, Gen. Avraham Bar-Am and William Northrop who is a temporary resident of Israel, are all in Israel awaiting their trial scheduled to begin here Oct. 19. Thirteen other people or companies are named in the indictment including alleged middleman, Samuel Evans, the British attorney for Adnan Khashoggi who the U.S. government relied on in conducting its own covert sales of arms to Iran.

The decision by U.S. District Judge Leonard Sand came only a day after Attorney General Edwin Meese testifying on Capitol Hill in the Iran/Contra hearing was specifically questioned by

Sen. Warren Rudman (R. N.H.) about his knowledge of this case. But the reasons for the dismissal given had no connection to recent revelations about the case by investigators or the press.

Instead, a Supreme Court decision last month on an insurance scheme in Kentucky set a precedent which proved decisive in this case. The 46 counts which Sand dismissed charged the defendants with using the United States government or the U.S. mail to defraud the U.S. government. The 46 counts charged specifically wire and mail fraud in attempts to deceive the United States Munitions Department into approving the resale of American weapons which had been transferred to Israel.

America sells weapons to Israel on condition that any resale of the weapons be subject to U.S. approval. The indictment charges that the defendants attempted to misrepresent the country to which they wanted to resell the weapons in order to obtain U.S. approval for the sales.

#### Analogy With Arms Case

In the Kentucky case, McNally vs. State of Kentucky, the Supreme Court ruled that wire and mail fraud charges are predicated on depriving the government of money and/or property and not of some "intangible" property right such as the right to information.

The analogy in the arms case is that the property under question in the wire and mail fraud counts is the right of the Munitions Control office to approve the resale of weapons. But the 46 counts do not charge that the defendants defrauded or conspired to defraud the U.S. government out of money and/or property.

The defense counsel for Evans, Paul Grand and Lawrence Bader, filed the motion to dismiss the 46 counts on the grounds that no money or property was at stake in the fraud charges. Sand agreed with the argument in his ruling to grant the motion. "The issue presented is a close and novel one," Sand said.

Although Sand granted the motion to dismiss on the basis of the McNally case, a good deal of compelling evidence has been presented during past months to support the main defense theory put forth by the defendants and their attorneys -- that the U.S. government knew of and approved the arms deals in question in the indictment.

Thursday, Evans' attorney Bader presented a declassified government document to the court which supported the defense's theory. The document -- written by the late C.I.A. director William Casey to former National Security Advisor to President Reagan Adm. John Poindexter -- discussed a meeting between Casey and his close friend Roy Furmark. Furmark has emerged as one of a group of Canadian financiers of the early shipments of American-made weapons in Israeli stockpiles to Iran.

"The only doubtful answer he gave was in reply to a question as to whether some of the principals were involved in the sting operation," Casey wrote to Poindexter.

"Principals" referred to the principal actors in the U.S. approved arms sales under scrutiny by the Congressional committee and the independent counsel currently. The "sting operation" referred to the case in New York which was developed with the help of Iranian-arms-merchant-turned-government-informant Cyrus Hashemi, who worked for the U.S. Customs Office posing as an Iranian arms dealer to "sting" the defendants.

"Roy (Furmark) said that none of the principals were involved, however one of the players, lawyer Samuel Evans, was the major indictee and is free on \$4.5 million bond. Roy claims that Evans owes him \$200,000," Casey wrote.

The Justice Department has denied any connection between the New York case and the officially sanctioned arms sales to Iran. Wednesday, Rudman asked Meese testifying under oath if the Justice Department had misrepresented the facts to the U.S. District Attorney's office in Manhattan. Meese said he only had a general knowledge of the case, although defense attorneys were led to believe Meese conducted the inquiry into whether the deals detailed in the indictment had received Administration approval.

#### **LABOR DELAYS TRY FOR EARLY ELECTIONS By Gil Sedan**

JERUSALEM, July 30 (JTA) -- Labor leaders declared Thursday they would wait with their attempt to call for early elections until after the summer recess in October.

This was an apparent change from earlier indications that Labor would try to obtain a Knesset majority for early elections before the House recessed next Wednesday.

