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HERZOG GIVES RABIN 21 DAYS TO FORM COALITION GOVERNMENT By Gil Sedan

JERUSALEM, July 2 (JTA) -- As expected, President Chaim Herzog asked Labor Party leader Yitzhak Rabin on Thursday to form Israel's next government.

Rabin accepted the task and said he would aim to form a coalition that includes both rightwing and left-wing parties.

He was given 21 days to complete the task. However, if he fails to assemble a coalition within this period, the president has the legal authority to grant him additional time.

Rabin told the president he would do everything in his power to complete the mission as quickly as possible. He hopes to present the new government when the new Knesset convenes for the first time on July 13.

But his task will be complicated by fundamental policy differences between the two parties he is courting: the left-wing Meretz bloc, which will hold 12 seats in the new Knesset, and the right-wing Tsomet party, which will have eight

Meretz insists on a freeze on construction of Jewish settlements in the administered territories, which it believes should ultimately be given to the Palestinians. Tsomet opposes both a freeze and any territorial compromise.

The only thing that unites the two parties is their hostility to the demands of the ultra-Orthodox haredi parties, which Rabin is also said to be courting.

Referring to the apparent difficulties in bringing these parties together into a united government, Rabin told reporters after the ceremony with the president that in his view, Labor represents the mainstream of the people of Israel.

"I would like to have a government with one party to the left and another party to the right,' he said. But he declined to state a preference over which parties to include in his coalition.

# MAJOR URGS END TO ISRAEL BOYCOTT IN EXCHANGE FOR SETTLEMENT FREEZE By Bernard Josephs

London Jewish Chronicle

LONDON, July 2 (JTA) -- British Prime Minister John Major has called on the Arabs to abandon their trade boycott of Israel in exchange for curbs on Jewish settlements in the Israeliadministered territories.

He also expressed hope of following in Margaret Thatcher's footsteps by becoming only the second British premier to visit Jerusalem.

Speaking on Tuesday, just a few hours before Britain assumed the presidency of the European Community, Major told members of the Conservative Friends of Israel, which includes some 30 members of Parliament, that the Jewish settlements in the West Bank and Gaza Strip are "a major impediment to the peace process."

He said the E.C., under Britain's leadership, would play an active role in the peace process, which would be given a "very high priority."

The prime minister hoped the settlements would be curbed. "And in response," he said, "I

would expect the Arab states to lift the iniquitous boycott on trade with Israel."

The prime minister indicated that his government was happy with the Israeli election result, in which the Labor Party defeated the incumbent Likud, which has fostered Jewish settlements in the territories as a national priority.

"We have every reason to believe that the new government will be determined to make very early progress in the negotiations on autonomy arrangements and elections in the occupied territories," he said, "This will be a very great fillip to the prospects for peace."

"I believe that we now have the chance to further strengthen links with Israel, to build on the traditional friendship between our countries," he said. "I also very much hope to visit Israel and meet the new prime minister."

Cautioning that the E.C.'s influence should not be overestimated. Major advised, nevertheless, that "we ought to give our views on the solution of a problem, which carries such dangers for Europe and the rest of the world."

In furtherance of peace, Major said he believed there would have to be agreement on three principles -- the security of Israel, selfdetermination for the Palestinians and a settlement that is not imposed.

## DINITZ TO REMAIN AT HELM OF WZO, BUT ARZA WINS ZIONIST COURT RULING By Larry Yudelson

NEW YORK, July 2 (JTA) -- Simcha Dinitz will continue to chair the executives of the World Zionist Organization and the Jewish Agency, as a result of a deal reached by Labor and Likud in the aftermath of the Israeli elections.

Under the deal, Labor will have control of the Jewish Agency's Immigration and Absorption Department, as well as Youth Aliyah, while the Treasury will remain in the hands of Likud.

The agreement buries whatever hopes remained for the insurgent campaign of Rabbi Richard Hirsch from Arzeinu, the international Reform Zionist movement which is the parent body of the Association of Reform Zionists of America, ARZA.

