

**HIGH COURT ORDER ON SHAS LEADER
COULD IMPERIL LABOR GOVERNMENT**

By David Landau

JERUSALEM, Aug. 10 (JTA) -- Israel's Labor-led government has been plunged into a period of dangerous political uncertainty following a ruling Tuesday by the High Court of Justice giving the government 14 days to explain why Interior Minister Aryeh Deri should not be required to step down from his Cabinet post immediately.

Deri, who heads the fervently Orthodox Shas party, a partner in the Labor government, faces charges of bribery and misappropriation in connection with his personal financial affairs.

The court's ruling came in the wake of a publicized and highly embarrassing dispute between Prime Minister Yitzhak Rabin and top government lawyers.

Rabin has been rejecting calls for Deri's immediate removal from the Cabinet, while the lawyers, led by Attorney General Yosef Harish and Justice Minister David Libai, are insisting on it.

The attorney general has formally asked the Knesset to lift Deri's parliamentary immunity so that charges can be submitted in court.

The Knesset House Committee, which must debate such a request before it is put to a vote of the plenary, has scheduled three days of debates in October.

But meanwhile a number of voluntary public groups concerned with civil rights and electoral reform have applied to the High Court for an order forcing Deri to step down now.

Deri, in a letter to Rabin during the coalition negotiations last summer, promised he would quit his Cabinet post as soon as charges were brought against him. Rabin cites that letter as the reason for his reluctance to force the interior minister out now.

Secession Of Shas Feared

But political observers say the prime minister fears that any attempt to force Deri's removal now could trigger the secession of the Shas party, whose six Knesset seats are crucial to the governing coalition's viability.

Although the government could survive a no-confidence vote without Shas, thanks to the tacit support of the left-wing Arab parties, it needs Shas if it wants to retain a Jewish majority in the Knesset, which will prove important when it comes to pushing through key decisions on the peace process that may lie ahead.

Harish, State Attorney Dorit Beinisch and a senior Justice Ministry aide, Nili Arad, told Rabin they were uncomfortable defending his position before the High Court.

Harish agreed that he had approved Deri's original letter last summer, but argues that now the circumstances have changed. The charge sheet against Deri has been drawn up, following his interrogation by police detectives, and as a result, he should step down, the attorney general said.

Rabin, in an angry response, is reported to have spoken of getting private legal counsel.

In an aside at the Cabinet meeting Sunday, the prime minister reportedly said he had little

faith in the state's legal officials -- a remark that triggered strong criticism both within the legal community and among politicians.

But later he relented and allowed Arad to tell the three-justice High Court bench Tuesday of the differences of opinion within the government and to request the 14-day show-cause order.

Some political insiders expect that by that time, Deri will have saved Rabin from his predicament by voluntarily taking leave.

Rabin Courting Another Party

So far the interior minister says that Rabin himself has turned down that course of action, and also that the spiritual mentor of Shas, Rabbi Ovadia Yosef, strongly opposes it.

It is in this context, according to political observers, that Rabin has once again begun wooing another fervently Orthodox party to join his government: Agudat Yisrael, the larger component of the United Torah Judaism bloc.

Rabin is hoping that Agudah will join the coalition or at least reach an "abstention agreement" that would guarantee the government Agudah's votes on key policy issues in return for government funding for the party's religious institutions and support for religious legislation.

Last week, Rabin met alone for a lengthy conversation with the spiritual leader of Agudah, Rabbi Pinchas Menachem Alter, who is the Hasidic rebbe of Gur.

So far, Shas has not formally linked Deri's fate to its continued presence in the government. Among the six Shas Knesset members, only Aryeh Gamliel consistently advocates secession.

But the court order is expected to increase the pressure on Shas from its political foes -- the Degel HaTorah wing of United Torah Judaism and the National Religious Party -- which have both sought unsuccessfully for months to force Shas to quit the government.

Deri's enforced ouster, say political observers, could intensify such pressure and make it harder than ever for Yosef to withstand them.

