

ISRAEL AND VATICAN MARK FIRST STEP IN ESTABLISHING FULL DIPLOMATIC TIES

JTA Staff Report

ROME, July 29 (JTA) -- Israel and the Vatican have taken a major step toward normalizing relations by announcing the formation of a "permanent working commission" aimed at establishing full diplomatic ties between the two states.

The commission marks the first institutionalized relationship between the Holy See and Jerusalem. Its formation was announced Wednesday after a morning-long meeting in Rome involving senior officials from both sides.

The two groups issued a joint statement saying their goal is "to study and define together subjects of mutual interest with the aim of achieving a normalization of relations."

Yosef Hadass, director general of Israel's Foreign Ministry, who headed the Israeli side at the talks, said the papal delegation, led by Deputy Foreign Minister Monsignor Claudio Maria Celli, had stated explicitly that "normalizing" meant the establishment of full diplomatic relations between the two states.

Vatican spokesman Joaquin Navarro Valls told reporters at a news conference in Vatican City that it is "the first clear step of an official nature that can be looked on with optimism."

From Jerusalem, Israeli Foreign Minister Shimon Peres hailed the development, saying "it should be regarded as important."

'A Historic Day'

Avi Pazner, Israel's ambassador to Italy, who participated in the meeting, was jubilant.

"It's a great day, a historic day," he told the Jewish Telegraphic Agency. "It's a turning point in Vatican-Israel relations, and we're very satisfied with the talks," he said.

Neither Catholic nor Israeli participants in the meeting would speculate on how long the process of normalizing relations might take, but according to Pazner, the full bilateral commission will reconvene in November in Jerusalem.

In the meantime, smaller groups will hold working sessions on various facets of the process, he said.

Jews have long maintained that the Vatican must establish full and normal relations with Israel. But until recently, the Vatican held that certain conditions would have to be met by Israel, conditions which Jews considered unrealistic.

One longstanding plank in the Vatican's policy called for the "internationalization" of Jerusalem, which would have divided control among the various parties staking a claim to the city, including Catholics.

The Vatican has also said that it would not establish diplomatic relations with Israel as long as the country's borders are "unclear."

But in the last year or so, portents of change have been observed.

Highly-placed Catholic leaders have indicated that Rome was interested in establishing diplomatic relations with Israel.

At a meeting in Baltimore last May, the Vatican Commission on Religious Relations with the Jews joined with the International Jewish

Committee on Interreligious Consultations in calling for the Vatican to normalize relations.

The Vatican has also dropped its call for the internationalization of Jerusalem and instead wants assurances from Israel that access to all holy sites in Jerusalem will be protected.

The change of government in Israel and expected progress in the peace process are said to have influenced the Vatican's decision to take a concrete step toward diplomatic relations now. Observers in Israel said the Vatican would not want the peace process to address the issue of Jerusalem without the Holy See having any input.

Israel Now 'Internationally Recognized'

Ambassador Pazner also credited sympathy generated for the Jewish state during last year's Persian Gulf War and the fact that "Israel is now internationally recognized" as reasons for the Vatican's change of heart.

"The timing did not depend on us," he said. "We worked on this for many months and I met with many Vatican dignitaries, including the Pope."

Israel has "been ready to establish relations. The Vatican wasn't. Now they are ready to contemplate this step," Pazner said.

The establishment of the joint commission was also hailed by American Jewish leaders, who emphasized its significance for Catholic-Jewish relations worldwide.

According to Rabbi Leon Klenicki, director of interfaith affairs at the Anti-Defamation League, the Vatican realized that it has lost influence over the peace process by not normalizing relations with Israel.

He said that normalization of relations will likely have impact beyond the boundaries of Jerusalem and Rome.

It is "a sign of peace sent by Rome and Jerusalem to the world. Though this should have been done many years ago, it has special spiritual meaning," Klenicki said.

"It's finally a recognition of the meaning of Judaism in our days -- that we are not only a community in the world, but that there is also a state in the promised land," he added.