Labor leaders denied allegations by the Likud that they changed their mind because they realized that they could not secure the majority. Moreover, they insisted that they now had the support of 61 Knesset members.

So far, 60 MKs are known to support the move -- the 59 members of the Labor bloc, plus one Shas MK who announced Wednesday he would join the initiative because he was disenchanted with the Likud's failure to keep its commitments on religious issues. It was not known Thursday who the 61st MK is -- and Labor refused to identify the person.

Labor leaders met Thursday with leaders of their partners in the bloc -- Shinui, Citizens Rights Movement and Mapam. All the participants were tight-lipped about the contents of the meeting. Rafi Edri, chairman of the Labor Knesset faction, only said: "It is clear that what we have today did not exist yesterday." He would not elaborate.

#### **SHULTZ-SHEVARDNADZE MEETING IN WASHINGTON TO FOCUS ON HUMAN RIGHTS By David Friedman**

WASHINGTON, July 30 (JTA) -- Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze will discuss human rights issues when they meet in Washington Sept. 15-17, the State Department said Thursday.

Department spokesman Charles Redman said that although arms control will be the major topic, "We shall also use the occasion to press for further progress on human rights and humanitarian issues."

Shultz and other State Department officials have always stressed to American Jewish groups that the condition of Soviet Jewry and the need for increased emigration has always been raised by United States officials in any meeting with the Soviets.

Also to be discussed are the two other topics raised by the U.S. at meetings with the Soviet Union, bilateral and regional issues. Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, recently

met with his Soviet counterpart, Vladimir Pol-yakov, in Geneva.

The long-awaited announcement of the meeting between Shultz and Shevardnadze was made by the White House Thursday. It will come as the United Nations General Assembly begins its annual meeting in New York and Redman indicated the two Foreign Ministers might have another meeting at the UN.

The meeting could also set the stage for a summit meeting between President Reagan and Soviet leader Mikhail Gorbachev, possibly in October.

#### NAVON FAVORS CONTINUING THE ARCHAEOLOGICAL DIG IN CAESAREA

By Hugh Orgel

TEL AVIV, July 30 (JTA) -- Education Minister Yitzhak Navon has decided to recommend that the archaeological dig at Caesarea, halted by ultra-Orthodox religious zealots of the Atra Kadisha Society, which claims to protect Jewish graves, should be resumed.

After visiting the site Wednesday, Navon told Israel Radio: "This is a scientific and national project of the highest priority and it's impossible to allow it to stop." He denied ultra-Orthodox claims that there was a Jewish cemetery at the site. "Had there been a cemetery, we would have taken definite steps to ensure that no Jewish graves were violated," Navon said.

A team of about 50 American volunteers, headed by Prof. Robert Bull of Drew University in Madison, NJ, had been excavating at the site for six weeks and were to continue for another two weeks. They cut short their excavations last week when they were surrounded by three busloads of ultra-Orthodox Jews who accused them of desecrating the dead. The university, a Methodist-affiliated institution, has also been under pressure from Orthodox groups in the U.S., headed by Rabbi Pinhas Teitz of Elizabeth, N.J., to halt the digging.

Rabbi Zeev Berlin, of Atra Kadisha, claimed that "There are dozens if not hundreds of ancient Jewish graves at the site of the excavation." But Israel's antiquities department, which licenses all archaeological diggings, sent inspectors to the site who concluded that it was not part of a Jewish cemetery but the site of a garbage dump dating back 100-150 years, on top of the Byzantine Christian area of Caesarea.

Navon told Israel Radio that he is asking Drew University to resume its excavations at the site.

#### HOLOCAUST MEMORIAL MUSEUM DESIGNS OKAYED BY CAPITAL PLANNING UNIT

By Judith Colp

WASHINGTON, July 30 (JTA) -- Designs for the United States Holocaust Memorial Museum were approved Thursday by the National Capital Planning Commission, clearing the last major hurdle towards its construction.

The 8-2 vote came amidst concern about the effect of the museum on parking and pedestrian traffic and the impact of its nighttime skylighting. The museum must still submit an analysis of these problems before obtaining final approval from the commission.

