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BUSH AGREEMENT ON LOAN GUARANTEES SEEN AS REDUCING STRAINS WITH ISRAEL

By Cynthia Mann
States News Service

WASHINGTON, Aug. 11 (JTA) -- President Bush's warm welcome to Israeli Prime Minister Yitzhak Rabin this week and his agreement to provide the Jewish state with long-awaited loan guarantees appears to have put relations between the two countries back on track.

Observers say Bush's strong expression of support for Israel's new government may not win the president any more Jewish votes in November than the 30 percent he garnered in 1988.

But they say it goes far toward reassuring American Jews concerned with Israel's security and strategic value in the aftermath of the Cold War. And it means the ill will that was generated by Bush's previously hard-line stance on the loan guarantees will diminish.

Bush, who scolded American Jewish leaders last September for campaigning hard for the loan guarantees, announced Tuesday that he is now prepared to "recommend enthusiastically" that Congress grant Israel guarantees for up to \$10 billion in loans, which would be used to help absorb immigrants from Ethiopia and the republics of the former Soviet Union.

Congress, which spent much of the early spring battling the administration on the issue, is now expected to adopt legislation authorizing the guarantees in September.

American Jewish leaders are clearly relieved the long battle over the loans is mostly over.

But the "most important factor" coming out of the talks at Bush's home in Kennebunkport, Maine, was "the president's clear and unequivocal reaffirmation of the special relationship between the United States and Israel," said Shoshana Cardin, chairman of the Conference of Presidents of Major American Jewish Organizations.

'Loyal And Staunch Friends'

But Cardin cautioned against "euphoria." She said that while the "reaffirmation was very reassuring, there will be differences between the two countries that should not be glossed over."

But she said the summit ensures the differences that arise will occur in an atmosphere of increased trust and cooperation.

Bush said after the summit that Rabin had persuaded him that Israel's new government is committed to the success of the peace talks, and he called on the Arab states to respond in kind.

He also said the United States has a "solid commitment to Israel's security and its qualitative military edge," a policy that will continue despite the end of the Cold War.

"Israel is a democracy surrounded by countries that are not, and they have been loyal and staunch friends," Bush said. "It is in the security interest of the United States to retain the kind of relationship we have militarily and otherwise with Israel."

Republican Jewish leaders, who have had an uphill fight trying to convince Jews to support Bush at the polls in November, were clearly thrilled with the president's remarks.

"It is clear that both President Bush and

Prime Minister Rabin share the same vision of the Middle East and of the unique relationship between the United States and Israel," said Matthew Brooks, executive director of the National Jewish Coalition, a Republican group.

"It also proves to Americans and to the Jewish community that George Bush is a man of his word, and when he makes a promise, he works to ensure that it is carried out," said Brooks, referring to the loan guarantee package.

"It also puts to rest charges that George Bush is anti-Israel and anti-Semitic," he said. Though the summit with Rabin was "not driven by election-year politics," he added, "it will neutralize hostility" from the Jewish community.

A 'Message Of Reassurance'

"There was a fundamental message of reassurance that the United States is not abandoning Israel," said Yehudah Mirsky, an analyst with the Washington Institute for Near East Policy.

"And by moving ahead with the loan guarantees," he said, it is clear Washington will "take steps to get Israel's economic house in order."

The talks at Bush's seaside retreat were characterized by a warmth that marked a sharp departure from the chill that pervaded Bush's relationship with Rabin's hard-line predecessor, Yitzhak Shamir of the Likud bloc.

Bush himself noted the tone of the summit, calling it "a consultation between close friends and strategic partners," one filled with "trust and a commitment to meeting common challenges. It is strategic cooperation at its very best."

Much of the strain in the U.S.-Israeli relationship was exacerbated by Shamir's resistance to territorial compromise with the Arabs and his unwillingness to freeze Jewish settlements in the territories, which Bush imposed as a condition for receiving the loan guarantees.

Rabin has already demonstrated he is far more flexible.

"We shall do our best to inject new momentum into the negotiations," the prime minister said Tuesday at a joint news conference with Bush marking the end of the Kennebunkport talks.