Will Benefit Catholic-Jewish Relations

In addition to affecting governments, this development, once brought to fruition, will enable the Catholic-Jewish relationship to mature, said Edgar Bronfman, chair of IJCIC, which represents world Jewry in dialogue with the Vatican.

"The normalization of relations between the Vatican and Israel is a necessary prerequisite for complete normalization in relations between the Vatican and the Jewish people as a whole," said Bronfman.

The development was also welcomed by the American Jewish Committee. "The Vatican's formal acknowledgement of Israel's membership in the international family of nations would represent a major contribution to positive Catholic-Jewish relations throughout the world," said AJCommittee President Alfred Moses.

(JTA staff writer Debra Nussbaum Cohen in New York and JTA correspondents Ruth E. Gruber in Rome and David Landau in Jerusalem contributed to this report.)

DINGELL'S COMMITTEE PROBES ISRAELI INVOLVEMENT IN DOTAN ARMS SCANDAL

By Cynthia Mann
States News Service

WASHINGTON, July 29 (JTA) -- A House oversight subcommittee held a hearing this week that was slated to determine the role of General Electric Co. and the Defense Department in the illegal diversion of \$40 million in foreign military assistance funds earmarked for Israel.

But, judging from his questions and comments, Rep. John Dingell (D-Mich.), chairman of the subcommittee on Oversight and Investigations, had another agenda in mind.

He praised G.E. for its efforts to clean up company practices in the wake of the scandal and for its cooperation with official investigations.

But he seemed most interested in ferreting out evidence of complicity by the Israeli government in what has come to be known as the "Dotan affair." None surfaced at the hearing.

The case involved the diversion of some \$40 million in U.S. military aid earmarked for Israel. Israel had agreed to purchase \$100 million from G.E.'s aircraft engines division and was to receive reimbursement from the Defense Department.

The charges arose in December 1990 after Chester Walsh, a whistleblower at G.E. who had previously worked in Israel, claimed that a high-level G.E. executive had made \$11 million in bribery payments to secure the Israeli contracts for the jet engines.

The bribes were made to Brig. Gen. Rami Dotan, the Israeli air force's chief procurement officer in the United States in the mid-1980s. Dotan is now serving a 13-year prison term in Israel. His contact and close friend at G.E., Herbert Steindler, was fired by the company.

Failure To Cooperate Can Cost Israel

At Wednesday's hearing, Dingell repeatedly referred or alluded to the failure of the Israeli government to cooperate with a U.S. probe of the case. He pointed out that such cooperation in the event of suspected fraud is a requirement of the aid agreements that provide Israel with \$1.8 billion in foreign military assistance annually.

Dingell made note briefly of a recent news report that Israeli officials had announced a change of heart and would cooperate more fully with the inquiry. He called it "a very hopeful sign."

Both Dingell and the report, in the Washington Post, indicated Israel was responding to pressure mounting inside the Bush administration to declare Israel in default of its aid and loan agreements because of its refusal to cooperate in the investigation.

Dingell clearly has been angered by the affair. "What started out innocently as aid to a valued ally appears to have turned into a sordid tale of theft, bribery, money laundering and attempted kidnapping or murder," he said. "Taxpayers and investors have been swindled and we need to get to the bottom of this."

G.E. Chairman John Walsh used his appearance before the committee to trumpet the company's commitment to integrity. He cited its discipline of 21 G.E. employees involved in the scandal and its close cooperation with the Departments of Defense and Justice in the investigation of the affair, for which Dingell repeatedly praised the company.

Walsh noted in his testimony the company's

\$69 million settlement last week in a lawsuit filed by Walsh, the whistleblower, who charged G.E. with defrauding the U.S. military aid program. The electronics giant also pleaded guilty last week to four felonies, including money laundering and violations of the Foreign Corrupt Practices Act.

G.E. contends the diversion was a rogue operation planned by Dotan and Steindler, an international sales manager with the engines division.

Frank Doyle, senior G.E. vice president, recounted what has been well-documented in court papers: that the two overcharged contractors, diverted roughly \$11 million to European bank accounts, presumably for their personal use, and diverted about \$30 million from authorized Israeli air force projects to projects that were unauthorized.

