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**JEWISH GROUPS ANGRY AT PRESIDENT  
FOR REJECTING COMPROMISE ON LOANS**

By Larry Yudelson

NEW YORK, March 18 (JTA) -- Despite President Bush's refusal to accept a Senate compromise, American Jewish groups are not giving up the fight to win U.S. guarantees for \$10 billion in loans Israel wants to help resettle immigrants.

While the Jewish groups concede they have lost the battle to have loan guarantees legislation enacted by a March 31 congressional deadline, they are still hoping to win the U.S. assistance eventually.

"The request will be made again -- maybe in June or in September," Shoshana Cardin, chairman of the Conference of Presidents of Major American Jewish Organizations, said at a news conference Wednesday.

"I don't think we should look at this as the end game."

Cardin was clearly angry at President Bush's decision Tuesday not to back a compromise plan on loan guarantees legislation proposed by Sens. Patrick Leahy (D-Vt.) and Robert Kasten (R-Wis.).

In Washington, Leahy seemed similarly upset.

"There seems no recognition in the White House that a negotiation requires compromise by all parties, not by just one side," he said in a speech Wednesday on the Senate floor.

"What was asked of us was not compromise, but capitulation," he said.

Under the terms of his proposal, up to \$10 billion in guarantees would have been authorized over five years. After the first year, the White House would determine how much Israel needed, and would release the guarantees accordingly.

The president would further have the right to suspend the guarantees if he deemed Israeli settlement activity "inappropriate."

And between \$350 million and \$400 million worth of guarantees would have been deducted from the first year's authorization, to reflect the cost of current housing construction in the administered territories.

**A 'Calamity' For U.S.-Israeli Ties**

Six months ago, these conditions would have been anathema to most Jewish groups, who insisted that the loan guarantees are needed for humanitarian purposes and should not be linked at all to politics.

But this week, Jewish organizations were angry that Bush had not agreed to these terms.

State Department spokeswoman Margaret Tutwiler justified Bush's threat to veto the Leahy compromise, saying it did not press Israel enough to adhere to the U.S. government's longstanding opposition to settlements in the territories.

"The Congress has asked the administration to issue loan guarantees first, then ask questions later, and that is simply not acceptable," explained Tutwiler.

In light of the veto threat, Leahy urged his colleagues not to submit any last-minute bills or amendments authorizing the loan guarantees, saying a veto "would be a calamity for U.S.-Israeli relations, already rocked hard enough."

In New York, Cardin said that the White

House decision not to compromise threatened to harm more than ties with the Jewish state.

"It is bad for the cause of Mideast peace, bad for our friend and ally Israel, and bad for the American economy," she said.

"We believe that this rejection of Israel's request will undermine the peace process and encourage further intransigence among the Arab parties to the negotiations," she said.

"We are concerned that Israel will be pressured, and be seen as subject to pressure, in future efforts to bring about peace."

**Bush Misled Jewish Community**

Cardin also suggested that Bush had misled the American Jewish community about his willingness to support humanitarian assistance for the resettlement of up to a million immigrants from the former Soviet Union.

She recalled that the president had denied last July that the administration would link the loan guarantees to the Middle East peace process. She also said that after a meeting with Bush last fall, the conference was left with the impression that he would "move to seek a compromise."

Malcolm Hoenlein, the conference's executive director, said that Israel had made a fair effort to reach a compromise with the Bush administration, which has insisted that Israel freeze all settlement activity in the administered territories as a condition for receiving the U.S. guarantees.

Hoenlein pointed out that Israel had accepted the idea of deducting money from the amount of loans guaranteed to offset any funds spent in the territories, despite its longstanding belief that the two issues should not be connected.

But even so, he said, the administration would not agree to the compromise.

William Rapfogel of the Union of Orthodox Jewish Congregations of America said he was "extremely disappointed" at Bush's refusal to back the Senate proposal.

He accused the administration of continuing to "move the goal posts" by placing new conditions on Israel.

Rapfogel, who is executive director of the Orthodox Union's Institute for Public Affairs, said the Senate compromise Bush rejected is something he "would have jumped at in September."

By accepting it, he would have been able to "declare a victory" in getting Israel to agree to conditions relating to its settlement activity.