NEWS ANALYSIS:**PALESTINIANS STAYING ON FOR NOW,
BUT ROLE FOR PLO MAY BE INEVITABLE**
By Gil Sedan

JERUSALEM, Aug. 10 (JTA) -- For a while -- just a brief while -- it seemed this week that the internal crisis in the Palestinian leadership might stall the Middle East peace process.

But eventually both Palestine Liberation Organization leader Yasir Arafat and his frustrated emissaries from the administered territories understood that any major changes in the composition of the Palestinian delegation to the peace talks might hurt the cause.

Three leading members of the Palestinian delegation -- Faisal Husseini, Hanan Ashrawi and Saeb Erekat -- initially went to Tunis on Sunday with the threat of handing in their resignations. But after meetings Monday, they were still in office.

The internal crisis was triggered by complaints from the Palestinian negotiators that Arafat was taking an independent initiative in the peace process. By not consulting them, they

argued, the PLO leader was making them mere "puppets" in the peace process.

They were particularly irritated by Arafat's response to a U.S.-drafted declaration of principles setting guidelines for the peace process. Despite a July 3 decision by the PLO executive committee not to respond to the American proposals, Arafat went ahead with his response -- and it was a moderate one at that.

Sources in the territories said Tuesday that the Palestinian delegates have told Arafat that if he again tries to circumvent them, by sending independent messages to the Americans and the Israelis, they will not hesitate to resign for good.

PLO officials in Tunis were summoned Tuesday to discuss further the delicate relationship between the PLO leadership in Tunis and the local Palestinian negotiators in the territories.

By midweek, it was too early to tell who really came out stronger from the confrontation. But judging from statements by PLO officials such as Nabil Sha'ath, the crisis will spur forces pushing for direct Israeli negotiations with the PLO.

The Palestinian negotiators are expected to return to the negotiating table with tougher stands -- which the Israelis will not tolerate -- including calls for immediate negotiations over the status of Jerusalem.

Any continued stalemate in the negotiations with the Palestinians will be accompanied by strong hints that only Yasir Arafat can deliver the goods Israel expects: a gradual handing-over of authority in the administered territories, coupled with an agreement to leave delicate issues such as the fate of Jerusalem and the territories for a later date.

Key members of the Labor Party -- including Foreign Minister Shimon Peres, Deputy Foreign Minister Yossi Beilin and Knesset member Ephraim Sneh -- hinted this week that the government may have to change course in its treatment of the PLO.

Peres told a delegation of United Jewish Appeal leaders here Tuesday that Israeli Cabinet members have the right to meet with PLO officials.

Good News, But No Breakthrough

But Prime Minister Yitzhak Rabin still strongly objects to negotiating directly with the PLO leadership in Tunis.

His only alternative with the Palestinians, however, may be a stalemate.

Last week, following the weeklong shelling of southern Lebanon, it seemed as if Israeli policy-makers were ready for such a stalemate in the talks with the Palestinians, assuming business could be struck in the negotiations with Syria.

This possibility was strengthened by the role Syria played in achieving the cease-fire and by the two visits of Secretary of State Warren Christopher to Damascus.

The good news from Syria was the message that President Hafez Assad was indeed ready for a full peace agreement with Israel.

No less important were the indications from Damascus that Syria would not make an agreement with the Palestinians a precondition to any Syrian peace agreement with Israel.

Syria, it is believed, will be satisfied by a show of at least some initial progress with the Palestinians before it reaches any agreements with Israel.

But it remains an open question what the

Syrian price for such an agreement will be. Syria reportedly continues to insist on a total Israeli withdrawal from the Golan Heights. But the pace of the demanded withdrawal and the nature of the ensuing security arrangements are still open to negotiation.

A week after Christopher's visit to the Middle East, however, the long-awaited breakthrough is not yet here.

Indeed, amid all the optimistic reports that circulated during his Middle East shuttle, the best Christopher could say at the end of his travels was that the peace process had been "salvaged."

ISRAELIS CAUTIOUSLY WELCOME LEBANESE ARMY IN SOUTH LEBANON

By Hugh Orgel

TEL AVIV, Aug. 10 (JTA) -- Israel has cautiously welcomed the deployment of Lebanese troops in southern Lebanon, but says the real test of the move's effectiveness will be whether these troops succeed in stopping the violence in the border region.