He also pledged to institute economic reforms and "a change in national priorities to this direction."

These changes are what has paved the way for the loan guarantees package.

Noting Rabin's commitment to economic reform, Bush pledged swift action with the congressional leadership to authorize the loan guarantees. "A strong Israel that is better to cope is in our interest," he said.

Legislation Expected Next Month

A loan deal is expected to be incorporated in the Senate foreign aid appropriations bill next month. A House and Senate conference committee will then work out a joint plan to be voted upon by the full Congress.

Congressional insiders say there will be important and contentious details to iron out before a package is approved, such as what settlements will continue to be built and how they will be funded, and exactly what Israel will do to reform its economy.

"It is likely to work out, but (legislators)

remain concerned that the money not fund things inconsistent with our policy," said one Capitol Hill source. "But there is more hope with Rabin," he added.

One pro-Israel congressman urged caution against any post-summit euphoria.

"It represents a warming, there's no doubt about it," said Rep. Larry Smith (D-Fla.), one of the most vocal critics of the Bush administration's Middle East policy.

"But we have to watch what happens next," he said, referring to the next round of peace talks, scheduled to begin here Aug. 24.

Smith said he feared the administration would apply pressure to Israel to make concessions in order to spur the peace process forward in time for a breakthrough Bush could flaunt before the November election.

"Are Bush and (Secretary of State James) Baker going to want to extract a quid pro quo for the loan guarantees by forcing Israel to take positions it doesn't want to take regarding Palestinian autonomy?" Smith asked. "That way Bush can claim a new victory in foreign policy."

Smith, however, answered his own rhetorical question. "Rabin may have secured the loan guarantees," he said, "but he won't roll over and play dead for George Bush."

BUSH RETURNS FROM KENNEBUNKPORT TOUTING HIS RECORD ON JEWISH ISSUES

By Cynthia Mann
States News Service

WASHINGTON, Aug. 11 (JTA) -- Flush with the success of a just-concluded round of meetings with Israeli Prime Minister Yitzhak Rabin, President Bush made the case for his leadership to a dozen members of the Jewish press he called to the White House on Tuesday.

The amicable roundtable discussion, called the week before the Republican convention in Houston, seemed a transparent effort to woo the support of American Jews who have been alienated by the Bush administration's hard-line posture toward Israel and seeming insensitivity to its supporters.

Bush expressed deep regret that his criticism of the pro-Israel lobby on loan guarantees last September aroused widespread anger, saying his remarks were misunderstood and that he had apologized.

He also accused Democratic presidential nominee Bill Clinton of "mischaracterizing" those remarks to "obfuscate a good record on the Middle East."

Clinton has said Bush questioned the right of Jews to lobby for a cause they hold dear.

"I never would have said that, and if a single person was offended, I feel badly," said Bush. "Everyone has a right to petition, and I have a right to stand up for what I believe in."

And while the president acknowledged there had been strains in the U.S.-Israeli relationship, he said he did not understand the source of Jewish mistrust of him when it comes to Israel. He said his entire record of accomplishments in the area was solid and should be examined.

"I had to do what I thought was right (on Israel), and that was in conflict with the previous administration," he explained.

But Bush pointed with evident satisfaction to the agreement he had announced earlier in the day to provide Israel with guarantees for up to \$10 billion in loans.

The president said he was pleased to "see through what I began."

He also cited U.S. diplomacy that has advanced the Middle East peace process, brought about the repeal the U.N. General Assembly resolution branding Zionism as racism, and helped end Israel's isolation in the international community.

Will Prod Arab Parties

He pledged to use the same diplomatic pressure to prod the Arab parties to "respond in kind" to the commitment of the new Israeli government to the peace process, including taking steps to end the Arab boycott.

The president also highlighted U.S. strategic cooperation with Israel during the Persian Gulf War and U.S. efforts to get Jews out of the former Soviet Union and Ethiopia.

Though he said he had been "meticulous" about not interfering in Israel's internal politics, it was clear he was delighted by the rapport he established with Rabin during the newly elected Israeli prime minister's visit to Bush's Maine vacation home.