(JTA correspondent Howard Rosenberg in Washington contributed to this report.)

**CASUALTIES MOUNT IN ARGENTINA  
AS ISRAEL VOWS TO TAKE REVENGE**

By David Landau and Gil Sedan

JERUSALEM, March 18 (JTA) -- Israel has vowed revenge against the perpetrators of Tuesday's bomb attack on the Israeli Embassy in Buenos Aires, in which at least 10 people were killed and some 200 injured.

Foreign Minister David Levy, in a brief and somber statement to the Knesset, said there would be "painful punishment" meted out to those who plotted the attack and those who carried it out.

In Beirut, the Islamic Jihad, a Moslem fundamentalist group, issued a statement claiming

responsibility for the attack. The group seemed to point a finger at an Argentine citizen whom it called "Abu Yasser," for a deed it called heroic, carried out to avenge Israel's killing of Hezbollah leader Sheik Abbas Mussawi last month.

Israeli security forces were taking the Islamic Jihad announcement at face value.

But it was not clear whether the Islamic fundamentalist terrorist organization had in fact planted the bomb or was only taking credit for it.

In Buenos Aires, Argentine Interior Minister Jose Luis Manzano issued a statement Wednesday calling the attack "an international terrorist blow with the help of some local neo-Nazi elements."

In Washington, President Bush and Secretary of State James Baker conveyed their sympathy and outrage in both a public statement and in private conversations with Israeli leaders.

"The United States is shocked and outraged by the bombing of the Israeli Embassy in Buenos Aires yesterday which also claimed some Argentinian lives," State Department spokeswoman Margaret Tutwiler said Wednesday.

She said the United States had offered its assistance to the Israeli ambassador in Buenos Aires, although she did not elaborate.

#### Efforts To Reach Survivors

Israeli experts said that although it was too early to pinpoint responsibility, the bombing in Buenos Aires seems to indicate the work of Islamic fundamentalist groups.

The explosion in Buenos Aires was set off by a car bomb. Just before the blast, a car in front of the embassy seemed to catch fire and explode, an eyewitness told Argentine police.

On Tuesday, Argentine President Carlos Menem said he believed the attack could have been perpetrated by Argentine neo-Nazis or a far-right paramilitary group.

But at a news conference in Buenos Aires later that day, Menem said, "All indications lead us to believe it was a terrorist attack that has come from people outside the country, a group of foreigners who are working in Buenos Aires."

Menem has asked the Israeli Mossad and the U.S. Central Intelligence Agency for help in finding the perpetrators.

Levy told the Knesset that Israel had requested, and Argentina agreed, that no heavy earthmoving equipment be used in the rescue work until a team of Israeli rescue experts had reached the scene.

In the interim, the Argentine authorities would continue moving earth and rubble by hand in their efforts to reach possible survivors without triggering new collapses of debris.

Searchers dug through mounds of rubble of the five-story building, passing oxygen to trapped individuals.

#### Jewish Community In Shock

Levy, addressing the Knesset, announced the death of Zahava Zahavi, the wife of the embassy's first secretary, who herself worked as a secretary at the embassy; and Eliora Carmon, wife of Consul Danny Carmon.

Two other Israelis were reported missing: attache David Ben-Rafael and embassy security officer Eli Ben-Ze'ev.

In addition, an Argentine employee of the embassy was known to have died and three others were missing, Levy said.

A vice president of the World Jewish Congress, Kalman Sultnik, flew to Buenos Aires to

attend the burial of the victims in the Jewish cemetery.

The Jewish community of Argentina was in a state of shock Wednesday following the attack.

A state of heightened alert continued throughout Argentina as Jewish sites were given police protection. All Jewish schools in the Argentine capital remained closed Wednesday.

Jewish leaders met with the Argentine National Congress, in a special session convened because of the attack.

"The emotion within the Jewish community is of an unprecedented intensity," Benno Milnitsky, president of the Latin American Jewish Congress, said in a statement.

"There is a true wave of shock," he said.

A march to repudiate the terrorist bombing was called for Thursday at 5 p.m. local time, said Cynthia Hener, assistant to the editor of Mundo Israelita (Jewish World), a weekly Jewish newspaper published in Buenos Aires.