With American support and tacit approval from the Israelis and Syrians, the Lebanese government on Monday moved some 300 troops into four villages facing Israel's security zone in southern Lebanon.

The villages are near the port city of Tyre in a region that continues to be patrolled by the nine-nation United Nations Interim Force in Lebanon.

Diplomatic sources said that U.N. Secretary-General Boutros Boutros-Ghali was initially against the Lebanese deployment because of technical problems of having Lebanese soldiers in U.N.-controlled territory.

But Boutros-Ghali finally accepted the recommendations of the U.N. Secretariat staff and changed his mind over the weekend, the sources said.

Following the American-brokered cease-fire in the region on July 31, the Lebanese government decided to order the deployment in an effort to maintain security and to help resettle refugees.

An estimated 250,000 Lebanese civilians fled north, and some 30,000 houses were destroyed during Israel's weeklong shelling of southern Lebanon in the last week of July.

Under the terms of the cease-fire, the Islamic fundamentalist Hezbollah militia agreed to stop firing Katyusha rockets into northern Israel.

Arriving Lebanese soldiers were armed with rifles, machine guns and anti-tank rockets in what is the first such deployment in the battle-weary region in 11 years.

The deployment was scaled down from an original total of some 1,000 troops to the 300 currently in the area because Syria reportedly feared a larger deployment might lead to clashes with Hezbollah guerrillas.

Lebanese government leaders have been eager to reassure the local militia bands that the newly arrived troops have no intention of disarming the guerrillas.

The Lebanese government extended these reassurances by saying Tuesday that the guerrillas have "a natural right" to continue their activities as long as there are Israeli forces in southern Lebanon.

The remark has provoked concerns as to whether Lebanese and UNIFIL forces will cooperate or whether their close proximity will lead to friction.

RUTH BADER GINSBURG TAKES OATH AS FIRST JEWISH JUSTICE SINCE 1969

By Deborah Kalb

WASHINGTON, Aug. 10 (JTA) -- With President Clinton standing by her side in the ornate East Room of the White House, Ruth Bader Ginsburg took the oath of office this week as the Supreme Court's first Jewish justice in nearly a quarter of a century.

Ginsburg, also joined at the podium by her husband, Martin, was sworn in Tuesday afternoon by Chief Justice William Rehnquist.

A pioneer in the field of women's rights legislation, Ginsburg told the crowded room of officials, reporters and family members that she hoped that during her lifetime there would be "as many sisters as brothers in law" among future federal judicial nominees.

She spoke, in the measured cadences familiar to those who watched her confirmation hearings last month, of the progress women have made in the law since the first woman lawyer in America practiced her trade in the 17th century.

Ginsburg will be the first Jewish woman on the court and only the second woman justice in the court's history. She will be the first Jewish justice since Abe Fortas resigned in 1969.

The mood at Tuesday's ceremony was warm, with periods of sustained applause for Ginsburg, Clinton and various others introduced during the course of the event.

Ginsburg singled out her mother-in-law, Evelyn Ginsburg, for particular praise, telling her she was "overjoyed" by her presence at the ceremony.

Also present were the justice's children, Jane and James, and her young grandchildren, Paul and Clara.

The East Room, with its gold curtains and elaborate chandeliers, was packed to standing-room capacity, and the ceremony was accompanied by constant clicking from the cameras of the dozens of press photographers lining the back of the room.

Clinton, who smiled repeatedly throughout Ginsburg's remarks, praised the new justice for her role as a women's rights advocate.

"Today, virtually no segment of our society has been untouched by her efforts," the president said, following Ginsburg's own remarks.

Sworn In On A Hebrew Bible

He also spoke of Ginsburg's respect for the law. "No one knows better than she that it is the law that provides the rules that permit us to live together and that permit us to overcome the infirmities, the bigotry, the prejudice, the limitations of our past and our present," he said.

In a line that brought more sustained applause and laughter, Clinton called Martin Ginsburg, a prominent tax attorney and professor, a "national model of what a good husband ought to be."

During the confirmation process and even before, Martin Ginsburg was notably supportive of his wife, at times serving as a sort of spokesman for her.

