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**PERES NOW REPORTED AHEAD OF SHAMIR  
IN WINNING SUPPORT TO FORM COALITION**  
By David Landau

JERUSALEM, March 19 (JTA) -- Labor Party leader Shimon Peres seemed Monday to be ahead of his Likud rival, Yitzhak Shamir, in rounding up support to form a new government.

One of them is expected to get President Chaim Herzog's mandate this week to try to put together a replacement for the Likud-Labor unity coalition that collapsed under a Knesset no-confidence vote March 15.

Peres, who was courting the ultra-Orthodox parties long before the government fell, got a powerful boost Monday when Agudat Yisrael's Council of Torah Sages decided to give him the party's unequivocal support.

The sages, after a four-hour meeting in Bnei Brak, instructed the party's five Knesset members to recommend to President Chaim Herzog later Monday that Peres be given the mandate to form a government.

Peres is now confident of receiving support from at least the 60 Knesset members who backed Labor's no-confidence motion last week.

He now hopes to win the support of Shas, the largest of the ultra-Orthodox or "haredi" factions, even though its Knesset delegation advised Herzog on Sunday to give Likud the mandate.

Peres' aides were especially buoyed by Shas' religious mentor, Rabbi Ovadia Yosef, who delivered an impassioned radio plea for a moderate peace policy Sunday. It was Labor's moderation in contrast to Likud's hard line that had made the unity government increasingly untenable in recent months.

When Shas told the president it favored a Likud-led government, it pointedly did not name Shamir as its recommended prime ministerial candidate.

**Shamir Having Trouble On The Right**

Shamir, meanwhile, was trailing Monday evening with fewer than 50 assured recommendations. He is having difficulty winning ironclad support from the right-wing parties.

Tehiya, with three Knesset seats, asked to postpone its consultation with Herzog until Tuesday. Some of its members said they favored early elections instead of a new government with the present Knesset.

The extreme right-wing party Moledet also has not yet said it will support Shamir. Its two Knesset members reacted negatively to hints that Likud might agree to enter into another unity coalition with Labor.

Shamir also must win back the five members of Likud's Liberal Party wing who resigned last month and said they were forming their own faction, led by Economics and Planning Minister Yitzhak Moda'i, who fiercely opposes Shamir's peace diplomacy.

Even though Shamir allowed his government to fall rather than accept U.S. Secretary of State James Baker's proposal for peace talks, the Moda'i dissidents have still not stated categorically that they will back Shamir when they meet the president Tuesday.

Shamir was backed by one right-wing party, the two-member Tsomet faction, headed by former Israel Defense Force Chief of Staff Rafael Eitan.

Eitan told Herzog he supports Shamir, but urged the president to press for electoral reform so that at the next election, the prime minister is chosen by direct vote.

At the other end of the political spectrum, Peres has the support of the left-wing Mapam party, the Hadash Communists and the far-left Progressive List for Peace, an Arab-Jewish party that supports a Palestinian state.

Labor had an alliance with Mapam for many years and expects to include it in a government, if it is given the opportunity to form one. But Labor would have to exclude Hadash and the Progressive List from the arithmetic of coalition building, since they are considered anti-Zionist parties.

**Labor Needs More Haredi Support**

Therefore, while Peres' fortunes are looking up, he is not yet home free.

The 55 Knesset members who supported the government last week and the five of Shas who were absent could conceivably line up against him. They could form a "blocking bloc" to foil Labor's attempts to win the nomination.

But even if Peres gets the mandate, those same 60 Knesset members could line up against him further down the road, blocking his chances of forming a coalition.

In order to ensure itself a solid and viable coalition majority, Labor needs to woo additional support from the Orthodox sector.

Plainly, Peres hopes and intends that Shas will join his government. He must have been encouraged by Rabbi Yosef, a former Sephardic chief rabbi of Israel, who spoke on army radio Sunday and was later interviewed on the prime-time television news.

In that interview, Yosef spoke out baldly against the prospect of an "extremist rightist" government, meaning Likud plus the three right-wing parties.

He maintained they could lead the country into war and would certainly signal the world, including world Jewry, that Israel is not sincere in its pursuit of peace.