(Contributing to this report were JTA staff writer Susan Birnbaum in New York and JTA correspondent Howard Rosenberg in Washington.)

#### **STABBINGS IN JAFFA PROMPT CALLS FOR RESTRICTIONS ON PALESTINIANS** **By Hugh Orgel**

TEL AVIV, March 18 (JTA) -- Israelis, in a state of shock over the murderous rampage by a Gaza Strip Arab who killed two people and wounded 20 in a Jaffa street Tuesday, are demanding more stringent controls over Palestinians allowed to enter Israel proper from the administered territories.

The assailant, who attacked with a sword and a knife, was fatally wounded by an off-duty border policeman and a passing taxi driver. Later, he was found to have had a record of past arrests. But apparently it did not prevent him from getting a permit to work in Israel.

Reacting to the public outcry, the Israel Defense Force, the police and the General Security Services, popularly known as Shin Bet, are making plans to intensify their supervision of Palestinians, newspapers reported Wednesday.

The new measures will include "surprise" checks at workplaces where Arabs from the territories are employed.

Most of the wounded in Jaffa were teenage girls from the Mitrani school in Holon. Many wore colorful Purim costumes when they were attacked while waiting to enter a discotheque their school rented for a Purim party.

Thirteen of the wounded were still being treated at Tel Aviv area hospitals Wednesday. All but three or four were to be sent home Thursday.

Ilanit Ohana, the 19-year-old woman from Bat Yam who was slashed to death in the incident, was buried Wednesday.

Abed al-Karim, the 41-year-old Arab garage owner slain trying to rescue her, was buried Tuesday, without prior notification of the police.

The killer was identified as Raed al-Reefi, 22, of Gaza. According to his family in Gaza, he wanted to "become a martyr" since his father, Mohammed, died of diabetes at the age of 49 in the Ketziot prison camp in the northern Negev three years ago, allegedly because he lacked proper medical care.

The extremist Islamic Jihad distributed leaflets in Gaza and Beirut on Tuesday claiming credit for the attack, which it said "was carried out according to instructions from abroad."

## ANTI-ISRAEL CONGRESSMAN DEFEATED AS BUSH AND CLINTON WIN PRIMARIES

By David Friedman

WASHINGTON, March 18 (JTA) -- As President Bush and Arkansas Gov. Bill Clinton swept the Republican and Democratic primaries in Illinois and Michigan, Jews celebrated the outcome of another vote Tuesday: the defeat of Rep. Gus Savage (D-Ill.).

The six-term black congressman was considered the most vocal anti-white, anti-Jewish and anti-Israel member of Congress. He was defeated by a 2-1 margin by Mel Reynolds, a community activist and former Rhodes scholar who had lost two previous attempts to unseat Savage.

Congressional redistricting is one of the factors cited for the victory by Reynolds, who lost his two previous challenges to Savage by narrow margins. Reynolds' name recognition also increased when he was slightly injured by flying glass last week when someone shot at his car.

Reynolds, who is also black, is a supporter of Israel and even spent more than two months in Israel where he worked on Kibbutz Yagur.

Savage cited this support for Israel in charging that his opponent's campaigns were financed by Jewish money.

ActionPac, a new organization that provides pro-Israel activists to congressional campaigns, brought in some 50 young activists who campaigned for Reynolds in the suburban portion of his district during the three days leading up to the vote.

During the campaign, Savage charged that Jews were contributing to a genocide against blacks. He said the primary would turn on "how you feel about Jews rather than how you feel about blacks."

### Damage To Black-Jewish Relations

Even in his concession speech Tuesday night, Savage said, "We have lost to the white racist press and to the racist reactionary Jewish misleaders."

In a statement Wednesday, Maynard Wishner, chairman of the Jewish Community Relations Council of the Jewish United Fund of Metropolitan Chicago, said, "Damage has been done to the fabric of intergroup relations in general and black-Jewish relations in particular by the inflammatory rhetoric of Gus Savage."

Wishner said that "while we ourselves neither endorse nor oppose any candidates, it is reassuring indeed to see the electorate, reportedly in all sections of the 2nd District, has rejected the politics of divisiveness."