Seated in the front row, beaming throughout the ceremony, was Sen. Daniel Patrick Moynihan (D-N.Y.), who served as Ginsburg's chief Senate backer.

As the ceremony ended, the dignitaries, who included former Chief Justice Warren Burger and former Associate Justice William Brennan, and the

numerous Ginsburg relations, filed out for a reception, as a red-jacketed military band played.

Prior to the White House ceremony, Ginsburg had an earlier, private swearing-in ceremony at the court. She used the chief justice's personal Bible for that first swearing-in. And during the subsequent ceremony at the White House, she took the oath on a Hebrew Bible.

Unlike some other recent Supreme Court nominees, Ginsburg, 60, sailed through her Senate confirmation hearings and was confirmed last week by a 96-3 vote of the Senate.

In the course of her hearings, Ginsburg voiced strong support for abortion rights and strong abhorrence of discrimination, thereby putting her squarely on the side of many American Jews.

A moderate, Ginsburg was cautious about revealing her feelings about many issues.

TWO RABBIS TO JOIN 200,000 CATHOLICS IN POPE'S WORLD YOUTH DAY IN DENVER

By Debra Nussbaum Cohen

NEW YORK, Aug. 10 (JTA) -- Two rabbis will join 200,000 young Catholics from around the world who are gathering this weekend in Denver to meet with the pope.

Rabbi Jack Bemporad and A. James Rudin, both Reform rabbis who are among American Jewry's most respected interreligious affairs experts, were invited to attend the biennial World Youth Day gathering as official observers.

Bemporad is director of the Center for Christian-Jewish Understanding at Sacred Heart University in Fairfield, Conn.

Rudin is the American Jewish Committee's director of interreligious affairs.

While in Denver for the Aug. 12-16 event, they will be meeting with senior Catholic leaders from the Vatican and the United States.

Bemporad will join 11 leaders from the Catholic, Muslim and Protestant communities in a meeting Saturday night "to try and see how the various religions can work together for world peace and for spiritual education," he said.

That same evening Rudin will attend one of the gathering's centerpiece -- the pope's world peace vigil, which will be held at Cherry Creek State Park.

Neither is sure if he will be meeting with John Paul II while in Denver.

The fact that Jews were invited to World Youth Day "shows that, despite all the turis (which has strained Catholic-Jewish relations over the last several years), positive relations is part of the Catholic Church's agenda," said Rudin.

For Jews the event is "a sign that even in this most Catholic event there is an understanding that Judaism is a world religion and we have a role to play," he said.

While meeting with key players in Rome's hierarchy, Rudin said he plans to be "vocal" on two issues: the Vatican's normalization of diplomatic relations with Israel and the role that the church can play in fighting xenophobia and anti-Semitism in Eastern Europe.

Negotiations to normalize relations between the Vatican and Israel are currently under way, but moving very slowly.

According to Bemporad, the invitation to participate in World Youth Day is representative of a new era in interreligious work.

"The new dimension is about how we can work together for common goals," he said.

JEWISH GROUPS MAINLY PLEASED BY PROVISIONS IN BUDGET BILL

By Deborah Kalb

WASHINGTON, Aug. 10 (JTA) -- President Clinton's narrow victory as Congress passed his budget bill last week was also a victory for anti-poverty measures contained in the bill and backed by many in the Jewish community.

Jewish groups had been actively lobbying members of Congress to support an increase in such programs as the earned income tax credit for working families, the Head Start childhood education program and childhood immunization measures.

And the compromise legislation containing these anti-poverty provisions, which squeaked through both houses of Congress late last week and was expected to be signed into law by Clinton on Tuesday, was for the most part welcomed by Jewish organizational officials this week.

The budget bill, which aims to reduce the country's ballooning deficit, contains tax provisions that will have an impact on donors to charitable causes and on tax-exempt organizations.

Marc Stern, co-director of the American Jewish Congress legal division, said he thought the provisions were "do-able" and would not cause problems for Jewish organizations.

According to the new legislation, if a donor gives a charity \$75 or more as part of a "quid pro quo," the charity must notify donors what the value of the "quid pro quo" is, for the donor's tax deduction purposes.