Hirsch had launched his campaign after the other American Zionist groups refused to hold full-scale elections for the American delegation to the 32nd Zionist Congress, which opens July 26.

The congress appoints the leadership of the World Zionist Organization and half that of the Jewish Agency.

While there had been speculation that Dinitz would strike back at Hirsch's candidacy by excluding the Reform movement from WZO's usual wall-to-wall coalition, Dinitz said he was convinced the Reform movement would be included.

ARZA is claiming victory after the Zionist Supreme Court, which oversees disputes in the Zionist movement, decreed that from now on, delegates to the congress be elected democratically.

But for this month's congress, the court approved a proposal for allocating delegates among the various parties that was drawn up by the Area Elections Committee of the American Zionist Federation.

Under the plan, the 152 American delegates

will be distributed as they were four years ago for the previous congress.

In addition, 10 delegates have been added to the American contingent by the WZO's Action Committee, at the request of the Americans. One of these delegates will go to Tehiya USA, which joined the Zionist movement since the last Congress.

# Penalties Eliminated

The other nine will be divided between Mizrachi, the Orthodox Zionist movement, and Americans for Progressive Israel, which identifies with Mapam, the left-wing party that is now part of the Meretz bloc.

These two parties were penalized before the last congress for irregularities found in their membership rosters, which were used to assemble the voting roll for the Zionist elections.

Both penaltized groups argued at the time that the penalties were unfair, since it was by no means clear that the voters corresponded to the people improperly entered on the voting roll.

They pointed out that one of the Zionist parties received more votes than it had registered members, even though only about 25 percent of those eligible participated in the 1987 balloting by mail.

"To penalize us one time is one thing; to repeat it again is outrageous," said Stefanie Kirschner, API's delegate to the Area Elections Committee.

But ARZA opposed eliminating the penalties. "We consider it to be totally unjustified, rewarding them for fraud," said Rabbi Eric Yoffie, executive director of ARZA until July 1, when he became vice president and director of the Union of American Hebrew Congregations Commission on Social Action.

Despite losing his fight against the extra delegates, Yoffie praised the court for agreeing with his demand that a method of democratic elections be held for the next congress.

One proposal for this congress, to hold an "electoral college," was approved by the Zionist groups other than ARZA. But it was rejected in Jerusalem as not conforming to the principle of one-person, one-vote.

Under the court's ruling, if a democratic method to select the delegation is not selected by the end of 1993, the court will impose a method of its choosing.

The ruling, and the Israeli election two days later, places Tehiya USA in an odd position. Its Israeli counterpart will not be represented in the Zionist Congress, since it won no Knesset seats in the Israeli elections. The Israeli delegation to the congress is apportioned in proportion to the Knesset delegations.

(JTA correspondent Gil Sedan in Jerusalem contributed to this report.)

# LAWMAKER FEARS UPI'S SALE TO ARABS COULD MEAN UNFAIR COVERAGE OF ISRAEL By Cynthia Mann

States News Service

WASHINGTON, July 2 (JTA) -- Rep. Larry Smith (D-Fla.) lashed out this week at the recent \$4 million sale of United Press International to a London-based company owned by the brother-inlaw of the king of Saudi Arabia.

Smith implied that the transfer of UPI ownership Sunday to the Middle East Broadcasting Center makes it unlikely the international news organization will be free to cover Israel and other politically volatile issues in a fair manner.

"Saudi Arabia has no free press. Every newspaper is censored by the government," Smith said in a statement. "Under Saudi ownership, would UPI give fair coverage to Israeli elections or Islamic fundamentalists, or any topic distasteful to Saudi royalty?"

An information officer at the Saudi Embassy said the company is private and the government would have no influence over UPI's operation.

Meanwhile, Steve Geimann, executive editor and executive vice president of UPI, sharply refuted Smith's suggestions.

Geimann said he felt completely confident after his first meeting with company executives Tuesday. "I was very encouraged that they were interested in maintaining UPI as an international newsgathering operation and to make it be profitable. To do so it must maintain its objectivity, fairness and balance as the hallmark of its coverage.

"I saw nothing to suggest that any of these principles will be altered," he said.

