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ISRAELI GOVERNMENT BROUGHT TO BRINK BY SMALL PARTIES' CONFLICTING DEMANDS By David Landau

JERUSALEM, Dec. 31 (JTA) -- Prime Minister Yitzhak Shamir's Likud-led government tottered on the edge of dissolution this week, as it struggled to satisfy the conflicting demands of its right-wing and religious coalition partners.

Ironically, the government was brought to the brink in the waning hours of 1991 at least partly because Likud decided to oppose a pending electoral reform bill designed to free the major political parties from precisely the parochial quarrels and extortionist maneuvers of the small factions they face now.

The reform measure was due to be voted on Wednesday. But the Knesset was bound by law to pass the state budget by midnight Tuesday, so that it would be in place when the new fiscal year began Jan. 1.

The fate of both bills rested on razor-thin majorities. The deadlines hanging over them touched off the kind of frantic round of year-end horse-trading the electoral reform bill was intended to eliminate.

The first breach in the coalition was over the reform bill.

Rafael Eitan, who supported it, officially resigned as agriculture minister at Sunday's Cabinet meeting and pulled his far-right Tsomet party out of Shamir's government. His resignation became effective Tuesday.

The former Israel Defense Force chief of staff quit because Shamir refused explicitly to allow Likud's Knesset members a free vote on the reform bill, which political pundits said would doom its chances of adoption.

Although Tsomet's two Knesset members would not be bound by Likud party discipline, Eitan insisted Shamir's stand against reform violated the terms of their coalition agreement.

Shamir Changed His Mind

Shamir, in fact, originally supported the measure, which provides for the direct election of the prime minister by separate ballot while the rest of the Knesset is elected from party lists.

Eitan and other advocates of election reform have expressed disgust with the way the small coalition parties hold their big partners, such as Likud or Labor, to ransom

They are convinced such practices would be reduced, if not entirely eliminated, by a freely elected prime minister not beholden to the small parties for a governable majority.

But Shamir changed his mind on the bill. He had become convinced that electoral reform could open the way for a more charismatic Labor Party leader to become prime minister by rallying apathetic voters, as well as Israel's Arab citizens.

As matters stood late Tuesday, the religious parties threatened to topple the government over the budget and, paradoxically, were in a position to help the proposed reform measure pass in the Knesset.

The situation may be confusing to anyone not acquainted with the jealousies and rivalries among the Orthodox parties.

Collectively, their almost exclusive concerns

are with obtaining public funds for their privately run veshivas and retaining their monopoly over religious life in Israel, especially on matters of personal status.

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The present crisis stems from the National Religious Party's bitter opposition to "special funding" for the educational institutions of the rival haredi or ultra-Orthodox parties: Shas, Degel HaTorah and Agudat Yisrael.

The NRP, which is Orthodox but Zionistaffiliated, warned that its five Knesset members would vote against the budget bill if it retained the "special funding" without a system of controls for its allocation.

The three haredi parties countered with a threat to oppose the budget bill if their subsidies are eliminated or put under any constraints. The haredi bloc had the edge, considering

that it fields 12 Knesset votes to the NRP's five.

Settlers Demand More Funds

But the NRP came up with a new ploy. It said it would support the electoral reform bill unless Shamir and the Likud stood firm against the haredi demands on the budget.

Meanwhile, having lost Tsomet, Shamir's coalition faced possible defections by its other

two far-right parties, Tehiya and Moledet. They demanded hundreds of thousands of dollars for more Jewish settlements, more Jewish housing and more road construction in the West Bank, Gaza Strip and Golan Heights.

Apart from the international political complications such moves would inevitably create for Israel, the Treasury is strapped for funds.

Tempers were said to have flared during a meeting Tuesday between Finance Minister Yitzhak Moda'i and representatives of the militant Gush Emunim seeking more money for settlements and housing in the administered territories.

Moda'i was so infuriated by the demands that he became ill and had to be treated by the Knesset physician. But he was back at his office in due time.

Shamir, who has often bridled at the sort of naked duress that marked the waning hours of 1991, seemed on the verge of throwing in the towel and resigning.

"It doesn't make any real difference to us," he told the Likud Knesset faction, "whether the elections are held in one month, three months or 10 months."