Dotan and Steindler Had 'Illicit Relationship'

Doyle explained that the company's elaborate system designed to guard against such abuses broke down in the face of Dotan and Steindler, whose "illicit relationship," he said, formed the core of the case.

During the period in question, in the mid-1980s, said Doyle, "Dotan was an Israeli hero: a brilliant, energetic and decisive leader with great technical expertise who kept the Israeli air force, Israel's elite service, in the air." Steindler, he said, was a longtime friend of Dotan's, who was known in G.E. as "Mr. Israel," for his extensive experience there.

Dingell made an effort to puncture the argument that Dotan and Steindler engaged in the scheme primarily for their own personal enrichment, seeking to paint a picture of broader Israeli government involvement.

He repeatedly asked Doyle and Walsh how they thought the money could have been diverted to unauthorized Israeli air force projects without the knowledge of Israeli higher-ups besides Dotan.

"The government of Israel has claimed throughout this investigation that General Dotan was engaged in a rogue operation without the knowledge of his superiors in the Ministry of Defense," Dingell said.

"However, it is not clear how General Dotan was laundering tens of millions of dollars of U.S. funds and making this scarce currency available for unauthorized purposes on various military bases without top Ministry of Defense officials questioning where the money was coming from," Dingell said.

Israeli Conspiracy Unlikely

Doyle and Walsh conceded they could offer no explanation. Also testifying was Lieut. Gen. Teddy Allen, director of the Defense Department's Defense Security Assistance Agency, responsible for approving the defense contracts in question.

Allen said Dotan and Steindler took advantage of their positions to bypass the Israeli military's normal system of checks and balances.

But he praised the Israeli government for earning U.S. confidence by its handling of more than \$19 billion in commercial contracts since 1971 in the U.S. foreign military financing program.

And he said it was highly unlikely there was a broader Israeli government conspiracy afoot to defraud the program. "It would be uncharacteristically shortsighted of the government of Israel to jeopardize its long-term interests by abusing the system," he said.

SETTLERS MOUNTING OFFENSIVE AGAINST GOVERNMENT CUTS

By Gil Sedan

JERUSALEM, July 29 (JTA) -- After a week of more bad news, leaders of the settlers movement went on the offensive this week to fight government plans to freeze much of the building and economic enterprises in the administered territories.

Leaders of the settlers met Tuesday for more than four hours to discuss ways of fending off the Rabin government's anti-settlement policies, which includes massive housing cuts and plans for Palestinian autonomy in the territories.

The meeting was called amid growing criticism by the Jewish settlers of their leaders, whom they charge with ineptitude and failure to respond to the new government's policies.

The first decision taken by the leaders was to launch a massive public campaign designed to change the negative image of the settlers and encourage more Israelis to move to the territories, despite the new limitations.

The new campaign will feature public figures such as former Housing Ministers Ariel Sharon and Tsomet Party leader Rafael Eitan, whose presence underscores the non-religious elements supporting the settlements.

In an effort to counter the government's line of encouraging development towns inside Israel proper at the expense of settlements in the territories, the settlers will launch a twin-cities project pairing towns inside the Green Line, Israel's pre-1967 border, with settlements.

The new campaign will be launched Aug. 10, a day after Tisha B'av, and the day Prime Minister Yitzhak Rabin is scheduled to leave for a meeting with President Bush in the United States.

"We intend to demonstrate both here and abroad that the Jewish people in the territories will not turn themselves over to a reality of an autonomy and to a reality of construction bans," said Benny Katzover, head of the regional council of Samaria.

Meanwhile, Industry and Commerce Minister Micha Harish ordered his ministry officials not to approve any new requests for government aid to plants in the administered territories, until a committee appointed this week rezones the country's development areas.

Many areas in the territories may no longer be considered development area Type A, a classification that entitles residents and businesses for special government assistance, including tax exemptions.

BAR-ILAN STUDENT LEADER CALLS FOR ALONI TO BE BANNED FROM CAMPUS

By Hugh Orgel

TEL AVIV, July 29 (JTA) -- The chairman of the student union at Bar-Ilan University, a religiously oriented school, has called for the new minister of education, Shulamit Aloni, to be banned from campus.