"We have to come up with a viable operation plan for movement of people, if we don't we'll be in deep trouble. We can approve and disapprove

plans to no avail if people can't get through to them," said commission member W. Don MacGillivray who voted to reject the museum's designs.

Controversy over the meaning of Holocaust Museum, which was approved by Congress in 1979, remains. For months, Holocaust survivors have publicly objected to the museum as entirely inappropriate for representing such an enormous tragedy.

Werner Hasenberg told the commission that the placing of names of donors on the walls of the museum belittles the experience of those who perished anonymously in the Holocaust. The museum, which will cost an estimated \$40 to \$50 million, is being financed completely by private funds.

Commission member Robert Nash, who voted to reject the designs, said he was "deeply touched" by Hasenberg's statement. "I am concerned about what is about to happen here. The statement about relevancy is important. I don't think I can completely ignore that," he said.

But Commission chairman Glen Urquhart noted that the museum had already been mandated by Congress which "can direct as it will what it wants done with its real estate. I think we act today within the perimeters of that decision."

Designs for the Holocaust Memorial Museum were approved last month by the Federal Commission of Fine Arts. The Commission had initially rejected the museum's hexagonal-shaped memorial, the Hall of Remembrance, for protruding too far into the street. Architect James Freed of I.M. Pei trimmed the hall's size and the design was unanimously accepted.

Construction of the museum is expected to begin later this year and the museum could open in three years.

#### WATER-DRILLING SCHEME ATTACKED

By Hugh Orgel

TEL AVIV, July 30 (JTA) -- An American firm scheduled to carry out a controversial Israeli water-drilling scheme in the West Bank says it will not undertake the project if it will jeopardize Arab water supplies, the Jerusalem Post reported Thursday.

The statement was contained in a letter to Bethlehem Mayor Elias Freij from Gilman Hill, founding trustee of the Mount Moriah Trust, a technological development company based in Denver, Colorado, which specializes in water and oil drilling.

An Israeli subsidiary, the Moriah Technology and Energy Corporation, is to carry out the planned water-drilling project near Herodian, northeast of Bethlehem, using a new deep-drilling technology.

The project is to pump some 18 million cubic meters of water a year, mostly to Jerusalem and Jewish settlements, with up to one-third of the water going to Arab communities, according to sources involved in the scheme.

The Post points out that some water experts and Arab mayors in the Bethlehem area have warned that the project could deplete wells used by Arab communities in the region.

Gilman Hill's son, Craig, who delivered his father's 11-page letter, laced with numerous New Testament quotations, to Freij last week, was quoted by the Post as saying: "We will not enter into any project which would use water in an inequitable way. Our purpose in developing water in the West Bank is to see water used justly ..."

# BEHIND THE HEADLINES: U.S. JEWS START BUSINESSES TO HELP PROJECT RENEWAL TOWNS By Haviva Krasner

NEW YORK, July 30 (JTA) -- Jewish entrepreneurs in three U.S. cities have found new ways to help their Jewish federations' Project Renewal "twin" communities in Israel -- business ventures.

Based on a proposal by then-Premier Menachem Begin for a massive housing renovation plan in Israel in 1978, the Project Renewal partnership was developed among the Israeli government, the Jewish Agency, residents of Israeli poverty-stricken neighborhoods and diaspora Jewish federations through the United Jewish Appeal.

In essence, the diaspora communities adopted the underdeveloped Israeli communities, usually comprising Sephardic immigrants. Eighty-seven of these areas have been transformed through physical renovation and social service programs into clean and safe neighborhoods in which the residents take pride. Through their joint planning, the Israelis and their diaspora helpers have developed new understanding and mutual respect.

For Milwaukee businessmen Bruce Arbit and Jerry Benjamin, a tour of the Milwaukee Jewish Federation's "twin" community of Or Yehuda, near Tel Aviv, convinced them to start a business there instead of near the Tel Aviv Central Post Office.

Their TDM Integrated Mail Industries, begun last year, is the first letter-shop in Israel, and it performs what was once the work of Arabs and children -- sorting and stuffing envelopes -- but with state-of-the-art machinery. TDM provides up to 60 jobs.