The Knesset elections are slated for November 1992, but should the government fall now, they would most likely be advanced to the spring.

Even if the coalition weathers its latest crisis, it is doomed to fall apart before long, political pundits say.

As the new year approached, it was not only the political climate that was chilly. Israelis braced for the latest in a series of exceptionally severe winter storms to hit the country.

Snow fell Tuesday afternoon in the Hebron, Bethlehem and Gush Etzion areas of the West Bank, as well as in Galilee and the Golan Heights. Weather forecasters predicting more rain, snow and high winds said the worst was yet to come.

The Jerusalem police made special arrangements to transport lawmakers to the Knesset for the crucial votes Tuesday night and Wednesday.

BEHIND THE HEADLINES: ISRAELIS DIFFER ON HOW MUCH NUCLEAR THREAT FACES ISRAEL By Hugh Orgel

TEL AVIV, Dec. 31 (JTA) -- Israelis generally agree that one or more of their neighbors in the region will become a nuclear power in the near future. But they clash along ideological lines over how to confront the potential threat.

Shimon Peres, chairman of the Labor Party, believes the best way is to come to terms with the Arab states, which he says can be achieved only through territorial compromise.

Peres, a former prime minister and ex-minister of defense who is considered the father of Israel's nuclear program, reasoned that in the age of long-range missiles, territorial buffers have become meaningless.

Missiles "nullified" the importance of borders, time and distance. Peres said. "Non-conventional weapons diminished the importance of conventional military forces."

Yuval Ne'eman, leader of the ultranationalist Tehiya party, called that approach "nonsense" at a recent conference at Tel Aviv University.

According to Ne'eman, who is minister of science and energy in the Likud-led coalition government, only countries that have never been invaded and occupied -- such as Australia, Britain and the United States -- can dismiss the importance of territorial depth.

"A nation in danger of being occupied and slaughtered shouldn't worry about missiles" because it has bigger problems, Ne'eman said.

He rejected Peres' argument that Israel must make peace to avert nuclear war. "If Iran will have a nuclear bomb and an opportunity to attack Israel, it will do so whether or not Israel agrees to the creation of a Palestinian state," Ne'eman

Israel's answer to the nuclear threat must be "different," he added without elaboration.

Israel is widely believed to have a substantial stockpile of nuclear weapons in its own arsenal, though it has never confirmed or denied such reports.

IDF Is Keeping Close Watch

But it is increasingly aware of the potential nuclear threat from its neighbors. Defense Minister Moshe Arens discussed the danger of nuclear proliferation in the region last week at a meeting of the Knesset's Foreign Affairs and Defense Committee

"We have to prepare with the assumption that the Middle East is nuclearizing and at the

that the bilduce last is make our contribution to stopping the process," Arens said.
Gen. Amnon Shahak, the Israel Defense Force deputy chief of staff, told military correspondents last week that the IDF is considering the threat of nuclear attack.

It is not imminent, "certainly not in 1992," Shahak said. But it might develop later and the IDF is duty-bound to draw up contingency plans,

It is keeping a close watch and has received additional funds to conduct "long-term intelligence planning and operations," the general disclosed.

He explained that this included a close watch on the effects of the breakup of the Soviet Union and the possibility that Soviet nuclear scientists and engineers will find themselves

jobless and will seek employment for their knowhow in Arab or other countries.

Reserve Maj. Gen. Ya'akov Lapidot, director general of the Police Ministry and a former adviser to the Defense Ministry, told the Tel Aviv University conference that it would be foolhardy not to take seriously the ability of Iraq or Iran to acquire nuclear weapons.

According to Arens, between 10,000 and 20,000 people in Iraq are working in the nuclear field. Despite U.N. inspection teams, the Iraqis manage to conceal part of their activities, he

The defense minister said that while China has still not signed an agreement for the sale of a nuclear reactor to Syria, the Syrians are continuing their efforts to acquire a stockpile of nuclear weapons, and Iran is building up a reserve of long-range missiles.

The Tel Aviv University conference was organized by its geography department to mark the 700th anniversary of the establishment of the Swiss Confederation.

Professor Yoram Dinstein, president of the university, said he was surprised that no one ever proposed that Israel become a confederation. Why not have 10 cantons, six of which will have a Jewish majority and four an Arab majority?" he asked.