One Middle East analyst who asked not to be identified said the purchase "is not necessarily pernicious" and is part of a Saudi trend toward a more "sophisticated and savvy" approach to "dealing with the rest of the world."

The analyst said while there may be "unwritten influence" by the government, it remains to be seen what role Saudi policy will play in UPI's coverage. "Everyone will be looking to see if (the company) will play by the First Amendment rules."

#### 1 SOLDIER KILLED, 2 HURT IN CRASH RETURNING FROM LEBANON OPERATION By Hugh Orgel

TEL AVIV, July 2 (JTA) -- An Israel Defense Force reservist was killed and five others lightly injured when their Bell-212 helicopter crashed into the sea less than a mile southwest of the Israel-Lebanon border post at Rosh Hanikra on Wednesday evening.

The helicopter was returning from an operational flight over Lebanon when it plunged into the sea on its way home.

The two air force pilots and three of the four soldiers aboard were thrown into the water and rescued by navy Dabour-class boats.

But Sgt. Gil Rosenthal, 27, of Kibbutz Nitzanim, was trapped inside the sinking craft. His body was recovered two hours later by a navy underwater squad.

The air force commander, Maj. Gen. Herzl Bodinger, established a commission of investigation to determine the cause of the crash.

Soldiers aboard the craft said the "stick," or guidance column, appeared to have become stuck, making the helicopter unnavigable and causing it to spin and drop downward.

Rosenthal was laid to rest in the Nitzanim cemetery at noon Thursday.

Wednesday's downed helicopter apparently was returning from an operational flight linked to a helicopter raid by 1DF aircraft on a command post of George Habash's Popular Front for the Liberation of Palestine. The target was in the Rashidiya refugee camp, near the port city of Tyre in southern Lebanon.

It was the 15th air raid against Hezbollah and Palestinian targets in Lebanon since the beginning of the year, and the second this week.

# PEROT AND TOP AIDE DENY ANTI-SEMITISM IN DISMISSAL OF EMPLOYEE OVER BEARD By Cynthia Mann States News Service

WASHINGTON, July 2 (JTA) -- Ross Perot's top Jewish adviser, Morton Myerson, told the Anti-Defamation League this week that there was no anti-Semitism involved when Perot's company fired an Orthodox Jew for wearing a beard in the early 1980s.

ADL's director, Abraham Foxman, who had asked for an explanation of the firing, said Thursday, "We're putting the issue behind us."

But he added, "There needs to be an effort on our part to further sensitize Mr. Perot and his team."

Myerson, who ran Perot's company, Electronic Data Systems, wrote a letter to Foxman saying neither he nor Perot had any knowledge of the case at the time.

"EDS had a policy that did not tolerate discrimination based on religion, sex or color," he wrote. "EDS did not, and does not, tolerate discrimination and no one with facts could yield a concern about anti-Semitism."

The case involved Reggie Dallaire, an employee of EDS who converted from Catholicism to Judaism and grew a beard which he claimed was an expression of his new religious beliefs.

Dallaire was fired for wearing the beard because it was against longstanding EDS policy, but a federal district court found the company discriminated against him on the basis of his religion and ordered him reinstated.

Myerson said in his letter that EDS managers talked to Dallaire before he was fired and felt he was not credible when he said the beard was a religious necessity.

"They did not believe he was sincere and told him he was violating corporate policy," Myerson said. "They talked with his rabbi and several other rabbis and determined that a beard was not required either by the faith or at his synagogue. In fact, most of the members of his synagogue did not wear beards or facial hair."

# Religious Practices Researched

Background material supplied by Myerson to Foxman indicated Dallaire's supervisor researched his employee's religious practices. "He did not keep kosher and did not observe other practices of Orthodox Judaism in his daily life," said the report.

The report by the supervisor went beyond the narrow question of religion to include the observation that Dallaire's neighbors were "somewhat afraid of him. It seemed he had the habit of mowing his lawn while wearing visible firearms," the report said.

Foxman, who had asked for an explanation about this episode more than a month ago, wrote back to Myerson on Wednesday. He said, "We believe EDS could have dealt with this employees seserted religious claims in a more sensitive manner. We trust that current company policy and practice allows for more appropriate handling of such claims."