Aloni was invited to address an Israel Student Union conference at the university next month. She is head of the left-wing Meretz bloc and has had many run-ins with the Israeli religious establishment.

But the statement by Uri Flor, the student leader, was denounced by other students on the Bar-Ilan campus, and the National Students Association said Flor should be forced to resign.

Upon learning of the invitation extended to Aloni, Flor had declared that "her foot should not be allowed to touch the floor of the campus."

Flor said Aloni's support for the separation of religion and state and her liberal, humanistic approach to Judaism represented only the "extreme fringe of world Jewish thinking, and not the mainstream majority."

He said Tuesday that if Aloni did not change her opinions, she would not be allowed on campus, even if this meant the student conference would be moved to another university.

His statements provoked anger from both religious and secular students in on-campus discussions.

Bar-Ilan University, based in the Ramat Gan suburb of Tel Aviv, is a religiously oriented school that has close ties with the National Religious Party.

The NRP held the education portfolio in the Cabinet until the party went into opposition against the current Labor-led coalition. The majority of the student body is Orthodox.

Aloni's office said Wednesday that she had so far not received an invitation to attend the Student Union conference at either Bar-Ilan or any other Israeli university.

Aloni, particularly since being named to head the education ministry, has encountered fierce opposition from Orthodox leaders because she is female and because of her speeches against the Orthodox Jewish establishment in Israel.

She has also provoked the wrath of right-wing elements, who have called her a lover of Arabs and the Palestine Liberation Organization.

MCDONNELL DOUGLAS ANNOUNCES INCREASE IN PURCHASES OF ISRAELI PRODUCTS

By Hugh Orgel

TEL AVIV, July 29 (JTA) -- McDonnell Douglas Corp., the giant U.S. aircraft manufacturer, has announced it will step up its purchases in Israel to the tune of some \$550 million.

The St. Louis-based company is not demanding a quid pro quo, but is clearly hoping that Israel will decide to purchase its fighter and civilian aircraft.

Larry Bertino, head of the firm's international cooperation department, who is currently visiting Israel, said Sunday that McDonnell Douglas had made a "strategic decision" to enlarge and increase its business transactions with Israeli industries.

At a news conference held jointly with officials of Israeli aircraft manufacturers, Bertino said part of the plan is to commission Bedek, a subsidiary of Israel Aircraft Industries, to improve DC-9 commercial jets.

IAI, meanwhile, will be prime contractor for manufacturing the wings for the MD-11 passenger plane, Bertino said.

The plan also calls for the Israeli firm Elbit to supply McDonnell Douglas with systems for the T-45 training jet.

Bertino stressed that the decision was based on his company's high regard for the quality of Israeli aviation-systems industries.

He also said the deal was not made conditional on Israel purchasing McDonnell Douglas F-18 fighter jets or on El Al, Israel's national air carrier, purchasing its MD-11 passenger planes.

But the American firm is said to be interested in persuading Israel to purchase both aircraft types.

MUSZYNSKI EMERGING AS LEADER OF POLAND'S DIALOGUE WITH JEWS

By Ruth E. Gruber

WARSAW, July 29 (JTA) -- Archbishop Henryk Muszynski, who was instrumental in recently bringing over a prominent group of American Jews and Catholics for a series of talks, is seen by many here as a rising star in the Polish church hierarchy.

He is touted as a possible successor to the current primate of Poland, Cardinal Jozef Glemp.

One indication of this comes from a recent step taken by the Polish church: When the boundaries of Polish dioceses were redrawn earlier this year, Glemp was removed from his position as archbishop of Gniezno -- the traditional seat of the primate -- and Muszynski was appointed in his place.

While this is currently a matter of speculation, Muszynski has decidedly emerged as the point man for the Polish Episcopate in its efforts at bettering relations between Jews and Polish Catholics.

As leader of the Episcopate's Commission for Dialogue with Jews for the past several years, Muszynski has been at the forefront of talks, exchanges, and various projects aimed at bridging the often bitter gap between the two communities.