Yosef explained that it was to prevent that scenario unfolding that he had instructed Shas to withhold its support from the prime minister in the Knesset no-confidence debate last week.

He made it clear that his condition for Shas' cooperation in a future coalition is Israel's affirmative response to Baker's proposal for Israeli-Palestinian peace talks.

This seems to rule out either Shamir or another Likud strongman, David Levy, as acceptable partners for Shas.

On Monday, Yosef went to Bnei Brak to confer with the elderly mentor of Degel HaTorah, Rabbi Eliezer Schach, following reports that the two rabbis were at odds over the political situation.

Schach, though consistently dovish on the peace issue, instructed Degel's two Knesset members to vote with the government last Thursday. He is said to be inclined to have his party recommend Shamir to be the prime minister-designate.

## LABOR MINISTERS OF FINANCE, DEFENSE AND POLICE MAKE FAREWELL STATEMENTS

By Hugh Orgel

TEL AVIV, March 19 (JTA) -- Three Labor Party ministers in the government that collapsed last week formally relinquished their offices Sunday.

Shimon Peres, Yitzhak Rabin and Haim Bar-Lev left with farewell messages that reflected their hopes and fears for the future and a sense of accomplishment.

The entire Labor delegation to the Cabinet resigned on March 13, after Prime Minister Yitzhak Shamir summarily dismissed Peres, the Labor Party leader who was vice premier and finance minister.

Shamir's government was toppled by a Labor-sponsored no-confidence vote in the Knesset two days later.

Peres, who hopes to get President Chaim Herzog's mandate to try to form a Labor-led government, thanked his aides and staff at the Treasury for their dedicated cooperation during his 15 months as finance minister.

Rabin ended his five-year stint as defense minister with an open letter to Israel Defense Force personnel and a final get-together with the chief of staff and his senior officers at IDF general headquarters. His message was that however essential the pursuit of peace, Israel's hard-won security comes first.

"We must make a supreme effort to achieve peace, and even to compromise for the sake of peace. But there can be no compromise at the expense of security," Rabin said. "Security comes before peace."

He also stressed the role of the IDF as a unifying factor. It is paramount for the army and the defense establishment to avoid any attempt to involve them in internal disputes, Rabin said.

Bar-Lev, who was minister of police, predicted public security problems in the aftermath of the government's collapse, warning that they could endanger Israeli democracy. He described the police force as "the last line of defense for democracy."

## CARTER ATTACKS HUMAN RIGHTS SITUATION IN TERRITORIES, MEETS WITH PALESTINIANS

By Gil Sedan

JERUSALEM, March 19 (JTA) -- Former President Jimmy Carter, angry and frustrated by the human rights situation in the administered territories, suggested Monday that "the intifada is being perpetuated partially by the abuse of the Palestinians."

He spoke after spending 30 minutes at the offices of B'tselem, the Israeli Information Center for Human Rights in the Occupied Territories.

Carter, on the second day of a three-day visit to Israel, has had a chilly reception in official quarters, possibly because he has had little good to say about Israel.

During the day, the former president met with 13 Palestinian leaders at the heavily guarded National Palace Hotel in East Jerusalem. They presented him with a document demanding the creation of a Palestinian state with Jerusalem as its capital.

Carter offered no comment, except to say he supports Palestinians' right to self-determination.

Carter received a warm welcome at the Mevasseret Zion absorption center from two

Soviet immigrants, who handed him a wreath and received presidential kisses in return. But when he dropped in on two immigrant families, the encounter was barred to the press.

During the visit, a group of yeshiva students demonstrated against Carter, waving flags and chanting slogans for a "Greater Israel."

The former president apparently was upset by what he heard at B'tselem, which received the Carter Human Rights Award for 1989 three months ago, along with Palestinian human rights association, Al-Haq.

## 'Doesn't Contribute To Peace'

Carter, whose instrumental role in the Camp David accords led to Israel's first and only peace treaty with an Arab state, rejected the notion that Israel's tough policies in the territories are necessary to quash the uprising.

"Here you have a democratic government which for the past 23 years has been responsible for the lives of these people. And they are still demolishing homes," he said.