For example, if a donor attends a charity dinner and pays \$100, the charity must inform the donor of the value of the dinner.

Under another provision in the new legislation, if a donor gives \$250 or more, the charity must now provide the donor with a receipt in order for the donor to claim a deduction.

Eric Stein, a consultant in the Council of Jewish Federations' department of planned giving and foundation relations, said the bill is "a great thing for charity," primarily because of a provision dealing with gifts of appreciated property.

Such gifts, which increase in value from the time a donor bought them to the time the donor donates them to a charity, will now be removed as a preferred item from alternative minimum tax calculations.

Impact More Psychological Than Real

For example, if a donor bought an item at \$40,000 and it increased in value to \$100,000, at which point the donor donated the item to a charity, the donor would continue to receive a deduction based on the \$100,000 value.

But now, the \$60,000 in appreciated value will be removed from the donor's alternative minimum tax calculations, thereby encouraging more people to make large donations.

Stein of CJF said that many potential donors around the country have been waiting to see what was enacted in the bill before making their donations.

One "minus" in the bill, according to Stein, is that the so-called 3 percent floor limiting the deductions that high-income donors can take on their contributions has been made permanent.

Stein said that this provision will have more of a psychological impact on giving than a real impact, but that charitable organizations had been hoping the "3 percent floor" would be removed.

Another provision of the bill defines a "quid

pro quo" as not including a religious service, and this definition could halt what was a looming threat to Jews' abilities to deduct the purchase of High Holy Day tickets.

A group of Scientologists had filed a lawsuit arguing that if Jews could deduct the cost of their High Holy Day seats, then Scientologists should be able to deduct payments to their church, Stern said.

While the case is still to be decided, Stern said he feels the High Holy Day deductions will be saved because of the congressional legislation.

On the anti-poverty front, several Jewish groups had been lobbying members of Congress to enact provisions from the more generous House version of the budget bill. These groups included the American Jewish Committee, AJCongress, the National Council of Jewish Women and the Union of American Hebrew Congregations.

The House and Senate conferees ended up adopting compromise language that satisfied Jewish leaders because funding for the poverty programs was increased.

The earned income tax credit program for working families, an issue on which Jewish groups have been lobbying hard, received a \$21 billion expansion and childhood immunization programs received a \$500 million boost. Funding for the Mickey Leland Childhood Hunger Relief Act was increased by \$2.7 billion over the next five years.

WIESENTHAL CENTER ASKS HUNGARY TO REQUEST DEMJANJUK EXTRADITION

By Agnes Bohm

BUDAPEST, Aug. 10 (JTA) -- The Los Angeles-based Simon Wiesenthal Center, concerned that the Israeli Supreme Court may decide not to retry John Demjanjuk for other war crimes, has asked the Hungarian government to request Demjanjuk's extradition to Hungary.

The request is predicated on the fact that "many Hungarian Jews were killed in Flossen-burg," one of the concentration camps in which Demjanjuk is alleged to have served, said Efraim Zuroff, head of the center's Israel office.

The request was confirmed Sunday in the Hungarian press by Janos Gorog, the Hungarian ambassador to Israel. He received another such petition from former deportees of Flossen-burg and the Association of Hungarian Jews, headquartered in Jerusalem.

The Hungarian Foreign Ministry said it is now studying the situation and would make its decision public soon.

Jews from Hungary who were placed in slave labor battalions were marched through several countries to Germany, where they were imprisoned in Flossen-burg. Many of them perished there.

Zuroff, in a telephone interview from Israel, said the request is part of an approach that was made by the Wiesenthal Center to "the ambassadors of all the countries whose citizens and/or residents were murdered in Sobibor."

The Israeli Supreme Court was to hear arguments Wednesday about whether Demjanjuk should be tried for crimes committed in Sobibor, a death camp in Poland, and other camps such as Flossen-burg.

The court acquitted Demjanjuk on July 29 of crimes committed at the Treblinka death camp as the brutal gas chamber operator known as "Ivan the Terrible."

(Contributing to this report was JTA staff writer Susan Birnbaum in New York.)