"According to Maimonides, the highest level of 'tzedakah' (charity) is providing a livelihood, making someone self-sufficient," said Arbit. "Philanthropy alone is not enough."

By basing itself in Or Yehuda the business faces increased transportation and labor-training costs, but Benjamin said "the emotional gain was worth it ... We may have lost the proximity, but we gained so much. Now we have a positive and individual emotional link with our Project Renewal community."

## New Electronic Business

A similar effort was undertaken last year by David Goldberg with the Jewish Community Federation of Cleveland's "twin" community, Nevah Sharot, on Tel Aviv's outskirts.

Believing that Nevah Sharot had to expand its economic base in order to thrive independently, he started an electronics and computer-hardware component manufacturer there called Nevah Sharot Electronics (NSE).

Initially, NSE faced a very trying period, and two of its original four managers dropped out. But NSE survived and is being purchased by Nevah Sharot residents.

According to Melvin Allerhand, a Cleveland and Israeli resident involved with NSE, "NSE's implications for Project Renewal and for community-minded investments in Israel are quite significant. The time has come for American Jews to look creatively at the growing small business market within Israel, which is statistically small but communally significant."

Gary Naiman, who is in the mortgage business in San Diego, had an American-based business idea last year to help the United Jewish

Federation of San Diego County's Project Renewal community, Kiryat Malachi, west of Jerusalem. The federation had fallen \$400,000 behind in its \$3.2 million commitment to the Israeli town.

Naiman encouraged 14 investors to purchase two Jack in the Box fast food restaurants, promising to send \$50,000 a year to Kiryat Malachi from the profits. They now own nine restaurants and will give to Kiryat Malachi an additional 20 percent of the profits from the last four purchases.

Having visited Kiryat Malachi more than a dozen times, Naiman feels close to the community, and he wanted to continue an ongoing relationship. "I can actually see, touch and feel what we've done," he said.

## NEW YORK CITY COUNCIL VOTES TO CLOSE PLO OFFICES IN THE U.S.

NEW YORK, July 30 (JTA) -- The City Council has voted unanimously to endorse legislation which is pending in both houses of Congress designed to close PLO offices in New York and Washington.

The resolution, which the Council adopted earlier this month, was co-authored by Council President Andrew Stein and the Zionist Organization of America. Based on legal research provided by Dr. Ken Kelner, ZOA's Manhattan Public Affairs chairman, the resolution is reportedly the first legislative initiative of its kind in New York, according to the ZOA. Kelner obtained some of his information from the office of Rep. Jack Kemp (R. NY), who is sponsoring federal legislation (H.R. 2587) to close PLO operations in the U.S.

The Council resolution supports pending federal legislation, specifically H.R. 2587 and a bill in the Senate (S. 1203), which would establish statutory authority to shut down PLO operations, and calls for official classification of the PLO as a terrorist organization which is committed to acts of terrorism against the U.S. and is committed to the destruction of Israel.

According to Marvin Ashendorf, director of ZOA's Metropolitan Region, the Council's resolution is part of a two-step initiative by the ZOA to expel the PLO from New York. He said the ZOA will also propose other actions.

## NEW LINKS BETWEEN BGU AND JAPAN SEEN

BEERSHEVA, July 30 (JTA) -- New links may be established between Japanese industrialists and Ben Gurion University of the Negev if a Japanese professor has his way.

Prof. Hideo Itokawa, one of the founders of Japan's aeronautical industry and a leading industrial consultant, announced his intention to establish a group of Associates of Ben Gurion University in Japan, which will help mobilize funds for university research and initiate and promote joint research projects with Japanese institutions.

Itokawa, who led a group of 30 industrialists from Japan on a visit to Israel, expressed his intention after the group spent two days at Ben Gurion University visiting the university's Jacob Blaustein Institute for Desert Research at Sede Boker and the Applied Research Institutes in Beersheva. The group expressed particular interest in biotechnological research and in innovative agricultural research aimed at improving the quality of life in Third World arid zones.