Winning the Democratic primary for Reynolds is tantamount to clinching the November election, as it is for Rep. Sidney Yates, the dean of Jewish members of Congress. Yates, who has served in Congress, except for one term, since 1949, won 64 percent of the vote against two challengers.

But one congressional supporter of Israel was defeated in the Illinois Democratic primary. Sen. Alan Dixon suffered a stunning defeat to Carol Braun, the 44-year-old Cook County recorder of deeds, who, if successful in November, would become the first black woman senator.

Both Braun, who has visited Israel, and her Republican opponent, Richard Williamson, a former White House and State Department official in the Reagan and Bush administrations, are also considered supporters of Israel.

Williamson was one of 40 former government

officials who recently signed an advertisement urging President Bush to provide Israel with guarantees for \$10 billion in loans.

Braun's upset victory came after she entered the race because Dixon had voted to confirm Clarence Thomas as a justice of the U.S. Supreme Court.

### Buchanan Soundly Defeated

The race had been considered a contest mainly between Dixon and a third candidate, Albert Hofeld, a Jewish lawyer who poured more than \$4 million of his own money into a television advertisement blitz.

But Braun, heavily supported by feminist groups, received 38 percent of the vote, compared to 35 percent for Dixon and 27 percent for Hofeld.

The three ran fairly evenly among Jewish voters, with Hofeld doing slightly better in one heavily Jewish suburban district, although most Jews were not aware he was Jewish.

In the Democratic presidential primaries, Clinton received 52 percent of the vote in Illinois and 51 percent in Michigan.

Former California Gov. Jerry Brown received 27 percent of the vote in Michigan, putting him in second place, and 15 percent in Illinois, where he placed third.

Former Sen. Paul Tsongas of Massachusetts received 26 percent in Illinois, where he finished second, and 17 percent in Michigan, where he was third.

In the Republican primaries, Bush won 76 percent of the vote in Illinois and 67 percent in Michigan. This showing appears to spell the doom of his chief rival, conservative columnist Patrick Buchanan, who received 25 percent in Michigan and 22 percent in Illinois.

Louisiana state Rep. David Duke, a former neo-Nazi and Ku Klux Klan leader who was not on the ballot in Illinois, received only 3 percent of the vote in Michigan.

In Illinois, exit polls in heavily Jewish areas of Chicago and its suburbs found that Jews were evenly divided between Clinton and Tsongas. The same was true a week earlier in Florida, which was also won easily by Clinton.

### Defection From Bush Supporters

In Michigan, many of the Jewish voters were confused because this was the state's first formal presidential primaries, and some of the rules for Democrats were complex.

Jewish voters there were lukewarm about the candidates in both parties. Five percent in each party voted uncommitted.

Many Jews who had voted for Bush four years ago were outraged because of his refusal to provide Israel with loan guarantees.

The Detroit Jewish News found that some who were afraid of a good showing by either Buchanan, who has been called anti-Semitic, or Duke, voted for Bush.

"I don't want to see a Buchanan come out so well that in 1996 someone like him comes out too strong," one Jewish Republican was quoted as saying.

But the newspaper found that others no longer considered either Duke or Buchanan a threat and so voted for a Democratic candidate.

(Contributing to this report were Joseph Aaron of JUF News in Chicago and Kimberly Lifton and Amy Mehler of the Detroit Jewish News.)

## KNESSET ADOPTS ELECTORAL REFORM BILL, FIRST MEASURE TO ALTER VOTING SYSTEM

By David Landau

JERUSALEM, March 18 (JTA) -- The Knesset adopted Israel's first electoral reform bill Wednesday by a sweeping vote of 52-23.

It provides for the direct election of the prime minister and, although not applicable to the upcoming elections on June 23, it could be invoked before the next statutory elections in 1996.

The controversial measure passed its third and final reading on the last day of the current session of the parliament and was in fact the last piece of legislation enacted by the outgoing 12th Knesset.

Its passage was assured when Likud freed its members to vote their conscience on the measure. Prime Minister Yitzhak Shamir, who had originally favored reform, turned against the proposed bill last year.

But he reversed himself again apparently because the legislation came too late to effect the June elections but not too late to regain for Likud the support of the Tsomet party.