Ne'eman promptly threw cold water on that idea. He pointed to the upheavals in federated states like Yugoslavia and the breakup of the Soviet Union along ethnic and nationalist lines to make the point that "1991 is not a good year" to propose a federal system.

GERMANY LOBBYING IRAN AND SYRIA TO RELEASE CAPTIVE ISRAELI AIRMAN By David Kantor

BONN, Dec. 31 (JTA) -- Germany is trying to use its contacts with Iranians and Syrians to help Israel gain freedom for its missing airman Ron Arad, shot down over Lebanon in 1986, diplomatic sources here said this week.

But quite apart from the Arad case and the Bonn government's denials notwithstanding, a deal seems to be imminent to exchange the imprisoned Hamadi brothers for two Germans held hostages by the Hamadi clan in Lebanon.

Rumors here and in Lebanon said the German relief workers Heinrich Strubig and Thomas Kemptner would be released by New Year's Day, while the brothers Mohammed and Abbas Hamadi would be pardoned later in 1992.

Mohammed Hamadi is serving a life sentence for the 1985 hijacking of a TWA airliner and the murder of a passenger, U.S. Navy diver Robert Stethem.

His brother, Abbas, is serving 13 years in jail for kidnapping two other German hostages in Lebanon in an unsuccessful ploy to free his brother.

Those hostages were subsequently freed. A deal for the last two remaining German hostages would culminate a U.N.-led effort to free all Westerners held by various groups in Lebanon.

But it would not include seven Israel Defense Force servicemen missing in action in Lebanon for as long as 10 years.

Only Arad, an air force navigator, is presumed to be alive.

The efforts to free Strubig and Kemptner, in any event, are unrelated to Arad's case, according to diplomatic sources here.

ALIYAH LIKELY TO STAY SAME IN 1992, BUT JEWISH AGENCY READY FOR UPSURGE By Yehonathan Tommer

JERUSALEM, Dec. 31 (JTA) -- While the Jewish Agency for Israel is making preparations to handle as many as 100,000 immigrants a month in 1992, it does not expect an aliyah of that magnitude to materialize, despite volatile conditions in the republics of the former Soviet Union.

"No basic changes in the pattern of aliyah have been discerned, and so with monthly and seasonal variations, we expect a steady flow of around 10,000 olim per month during 1992, yielding between 120,000 and 150,000" for the year, Jewish Agency Chairman Simcha Dinitz told reporters at a year-end news conference Monday.

Dinitz was confident, however, that even at that conservative rate, an additional 600,000 Jews will have settled in Israel by the end of 1995, confirming his original forecast of 1 million olim since mass immigration began in 1989.

With one day in the month remaining, the Jewish Agency reported Monday that 9,509 Jews from the former Soviet Union had arrived in Israel during December.

That was fewer than a third of the 35,000 arrivals during the same month in 1990, but 17 percent more than the 8,098 in November.

As of Monday, aliyah for 1991 totaled 169,273 arrivals, of whom 143,705 were from the former Soviet Union and 9,754 from Ethiopia. That compares with a total of 181,759 Jews from the Soviet Union in 1990.

Dinitz said the Jewish Agency is completing its organizational redeployment in response to recent strategic and logistical changes in the now-independent republics of the former USSR.

"Israel has been fortunate in developing good relations with each of the individual republics and today maintains credible relations with many of their local governments," he said.

16 Direct Flights Weekly

He announced that by the end of February, more than 16 direct flights weekly will be arriving at Ben-Gurion Airport from Moscow and St. Petersburg, Russia; Kishinev, Moldova; Riga, Latvia; Kiev and Odessa, Ukraine; Minsk, Belarus; and Tashkent, Uzbekistan.

The aliyah infrastructure in those cities is being strengthened, and preparations are under way to open another terminal in Asiatic Russia.

Those come in addition to the five transit stations in Europe where emigres that arrive by land, air and sea transfer to flights for Israel. They are located in Budapest, Hungary; Bucharest, Romania; Warsaw, Poland; Helsinki, Finland; and Varna, Bulgaria.

The transit station in Varna, on the Black Sea, will eventually be closed.

"Direct flights remain the cheapest, fastest and safest route to Israel," Dinitz said. "They can presently bring up to 20,000 olim per month."