"They are still putting them in prison without charge. They don't have a chance to see their families. They don't even have a chance to face their accusers. And they stay in prison as much as a year," he said.

"There is hardly a family that lives in the West Bank and Gaza who hasn't had one of their male members actually incarcerated by the military authorities since the intifada started," Carter said. "That certainly does not contribute to peace, it doesn't contribute to understanding, it doesn't contribute to harmony that all of us want," he said.

## ISRAELI UNEMPLOYMENT UP 39 PERCENT

By Hugh Orgel

TEL AVIV, March 19 (JTA) -- Unemployment in Israel stood at 8.9 percent of the work force at the end of 1989 and the beginning of 1990, according to figures submitted to the Cabinet on Sunday by the minister of labor and social affairs, Ronni Milo.

The figures represent a 39 percent increase in the jobless rate, up from 6.4 percent at the end of 1988.

Workers in the 18 to 24 age group have been hardest hit.

During February, 93,000 job applications were submitted to the government's Employment Service. The main problem was the lack of demand for manual laborers.

Unemployment is not expected to drop this year and may increase as a result of the big wave of Soviet immigrants, most of whom arrive with advanced job skills.

## ISRAELI ATMs TO CASH FOREIGN CARDS

By Hugh Orgel

TEL AVIV, March 19 (JTA) -- Tourists carrying MasterCard, Eurocard and Eurocheque credit cards will soon be able to use the automatic bank teller machines of Bank Hapoalim throughout Israel.

A new international arrangement will allow tourists to withdraw up to 1,000 Israeli shekels (\$500) per day from the bank's 150 Bankat machines, which are installed on exterior walls of banks and are available around the clock.

When the cards are used, the machines give instructions in English.

## CALIF. REPUBLICANS ADOPT PRO-ISRAEL STANCE DESPITE STIFF ARAB OPPOSITION

By Tom Tugend

LOS ANGELES, March 19 (JTA) -- The California Republican Party passed a strong pro-Israel resolution at its recent spring convention, but only after overcoming unexpectedly stiff opposition by pro-Arab delegates.

Introduced by U.S. Sen. Pete Wilson (R-Calif.), the resolution opposes creation of an independent Palestinian state, supports President Bush's efforts on behalf of Soviet Jewish emigration and a peace process based on the Israeli election proposal, and urges a continuing struggle against international terrorism.

The Republican stance in the largest state of the Union echoes the national party platform adopted two years ago and is expected to stiffen Republican resolve to retain the plank in the future.

At the same time, the well-organized opposition by pro-Arab forces presages difficult floor fights at both Republican and Democratic conventions and committee meetings in other states.

One veteran observer at the convention said pro-Israel forces expected that passage of the resolution would be an easy "slam dunk," but that it ran into difficulty when pro-Arab delegates mounted a "full-court press."

In an initial committee hearing, the majority succeeded in tabling the pro-Israel resolution.

But the convention's Resolution Committee overwhelmingly reinstated the resolution, after a brief but bitter debate, in which Arab representatives demanded elimination of the paragraph opposing Palestinian statehood.

### Well-Organized Pro-Arab Forces

One Arab delegate described the clause as an affront to the 1.2 million Moslems in California. Others noted divisions within the Israeli government and said that the anti-state resolution went against the policies of the Bush administration.

But convention leaders were told the White House had "cleared" the pro-Israel resolution.

The following day saw heavy lobbying efforts on both sides during receptions mounted by the Arab-American Republican Club and the Muslim Friends Republican Club, on one side, and the American Israel Public Affairs Committee and the Jewish Public Affairs Committee of California, on the other.

In the final floor debate, the pro-Israel resolution was adopted by voice vote, with the chairman gaveling down a call for a count of the delegates.

One apparent factor in the strong Arab showing was that the convention was held in Santa Clara, near San Jose, an area with a large Arab and Moslem population, which has become increasingly active in recent years.

A pro-Israel participant admitted that the pro-Arab forces not only turned out in larger numbers than expected but were better organized than the supporters of Israel.

Pro-Israel organizations are now girding themselves for a similar or even more confrontational showdown at the California Democratic convention, to be held here April 6 to 8.