"We hit it off pretty well, very well," said the president. "I like what he stands for and what he said."

Bush did not dispute the suggestion that he was out of step with the majority of Jews on such issues as school prayer and abortion rights. But he said that, aside from Israel, there are other areas of agreement.

"If these are the only issues, I can understand why I don't get a majority of votes, I wouldn't have a case," said the president, who won 30 percent of the Jewish vote in 1988.

"But I have stood up against anti-Semitism and hate crimes," he said. He said he also shared Jewish families' concern for safe neighborhoods and strong anti-crime measures. Later in the discussion, he added that the elimination of the threat of nuclear war was also common ground.

"The Jewish community and the WASP community," he said, with a smile, "all have children that used to go to bed afraid" of nuclear war. That is no longer the case, he said.

'Silence Of The '30s And '40s Is Gone'

Returning to Middle East policy, Bush said the United States has an active role to play in mediating the conflict between Israel and Syria.

"I see America as the catalyst trying to end the state of belligerency," he said.

But alluding to differences he has with Syrian President Hafez Assad on such issues as terrorism, he said the United States is not neutral.

"The role of the United States is to try to keep the peace talks going, always understanding we have a special relationship with the State of Israel," he said.

He said the United States would "guarantee Israel's qualitative edge. Nothing will happen to change that."

Bush also pledged that the lessons of the Holocaust would not be forgotten during the current crisis in what was formerly Yugoslavia.

While he said he could not "certify" that the systematic genocide of the Holocaust is repeating itself, "I will do everything I can to end the suffering."

"The silence of the '30s and '40s is gone," he asserted. The "fundamental difference" between now and then, he said, is "an awareness, a conscience, and no matter what the facts are, we can't have inaction."

JESSE JACKSON TO HELP FIND MISSING ISRAELI AIRMAN ARAD

By Elana Varon
States News Service

WASHINGTON, Aug. 11 (JTA) -- The Rev. Jesse Jackson, who has striven recently to repair his strained relations with Jewish groups, said Tuesday he would use his contacts in the Middle East to help locate captured Israeli navigator Ron Arad and determine whether he is still alive.

Arad was shot down over Lebanon in October 1986 and was supposedly taken captive by a fundamentalist Moslem group. He has not been heard from since late 1987, but his family and some Israeli officials believe the Iranian government holds the key to his release.

Arad's wife, Tami, said in an interview that she enlisted Jackson's aid because she believes he can help pressure Iranians to release her husband. Iran has not admitted to holding Arad or to knowing his whereabouts.

President Bush, concluding meetings with Israeli Prime Minister Yitzhak Rabin, said Tuesday that he would do whatever he could to locate Arad, but that the United States does not have much leverage with the Iranian government.

Tami Arad said she was pleased Bush mentioned her husband's case, but his statement that the United States lacks influence "can be damaging" to her cause.

"If he said the issue is important to Americans, that's very good," she said. "But my opinion is, when he says there is no leverage, they (the Iranians) hear him and say, 'We can play games now.'"

Jackson, who has led previous efforts to release political and military prisoners in the Middle East, said his experience could aid Arad's cause.

"Our real strength is not military strength. It's moral strength," he said.

But Jackson also said his efforts in the Arad case would merely reinforce earlier attempts by others to track the Israeli navigator. "I don't think this is anything so new," he said.

Over the past five years, Tami Arad has appealed to numerous humanitarian and political organizations to locate her husband, but none has discovered his whereabouts or learned anything about his condition.

ISRAELI CUTS BOSNIA MISSION SHORT AS RABIN DEMANDS END TO ATROCITIES

By Hugh Orgel

TEL AVIV, Aug. 11 (JTA) -- Knesset member Yossi Sarid cut short a humanitarian mission to the Balkan states and returned unexpectedly to Israel on Tuesday, having failed in his attempt to reach the war-torn former Yugoslav republic of Bosnia-Herzegovina.

Sarid, who was dispatched to the region over the weekend to coordinate Israeli relief efforts, had hoped to get to the besieged Bosnian capital of Sarajevo, so that he could arrange for the delivery and distribution of the medical and other aid being assembled by Israel.