The case has cropped up from time to time in discussions of Perot that seek to clarify his record and shed light on what his policies as president might be.

It reared its head only this week when Perot appeared on late-night ABC television to answer questions and was asked to explain the case.

First, Perot said he had never heard of it. Then, when pressed by host Peter Jennings, he said he had never asked Myerson for an explana-

"In terms of your inference of discrimination, please don't lose sight of the fact that the great builder of EDS happened to be a Jew, Mort Myerson," Perot said.

Foxman said that answer was insufficient. "The fact that the president was a Jew is nice, but it's irrelevant."

## 3 TORONTO SYNAGOGUES VANDALIZED AFTER ARREST OF WHITE SUPREMACIST By Gil Kezwer

TORONTO, July 2 (JTA) -- Three synagogues here have been vandalized in what is seen as a reaction to the arrest Sunday of white supremacist Tom Metzger, 54, and his son, John, 24.

They were charged with violating immigration laws that bar entry into the country of anyone likely to incite racial hatred.

The elder Metzger is leader of the California-based White Aryan Resistance and former grand dragon of the California Ku Klux Klan.

The Metzgers came to Canada to address a clandestine meeting of Toronto's racist Heritage

They will be deported to the United States, where Tom Metzger faces a jail sentence for leaving the country without permission. The restriction is part of his probation terms, imposed after he was convicted last December in Los Angeles of participating in a cross-burning cere-

The synagogues that were defaced were all within three miles of one another in suburban North York and the neighboring city of Vaughan. They were spray-painted with swastikas and slogans like "Die Jews," "Hitler lives," "PLO" and "Arabs rule."

It was the first such act of vandalism this year, according to B'nai Brith Canada spokesman Warren Bass.

"We are absolutely convinced that this is the work of white supremacists and is not at all related to the Arab community, and that the goons who did this also harbor racist feelings against Arabs," he told the Jewish Telegraphic Agency.

The Canadian Jewish Congress has posted a \$5,000 (Canadian) award for information leading to the conviction of those responsible for the descration of the shuls.

The Metzgers were detained following an international investigation led by the Immigration Department, which involved the Royal Canadian Mounted Police and Toronto police intelligence units, the Ontario Provincial Police, the FBI, the Los Angeles Police and the San Diego Sheriff's Department.

The Heritage Front, in a taped telephone message Tuesday, cited B'nai Brith as part of an "unholy alliance" with Marxists, anarchists and Trotskyites.

The Canadian Human Rights Commission has filed for an injunction to pull the plug on the front's telephone hotline.

(JTA correspondent Tom Tugend in Los Angeles contributed to this report.)

REMINDER: The JTA Daily News Bulletin will not be published on Monday, July 6.

#### BEHIND THE HEADLINES: THE NEW ISRAEL FUND COMES OF AGE, ITS CAUSES EMBRACED BY MAINSTREAM By Alexandra J. Wall

NEW YORK (JTA) -- The well-dressed crowd noshing on risotto with wild mushrooms and the performance by an Israeli dance troupe at a Lincoln Center theater recently could have been the staples of any United Jewish Appeal event.

But to those present at the bar mitzvah celebration of the New Israel Fund, the professional touches were more a reminder that the NIF is entering a new phase of maturation.

Still, Norman Rosenberg, executive director of the fund, is hesitant to say that the organization is entering the mainstream.

"Our activities, which once were thought to be outside of the mainstream, turn out to be very much in the mainstream of thought in Israel and this country," he said in an interview.

The New Israel Fund was founded in 1979 by an heir to the Levi Strauss fortune, Eleanor Friedman, and her husband, Jonathan Cohen. They felt that a variety of social problems were emerging in Israel that were being neglected by traditional Jewish philanthropies.

Their concept of fund raising was unique. Instead of Americans raising the money and Israelis spending it, Americans and Israelis would be partners in deciding how the fund's resources were to be spent. The fund's board of directors includes North Americans and Israelis.