A major effort to reinforce the pro-Israel side will be mounted by AIPAC, the Anti-Defamation League of B'nai B'rith and the Community Relations Committee of the Jewish Federation Council of Greater Los Angeles.

## SENATOR SAYS JEWS ARE 'COMPLACENT' ABOUT WANING U.S. SUPPORT FOR ISRAEL

By Allison Kaplan

NEW YORK, March 19 (JTA) -- Sen. Alfonse D'Amato (R-N.Y.) delivered a verbal spanking to the American Jewish community Monday, chastising it for being "silent" and "complacent" in the face of threats of reduced support for Israel from the U.S. government.

"It seems to me that the Jewish community has quit," the outspoken senator told 75 members of the Conference of Presidents of Major American Jewish Organizations.

He said Jewish constituents have not been speaking up strongly enough to members of Congress against the proposal by Sen. Robert Dole (R-Kan.) to reduce foreign aid to Israel. They also have not been vocal enough about the Bush administration's attempt to link \$400 million in housing loan guarantees to a freeze on settlements on the West Bank.

Most recently, he said, Jews have not spoken loudly enough in support of a united Jerusalem. They have been taking congressional support for granted, he said.

D'Amato's "kick in the pants was well-deserved," Seymour Reich, chairman of the Conference of Presidents, commented afterward. He agreed there has not been enough grass-roots pressure on Congress from the Jewish community.

Michael Miller, executive director of the Jewish Community Relations Council of New York, also conceded that "there are some Jewish communities that are not reaching out to congressmen and senators."

In New York, the fact that congressional representatives have been so traditionally supportive of Israel "has led to a certain complacency," he said.

### Support For Moynihan Resolution

D'Amato told reporters after the meeting that he would support a proposed Senate resolution by his Democratic Senate colleague from New York, Daniel Patrick Moynihan, calling for President Bush and Secretary of State James Baker to issue "an unequivocal statement" that Jerusalem is the undivided capital of the State of Israel.

That resolution was to be introduced when the Senate returns to session Tuesday.

While D'Amato and other pro-Israel Republicans are expected to support Moynihan's measure, they will most likely do so quietly, so as not to appear to be joining in a Democratic-led attack on the Bush administration.

But D'Amato said that "at this point in time, Jerusalem is the capital of Israel, and this is not a subject that should be thrown into negotiations."

He said the flap over Bush's March 3 remarks about Jewish settlements in East Jerusalem had simply been an "unintended consequence" of an administration attempt to coerce Israel into moving the peace process ahead.

But when asked directly whether he believed the current settlement of Jews in East Jerusalem was an impediment to the peace process, D'Amato responded that he was "not going to go into that right now."

D'Amato shared the Conference of Presidents podium with Marvin Lender, chairman of the United Jewish Appeal's Operation Exodus campaign, and Rabbi Moshe Rosen, the spiritual leader of Romania's Jewish community.

## U.S. HOPES FOR JACKSON-VANIK WAIVER BY SUMMER, SAYS COMMERCE SECRETARY

By David Friedman

WASHINGTON, March 19 (JTA) -- President Bush hopes to be able to recommend a waiver of Jackson-Vanik Amendment trade sanctions against the Soviet Union when he meets this summer with Soviet President Mikhail Gorbachev, Commerce Secretary Robert Mosbacher said Monday.

But first the Supreme Soviet would have to adopt a law reforming its emigration procedures, Mosbacher told some 200 people attending the 12th annual National Leadership Conference of the Anti-Defamation League of B'nai B'rith.

At the Bush-Gorbachev summit in Malta last December, the United States agreed to begin negotiations with the Soviet Union on a new bilateral trade agreement that would lower tariffs between the two countries.

The first round of those talks was held last month. But the two sides agreed that the new trade agreement will not go into effect until the Soviets implement promised emigration reforms.

The Supreme Soviet has not given the emigration legislation high priority. But Mosbacher predicted Monday that it would be adopted this spring.

"Passage and implementation of such a law would mean that a Jackson-Vanik waiver would be granted at the summit in July," he said.