But because of the fighting and transportation difficulties, he remained stranded in the Croatian capital of Zagreb.

Sarid criticized the United Nations for not making more of an effort to help him get to the Bosnian capital. But he vowed Israeli relief supplies would get through anyway, and he said he

would return to Croatia to oversee the distribution of the goods to needy people on a non-sectarian basis.

Israeli Prime Minister Yitzhak Rabin pledged Tuesday that the Jewish state would not rest until the "human tragedy" taking place in Bosnia-Herzegovina had ended.

Reports of Serbian-instigated atrocities against Moslem and Croatian civilians have shocked the world in recent days, prompting comparisons with Nazi activities during World War II.

"The Jewish people, having suffered persecution throughout history, cannot remain indifferent to such tragedies. The killing must stop," Rabin said at a joint news conference with President Bush at Bush's vacation home in Maine.

"Let us hope that those tortured people will find peace," he added.

Bush, for his part, said he and Rabin had agreed that "the world must act to bring an end to this humanitarian nightmare that now exists in what was Yugoslavia."

JEWISH GROUPS HAIL ADOPTION OF AID PACKAGE FOR REPUBLICS

By Cynthia Mann
States News Service

WASHINGTON, Aug. 10 (JTA) -- Jewish groups are hailing a massive financial assistance package approved last week by the House of Representatives to aid the fledgling nations of the former Soviet Union.

"It's not a panacea," said Mark Levin, acting executive director of the National Conference on Soviet Jewry, which spearheaded organized Jewish lobbying on behalf of the aid package.

"But it will help stabilize an environment in which instability hurts ethnic and religious minorities," he said.

Levin said the passage of the Freedom Support Act also "sends a strong message of support" to beleaguered Russian President Boris Yeltsin and represents a U.S. "commitment to stay engaged (internationally) at a time when many feel we should look inward."

Robert Lifton, president of the American Jewish Congress, also applauded the House, saying it had "seized an historic opportunity to bolster democracy in the newly formed nations of the former Soviet Union."

The House voted 225-164 to authorize an increase of \$12 billion in U.S. contributions to the International Monetary Fund, part of which is slated to help Russia build a free-market economy.

It also authorized \$585 million in U.S. technical assistance over two years and up to \$3 billion for an international fund to stabilize the currencies of the former Soviet republics.

A similar bill was approved by the Senate last month. The minor differences between the two versions are expected to be ironed out in conference next month after the congressional recess.

The aid plan, strongly supported by the Bush administration, became bogged down in both chambers by members who wanted to attach funding for programs to meet urgent domestic needs in such areas as jobs, housing and transportation. Eventually, intensive negotiations between legislators and administration officials broke the logjam and led to unusual bipartisan support for the bill.

**SHIMON AGRANAT, DEAD AT 86,
WAS PROMINENT ISRAELI JURIST**
By David Landau

JERUSALEM, Aug. 11 (JTA) -- Shimon Agranat, a former president of Israel's High Court of Justice and one of Israel's foremost jurists, died in Jerusalem on Monday night. He was 86.

Although he was president of Israel's highest court for 12 years, the name Agranat is perhaps best known in the context of the Agranat Commission, a panel he chaired that looked into Israel's lack of readiness at the outbreak of the Yom Kippur War.

Born into a Zionist family in Louisville, Ky., Agranat first came to Israel in the 1920s to study at Herzliya High School in Tel Aviv. He returned to the United States, where he completed his legal studies at the University of Chicago.

He then made aliyah in 1930, settling in Haifa, where he practiced law.

Despite his complete immersion in Israeli life, Agranat retained a strong American accent in his Hebrew throughout his life.

From 1940 to 1948, Agranat was a magistrate. With the establishment of the State of Israel, he was appointed president of Haifa District Court, and a year later joined Israel's High Court of Justice as its youngest judge. In 1965, he became its president, serving in that capacity until his retirement in 1977, at the statutory retirement age of 70.

Agranat also taught criminal law at the Hebrew University of Jerusalem.