Highly respected by his Jewish interlocutors, Muszynski's role in trying to achieve interreligious understanding has nonetheless not gone without criticism from conservative elements in Poland.

Muszynski spoke last week with the Jewish Telegraphic Agency during the American delegation's four-day visit to Poland.

Perceptions Complicated By Stereotypes

Muszynski, 59, said there were a number of levels of perceptions about Jews and Judaism in Poland, all of which were complicated by stereotypes, inherited memories and ideas distorted by four decades of Communist rule.

"Many people think, 'we have no more Jews in Poland, so there is no Jewish problem here,'" he said. "We have to explain to them why there is Jewish interest in Poland. That's a major problem here.

"We have to explain to Poles why they should be interested in Jewish things," he said.

One problem that has divided Poles and Jews since World War II, he said, involved differing perceptions of the Holocaust and Nazi brutality.

He called it "the competition of suffering."

Jews, he said, tend to emphasize the uniqueness of their suffering in the Holocaust. But the Poles, 3 million of whom were killed in the war, feel that this minimizes their own suffering.

As a result, he said, if the Poles say, "we suffered too," Jews feel that this in turn is a belittling of their own suffering.

"So you have to explain to them, and it's not easy to explain, because it's not necessarily who suffered the most," he said. "The difference, as I try to explain to everybody, is that all Jews had to die, but Poles could survive."

He also targeted the commonly held stereotypes Jews and Poles have about one another.

In the 50 years since the war, he said, "we lived in perfect isolation, without any contact. And so we have fixed history, Polish history and Jewish history, and everyone takes into account only their own perspectives. So what we (in Poland) need the most is contact with living

Jewish people -- and from my point of view, living Jewish people who believe in God."

Muszynski added that in Poland there is often a sharp difference between how the intelligentsia view the situation, and how it is seen on a popular, mass level.

"It's not just a problem of mutual prejudices, but also generalizations -- terrible generalizations. The ideas that Jews have about Poles and that Poles have about Jews," he said. "It's because we don't have contacts."

He emphasized that negative stereotypes on both sides have to be overcome.

"We have to find a modus of intercommunications," he said, adding that it was important to share experiences "of the others, not our own idea of the others."

Muszynski noted that, for the task of getting Poles to know more about Jews, it was important to reach the broadest mass level of the population, through preaching and teaching.

He therefore underscores the need for improved training programs for Poland's priests and teachers.

"We have to revive our own history and we have to teach history in the correct way, because until now, we were taught the history of totalitarian movements.

"We have a terrible heritage of communist mentality in all fields," he said, adding that this has abetted the persistence of anti-Semitism through what he called the "scapegoat theory," which makes enemies of imperialists, capitalists and Zionists.

FIRST WOMAN RABBI IN ISRAEL ORDAINED BY REFORM MOVEMENT

By Debra Nussbaum Cohen

NEW YORK, July 29 (JTA) -- The first woman ever to become a rabbi in Israel was ordained last week in Jerusalem.

The ordination of Naamah Kelman, 37, was a historic step and brings to 11 the number of Reform rabbis ordained in Israel.

Kelman is the most recently ordained member of an illustrious family which has produced rabbinic leadership for 12 generations.

Her late father, Rabbi Wolfe Kelman, was the much beloved executive vice president of the Conservative movement's Rabbinical Assembly for nearly four decades.

Her paternal grandfather was a hasidic leader, and her maternal grandfather is Rabbi Felix Levy, a past president of the Reform movement's Central Conference of American Rabbis. Her brother, Rabbi Levi Weiman-Kelman, is the spiritual leader of Kol HaNeshama, a Reform congregation in Jerusalem.

Kelman is now completing a master's degree from Hebrew University's Institute of Contemporary Jewry, and will join the staff of the North American Federation of Temple Youth in Israel.

During the six years that she has been preparing for the rabbinate, Kelman has served four Reform communities in Israel as a rabbinic intern.

She helped found and has worked at a kindergarten and elementary school, which was established on the Jerusalem campus of the Hebrew Union College-Jewish Institute of Religion, the Reform movement's seminary.

Kelman's rabbinic thesis was devoted to the halachic (legal) development of women as witnesses.