Mosbacher assured the ADL gathering that the Bush administration is aware there is still a "lack of progress" by the Soviets in resolving the cases of several long-term refuseniks. These include Jews who have been denied exit visas because of either alleged access to "state secrets" or the refusal of "poor relatives" to grant waivers of financial obligation.

"The administration's commitment to promoting human rights in the Soviet Union remains unchanged," Mosbacher said. "We will continue to place human rights issues in the forefront of our bilateral discussions with the Soviets, and we will continue to promote the growth of free trade."

## FARRAKHAN SAYS JEWS' POWER IN U.S. IS SOMETHING BLACKS SHOULD EMULATE

By Susan Birnbaum

NEW YORK, March 19 (JTA) -- Louis Farrakhan, leader of the Black Muslim Nation of Islam faction, reiterated Monday that Jews wield disproportionate power in the United States.

But he said that is a "positive thing" that blacks should strive to emulate.

Farrakhan, whose caustic statements about whites and Jews have enraged many people, spoke in a 12-minute live television interview on "CBS This Morning" with host Harry Smith.

He consented to the interview so that he could explain his views, which he claimed the news media had distorted.

Smith told Farrakhan his oratory was not different from that used by white supremacists.

Farrakhan replied that he made such statements because whites had denied blacks their human rights and should make amends. He has spoken of whites making reparations to blacks for the years of slavery.

Speaking from Chicago, where he is based, Farrakhan also answered Smith's questions about his anti-Semitic statements, particularly that Judaism is a "gutter religion."

Farrakhan claimed he had not meant it in

the context in which it was reported. He said he meant only that "Israel does not have a state religion" that would govern religious practice and ensure equitable treatment of the Palestinians.

He decried at length Israel's status as an "occupying power," saying it does not allow justice for the Palestinians.

Farrakhan also said that Moslems and Christians likewise do not live according to the true dictates of their religions and are also responsible for injustice.

## BONN WARNS LIBYA TO CEASE THREATS, DENIES ROLE IN FIRE AT RABTA PLANT

By David Kantor

WEST BERLIN, March 19 (JTA) -- The Bonn government has warned Libya to end its threats against West German citizens and installations.

It also vehemently denied German involvement in the March 14 fire that reportedly destroyed a Libyan chemical plant alleged to be manufacturing poison gas.

The plant at Rabta, some 40 miles south of Tripoli, burned shortly after reports surfaced that Libyan leader Moammar Gadhafi had ordered it to commence production.

The Libyans, who insist it manufactures only pharmaceuticals, hold West Germany, the United States and Israel responsible for the blaze.

But Gadhafi singled out West Germany for special blame, and Libyans paraded in protest outside the West German Embassy in Tripoli following his accusations.

In Bonn, Foreign Ministry spokesman Jurgen Chrobog urged Libya to cease its threats of retaliation. He also protested the Libyan government-sponsored demonstration in which participants blocked the embassy entrance.

Chrobog added that his government would exercise its rights under international law to take whatever political and legal action is necessary to halt the production of chemical weapons in Libya.

Bonn is especially sensitive on the subject, because a West German chemical firm, Imhausen-Chemie, built and equipped the Rabta plant.

## TECHNION TO HELP SEARCH FOR TUNNELS

By Hugh Orgel

TEL AVIV, March 19 (JTA) -- Security authorities have turned to soil experts at the Technion-Israel Institute of Technology in Haifa for help in locating tunnels burrowed under the border Israel shares with Egypt at the edge of the Gaza Strip.

The tunnels are presumed to be used by smugglers.

The problem arose after the discovery in recent weeks of two tunnels connecting the Egyptian and Israeli sides of Rafah, the southernmost town of the Gaza Strip which straddles the Sinai border.

The authorities doubt the tunnels were dug for use by terrorists, but rather as conduits for smuggling contraband, mainly drugs.

Soldiers who discovered one tunnel saw five men in an Israeli jeep approaching the site, only to speed away when they were spotted.

This is not the first time tunnels have been found in Rafah. In May 1984, security forces found a 190-foot tunnel dug from the Israeli side of the town to the Egyptian part. Then, too, Israeli authorities believed the tunnel was used by smugglers.