But "should the need arise," he said, "the number of direct flights can be doubled, so that with the five transit stations, up to 100,000 olim can be flown to Israel in a month." The sea route is the least feasible, according

to the Jewish Agency chairman, because it is the longest, least safe and costliest. But if the negative factors can be significantly reduced, sea routes will also be utilized, he said.

A Greek passenger and car ferry chartered by a Christian evangelical group landed nearly 500 immigrants from the Ukrainian port of Odessa last Friday in Haifa. They enjoyed nearly 10 times the baggage allowance of air travelers.

Dinitz said that while the Jewish Agency is cutting back on expenses at its various transit stations, it will still be equipped to provide a range of orientation and information services for olim, such as registration for Hebrew courses, employment services and housing.

"Israel's ability to provide Soviet olim with satisfactory jobs, not necessarily in their professions, remains the litmus test of aliyah absorption," Dinitz said.

He warned that unless Prime Minister Yitzhak Shamir establishes "under his personal authority a state Employment Promotion Authority, pressures will grow upon foreign governments and by olim associations to allow Soviet olim to immigrate to other countries."

In that connection, Dinitz disclosed that the German Embassy in Moscow has been compiling lists of Soviet scientists, engineers, doctors and other professionals who would be allowed entry into Germany for humanitarian reasons.

Other governments, including South Africa's, are compiling similar lists, Dinitz said.

Since late 1989, more than 70,000 Soviet Jews have immigrated to other countries, including 60,000 to the United States.

On the sensitive issue of Ethiopian aliyah, Dinitz said continuing efforts are being made with the cooperation of the government in Addis Abba to reunite some 3,000 Jews remaining there with family members in Israel. He said the reunification would be completed within several months.

EMIGRES SEEKING ASYLUM IN HOLLAND TURNING TO RUSSIAN ORTHODOX CHURCH By Henriette Boas

AMSTERDAM, Dec. 31 (JTA) - The Russian Orthodox Church in Holland has taken up the cause of about 150 emigres from the former Soviet Union who came here from Israel during the past year and now face expulsion.

Church officials have asked the Dutch Justice Ministry to allow them to remain in the Netherlands until they can find another country willing to accept them, preferably the United States or Canada.

The Dutch authorities have returned more than 50 former Soviet Jews to Israel after denying their request for asylum on grounds they were not in danger of persecution in Israel.

Some of the emigres now say they are in fact Christians and claim they suffered discrimination in Israel because of that. A few turned up at a Russian Orthodox Church Christmas service in The Hague.

Rabbi Benjamin Jacobs of the Inter-Provincial Chief Rabbinate of the Ashkenazic Congregation here charged that many of these Russians immigrated to Israel on forged documents falsely claiming they were Jewish.

The Dutch authorities, meanwhile, are investigating reports that a Russian travel agency is selling would-be immigrants a list of Dutch families willing to put them up as tourists while they apply for political asylum, which they are unlikely to be granted.

The travel agency is said to charge \$2,500 for the list, a sum the average Russian cannot pay. The people who have utilized the agency's services are believed to have raised the fee through criminal activity.

BEHIND THE HEADLINES: JEWISH GROUPS PLAN GLOBAL AGENDA

TO PROMOTE JEWISH INTERESTS IN '92 By Howard Rosenberg

WASHINGTON, Dec. 31 (JTA) -- American Jewish groups have developed an extensive global agenda for 1992 to benefit Israel and promote Jewish interests worldwide.

Jewish groups will once again reach out to the leaders of countries around the globe in the hope of encouraging them to establish or increase economic, military and political ties with Israel, and to ensure basic human rights and security for their own Jewish citizens.

Such outreach grabs the attention of foreign officials, because they consider American Jews to be "an important constituency which has influence on public policy," said Jess Hordes, Washington representative of the Anti-Defamation League.

While Jewish organizations often do not coordinate their international efforts with other Jewish groups, there is movement in the direction of greater consultation, said Malcolm Hoenlein, executive director of the Conference of Presidents of Major American Jewish Organizations.

"We've moved more and more to careful coordination because we know we don't get too many shots" with particular governments, he said.

One of the top priorities for Jewish groups in 1992 is securing guaranteed loans from the United States and Western Europe to help finance Israel's resettlement of Soviet Jews.