He was appointed to head a commission to investigate Israel's lack of preparedness in 1973, when it was taken by surprise by Egypt and Syria and suffered massive losses in men and materiel.

The commission recommended the retirement of top officers, among them the IDF chief of staff, Lt. Gen. David Elazar. It was especially scathing in its findings against the head of military intelligence, Maj. Gen. Eli Zeira.

A Champion Of Human Rights

But the report was widely criticized for, as it was believed, failing to point an accusatory finger at the political decision-makers, primarily then Defense Minister Moshe Dayan.

Agranat and the other commission members long argued that they had been misunderstood.

They said they had indeed faulted the decision-makers. But they believed that in a democracy, a decision-maker's indirect responsibility for failure should be punished by the public, not subject to judicial or quasi-judicial action.

He said there had been no intention to exonerate Israel's political echelon.

In fact, in the wake of the Agranat Report, Prime Minister Golda Meir and Defense Minister Dayan were forced by public pressure to resign their Cabinet posts.

Agranat was seen as a champion of freedom of speech. But he is also known for his opinion in the case of Israel vs. El Ardi, in which he held that an Arab party avowedly opposed to the existence of Israel as a Zionist state could not be allowed to take part in the political process.

Agranat served until his death as president of the Israeli Association for Human Rights.

The present High Court of Justice president, Justice Meir Shamgar, saluted Agranat as a "great jurist" who made "a lasting contribution to the establishment and upholding of the freedoms of the individual and of judicial norms and values."

ARAB PARTY TO RETAIN SECOND SEAT
By Gil Sedan

JERUSALEM, Aug. 11 (JTA) -- The Arab Democratic Party will retain its two seats in the Knesset as a result of a ruling by the Jerusalem District Court.

The court on Tuesday rejected the government's appeal of the election results in a Bedouin village in the Negev. The government had argued that disarray in the polling process raised doubts about the validity of the results.

But the court found that voting irregularities that might have occurred in the town of Aroer would not have changed the final outcome and did not justify annulling the returns.

Had the court annulled the returns, it would have deprived the Arab Democratic Party of enough votes to keep its second Knesset seat, which is held by Bedouin lawyer Taleb a-Sanaa. The extra seat would have gone to the ruling Labor Party.

The government may still appeal the case to the High Court of Justice.

MERHAV NAMED ABSORPTION DIRECTOR
By David Landau

JERUSALEM, Aug. 6 (JTA) -- Reuven Merhav, formerly director general of the Israeli Foreign Ministry and a onetime Israeli consul general in Hong Kong, has been appointed director general of the Ministry of Immigration and Absorption.

Merhav told reporters he was undertaking the assignment "with great fear and trepidation," given the historic nature of the challenge.

Merhav is the personal choice of Immigration and Absorption Minister Yair Tsaban of the left-wing Meretz bloc.

Before joining the foreign service, Merhav served in the defense community. As director general of the Foreign Ministry, he was closely involved in Operation Solomon, the airlift of more than 14,000 Ethiopian Jews to Israel.

Now, with the last Ethiopian Jews making their way to Israel, the focus of his work will be the former Soviet Union and Jewish communities in the Western world.

DUTCH OLYMPIC WINNERS ARE ISRAELIS
By Henriette Boas

AMSTERDAM, Aug. 11 (JTA) -- Both the coach and captain of the Dutch volleyball team that won a silver medal at the Olympic games in Barcelona are Israelis. They are also father and son.

Arieh Selinger, 55, and Avital, 33, came together to help propel Holland's national team to Olympic honors after pursuing separate sports careers.

Born in Poland, the father survived Bergen-Belsen and came to Israel as a boy. He played volleyball for Israel from 1956 to 1963, later going to the United States to become a successful trainer in women's volleyball.

In 1983, Israeli-born Avital joined the Martinus volleyball club in Amstelveen, near Amsterdam. Eventually, he persuaded his father to join him in Holland and Arieh became the coach of the Dutch national team, captained to an Olympic medal by his son.

Arieh is author of a 1985 book "Selinger's Power Volleyball."