Tsomet, a far right-wing faction with two mandates in the outgoing Knesset, is headed by Rafael Eitan, who joined Shamir's coalition as minister of agriculture last year.

Eitan, unlike the leaders of most other small parties, was deeply committed to changing the way Israel elects its leaders. When Shamir refused to allow a free vote on the reform bill, Eitan quit the government in December.

Now that reform has become law, he announced he wants to return, and it is clear his support will be welcome in what promises to be a hard-fought election campaign.

The Cabinet is expected to vote Sunday to reappoint Eitan agriculture minister. The Knesset will be called into special recess session next week to give its endorsement, as required by law.

### Cabinet Size Is Limited

The new reform measure provides for two simultaneous elections every four years, one for Knesset members and one for prime minister.

The Knesset elections will continue the present system by which voters choose a party list. Each party's strength in the Knesset is determined by its percentage of the vote.

Under the present system, the president calls on the head of the party with the largest Knesset delegation to try to form a government. If he succeeds, he becomes prime minister.

But under the new legislation, the prime minister will be elected directly by separate ballot and will automatically form a government.

The government will need the Knesset's approval, however, in order to take office. That provision, appended to the bill as it made its way through the legal committee, reduces somewhat the powers it originally invested in the prime minister.

Nevertheless, the leading advocates of reform were jubilant Wednesday, embracing and backslapping after the final vote.

Uriel Lynn, Likud chairman of the Law and Justice Committee, said enactment of election reform provides "an alternative" if, after the June elections under the old system, the country "finds itself once again up a blind alley."

The bill also stipulates that the Cabinet can have no more than 18 members. The outgoing Cabinet originally had 20 members.

## SOUTH AFRICAN JEWS ARE ELATED BY OVERWHELMING VOTE FOR REFORM

By Suzanne Belling

JOHANNESBURG, March 18 (JTA) -- South African Jews are elated by the overwhelming 68.7 percent "yes" vote for political reform in Tuesday's nationwide referendum on the country's future.

Although South Africa's 118,000 Jews are little more than 2 percent of the population, they played a disproportionate role in support of President F.W. de Klerk's appeal to the white electorate for a mandate to continue reforms aimed at abolishing apartheid and achieving a non-racial democratic society.

The results in urban areas, where most Jews live, showed up to 85 percent support for the government's policy.

The results were announced regularly throughout Wednesday, culminating in a speech by de Klerk, who declared: "Today we have closed the book on apartheid."

The strength of South African Jewry's commitment to reform was evident when its representative body, the South African Jewish Board of Deputies, urged a "yes" vote, the first time in 44 years that it had taken a stand on a political issue.

Members of the Jewish community were highly visible at polling stations throughout the country both as workers and voters. At the 11th hour, the Chabad movement of Lubavitcher Hasidim called for a "yes" vote.

There was a feeling of relief among many Jews. They had feared that a majority vote against reform would be seen as a victory for right-wing extremists, who are known for their anti-Semitism, and might force Jews to emigrate.

### 'Great Victory For Human Decency'

Mervyn Smith, national chairman of the Jewish Board of Deputies, congratulated President de Klerk on his "landslide victory" Tuesday.

"It is a vote for a positive future, for all in South Africa. The president has now been given a mandate to continue with meaningful negotiations," he said.

"I am particularly pleased that the far right, with its neo-Nazi posturing, has been firmly put in its place," Smith added, referring to the opposition Conservative Party's strident appeals to whites to reject reform.

After the "yes" victory, Chief Rabbi Cyril Harris told the Jewish Telegraphic Agency that the Jewish community had been "extremely positive" in its attitude toward the referendum.

"It is a great victory for human decency and common sense, and makes the new South Africa a real prospect," he said.

Seymour Kopelowitz, national director of the Board of Deputies, said it is "time for all to heal the wounds and hurt of the past in order to work together to build new South Africa."

Helen Suzman, a former member of Parliament for the opposition Progressive Party and a veteran in the struggle against apartheid, stressed in a South African Television interview Wednesday that the voters had rejected the bitter lesson of the apartheid policy. They had faced up to reality and taken the future into their hands, she said.

Suzman explained that South Africans want to get back to investment, economic growth and jobs. "White South Africans are sick and tired of isolation," she said.