Israel is hoping to borrow \$20 billion from those two sources over the next five years, beginning with \$4 billion this year.

Germany and Britain are believed to be amenable to guaranteeing the loans. But they are likely to follow the lead of President Bush, who has made clear that he will not agree to guaranteeing the loans if he feels they impair progress in the Middle East peace talks or lead to new Israeli settlements in the administered territories.

Careful Watch On Eastern Europe

One major Jewish group will actually be seeking money for the Palestinians. Phai B'rith International will go after funds from countries such as Japan that are not about to directly support Israel but seem willing to help solve the regional refugee problem, said Daniel Mariaschin, its director of international and public affairs.

But B'nai B'rith will fight a \$190 million aid package that the 12-nation European Community is contemplating giving Syria. B'nai B'rith wants to "put a lock on that," said Mariaschin.

One of the big issues for the European Community in 1992 will be its planned economic consolidation. This will likely benefit Israel greatly because it already has a free-trade accord with the E.C.

But the greater political cooperation that accompanies economic integration could be problematic for Israel, as the E.C. adopts a common foreign policy, said David Harris, executive vice president of the American Jewish Committee.

While some of the E.C. countries tend to be strongly pro-Israel, such as Germany and the Netherlands, others, such as France and Spain, are perceived as being pro-Arab, Harris explained.

In neighboring Eastern Europe, Jewish groups will be preoccupied with improving the conditions for the Jewish communities in those countries.

They will be reaching out to the emerging

leaders of the newly independent republics of the former Soviet Union to ensure continued emigration and to crack down on anti-Semitism.

They also will be seeking compensation for lews whose property was seized under Nazism and communism, should such laws be enacted in such countries as Czechoslovakia, Hungary, Poland, Lithuania and Latvia.

The perceived growth of anti-Semitism in Western and Central Europe, spurred by right-wing extremist parties in such countries as France and Hungary, will be the subject of a World Jewish Congress conference on anti-Semitism next July in Belgium, where the E.C. is headquartered.

Stepped-Up Drive On Syrian Jewry

The countries in which human rights for Jews are most precarious at the moment are Syria, Yemen and Iran. Jewish groups will be stepping up both quiet diplomatic efforts and public campaigns to improve the conditions of Jews in these countries of distress.

And efforts will continue to bring the few thousand Jews remaining in Ethiopia to Israel.

The continued safety of Jews is also being watched as new democracies take shape in Latin

America and South Africa.

In some cases, Jewish groups will be reaching out to certain countries in the hope of getting them to influence other countries to be less hostile to Israel. For instance, Jewish groups are hoping to be able to get Japan to influence North Korea, which recently sold Scud missiles to Syria and is emerging as a new nuclear power.

On the economic front, the groups are focusing on prodding countries to bar their companies from complying with the Arab boycott of Israeli goods and services, particularly in Japan, South Korea and Germany.

Getting the boycott lifted "can be as important in economic terms as the repeal of Zionismracism was in moral terms," said Elan Steinberg, executive director of the World Jewish Congress. He was referring to the December repeal by the U.N. General Assembly of its 1975 resolution branding Zionism as racism.

On the recognition-of-Israel front, Jewish groups will urge China and India, the two most populous nations, to establish full diplomatic ties.

ISRAELI, ARAB SCIENTISTS COOPERATING By Hugh Orgel

TEL AVIV, Dec. 31 (JTA) -- Israeli and Arab scientists from Persian Gulf states have been collaborating secretly in research on animal husbandry, the Israeli daily Ha'aretz reported Monday.

According to the paper, scientists from Saudi Arabia and the emirate of Dubai have visited Israel on several occasions, although most of the meetings between Israeli researchers and their Arab colleagues have been held in Europe.

But Arab scientists came to Israel in the context of cooperation with a research group at Ben-Gurion University of the Negev in Beersheba, which is studying how to improve species of ostriches, camels, sheep and goats, Ha'arctz said.

The objective is to raise the quality and quantity of meat, milk and animal hide. The emirate of Abu Dhabi has also requested Israeli assistance in breeding a species of racing camels.

REMINDER: The JTA Daily News Bulletin will not be published on Thursday, Jan. 2.