Beginning with a meager budget of \$80,000, the fund this year allocated more than \$8 million.

#### A Radical Agenda?

Yet tarnishing its success are claims that the New Israel Fund has a radical-leftist, anti-Zionist agenda, especially at a time when Israel's relationship with America is on tenuous ground.

"The fund from the beginning has remained avowedly non-partisan," said Rosenberg. "We are guided by Israel's Declaration of Independence and try to support institutions that will provide equality between the various peoples of Israel. But we do not take any positions or fund any political parties. We speak through our grantees."

parties. We speak through our grantees."

And it is through their grantees that the fund conveys a decidedly political message.

At the center of the controversy is the Association for Civil Rights in Israel. Rosenberg spoke of the association as one of the major success stories of the New Israel Fund.

Thanks to grants from the fund, the association went from being virtually unknown to being a major advocate for civil rights in Israel.

a major advocate for civil rights in Israel.

Last year, the fund granted the association the largest allocation of it recipients, \$722,510.

But the association's work on behalf of Palestinians from the West Bank and Gaza Strip has elicited charges that the New Israel Fund indirectly funds the work of Palestine Liberation Organization agitators.

The group's media director, Karen Friedman, sees things differently. A citizen's civil rights, whether Jew or Arab, are guaranteed in Israel's Declaration of Independence -- and are also values that define the basis of the friendship between the United States and Israel, she said.

Now that the Cold War is over, America no longer needs Israel as it once did, Friedman said. "The only thing that the two have in common are shared values."

But if those shared values, such as democ-

racy, tolerance, and pluralism, are eroding, Israel will no longer enjoy U.S. support as it once did, she warned

The notion of shared values is a complicated one. Recipients of New Israel Fund allocations are often organizations that embrace a much more progressive agenda than most Americans support, especially when it comes to Israel.

And for many American Jews, when they donate money to Israel, they expect it will be spent for the benefit of Jews, not Israeli Arabs, Druze, or Palestinians.

# Most Give To UJA, As Well

But Associate Director Aviva Meyer pointed out that 20 different federations allocate money to the fund, and 65 percent of its donor base gives money to the United Jewish Appeal.

The New Israel Fund's grantees cover a wide spectrum. They include:

• The Association of Forty for Recognition of Arab Villages, an organization that helps Arab villages within Israel's pre-1967 borders to receive official recognition from the Israeli government.

 The Fund to Aid the Druze, where funding goes to help Druze citizens finance their education after completion of the Israeli army.

• MEITAV: The Israeli Center for Puppet Theater, a group which uses puppet theater with children to improve Jewish-Arab relations.

 The Dai Movement, formed to improve the quality of life among Israel's poor neighborhoods of predominantly Sephardic Jews.

 Israel AIDS Task Force, a grass-roots organization founded to assist people with AIDS and their families.

The New Israel Fund has also helped fund rape crisis centers and battered women's shelters, which are helping to raise awareness about issues long ignored in Israel.

"We take care of projects that fall through the cracks of traditional philanthropies," said David Arnow in his speech at the recent bar mitzvah celebration. Arnow served as the North American chair of the fund for almost a decade.

But as Israel is faced with the enormous task of absorbing the new immigrants from the former Soviet Union and Ethiopia, the fund has moved into new venues.

"Absorbing immigrants means more than providing housing and jobs. It means educating these immigrants about utterly new practices and precepts -- equality, minority rights and the rule of law, to name just a few," said Arnow.

#### Shaken Community To Its Core

An example of this is the New Israel Fund's support of Shiloh, a private family-planning center that has initiated programs for Soviet women, for whom abortion is the only known form of birth control, to teach them about other available methods.

But as Arnow noted in his speech, more mainstream organizations have begun looking more closely at some of the fund's grantees, and have supported some of the very same institutions.

The fund will continue in its efforts to bring what once was outside the mainstream into the forefront of the American Jewish agenda.

"The fight to preserve the founding vision of its larsel has been raging and has finally shaken the American Jewish community to its core," said Arnow. "Today we stand at the head of a movement to build the kind of Israel we too long took for granted."