

**MULTILATERAL TALKS MAKE PROGRESS
WHILE NEGOTIATIONS IN TABA CONTINUE****By Deborah Kalb**

WASHINGTON, Feb. 16 (JTA) -- Israeli and Arab negotiators are making progress in the low-key multilateral phase of the Middle East peace process, a top State Department official said this week.

"We've seen an increasing pace and scope of activity in the process," Daniel Kurtzer, deputy assistant secretary of state for Near East affairs, told reporters at a special briefing Wednesday.

The multilateral phase of the peace process, involving Middle Eastern and other countries, has often been in the shadow of the higher-profile bilateral talks between Israel and Jordan, Lebanon, Syria and the Palestinians.

The multilateral talks include working groups on regional economic development, refugees, arms control and regional security, environment and water.

Among the projects underway as a result of the multilateral talks are a rainwater catchment project in Gaza, a mutual declaration on arms control and regional security, environmental issues, waste water treatment and desertification, Kurtzer said.

"Each of the groups began to focus in on one or two specific projects that could be seen by peoples in the region and show them that there could potentially be fruits of peace that would come at a time when the core issues of the conflict were also being addressed," Kurtzer added.

The bilateral and multilateral talks are complementary phases of the peace process, which is co-sponsored by the United States and Russia.

"The bilateral negotiations remain at the core of resolving the Arab-Israeli dispute," said Kurtzer, a key player on the State Department's Middle East team.

On that front, reports Wednesday from the Sinai border town of Taba, where talks are continuing between Israeli and Palestinian negotiators, indicate that the two sides are making progress.

Negotiators were nearing agreement on the size of the future Palestinian police force that will assume responsibilities in the Gaza Strip and West Bank town of Jericho once the Palestinian self-rule accord is implemented.

Palestinian Prisoners Discussed At Taba

The Taba talks have also dealt with a number of civilian issues -- including communications, electricity, public works, postal services and travel documents -- that will fall under Palestinian authority under the terms of the accord signed in Washington last September.

A separate committee began meeting in Taba on Wednesday to discuss the release of Palestinians held in Israeli jails for political crimes.

Negotiators in the multilateral talks were meanwhile seeking more "concreteness" in their discussions, and more "visible activity" to address regional problems, according to Kurtzer.

In response to the concerns of the parties, the steering group coordinating the multilateral talks held a meeting last week in Ottawa. Kurtzer headed the U.S. delegation to the meeting.

Participants in the meeting decided to increase the pace and scope of the working groups' activities, Kurtzer said.

In addition, participants decided to formulate guidelines to encourage the working groups to look ahead to implementation of future bilateral agreements between Israel and its Arab negotiating partners.

And finally, the participants have put high priority on formulating regional developmental priorities, similar to an earlier study on the West Bank and Gaza that proved useful after the Sept. 13 Israeli-Palestinian agreement, Kurtzer said.

In his remarks Wednesday, Kurtzer touched on various facets of the complex multilateral process and its related activities.

He said that there had been so many activities involving the regional parties that the State Department had decided to postpone a related business roundtable that was to be held in Washington.

One fly in the ointment has been the unwillingness of the Syrians and the Lebanese -- two key participants in the peace process -- to participate in the multilateral talks.

Kurtzer said the United States and Russia had been keeping Syria and Lebanon apprised of developments in the multilateral talks, and "we have used every opportunity to try to encourage their participation.

Kurtzer said that the refugee working group, which deals with a sensitive issue, had made "some very concrete progress."

The working group has conducted a study on the health and social conditions of refugees, and has worked on training programs for refugees.

Refugees are defined as those who were "displaced as a result of the Arab-Israeli conflict."

On the economic front, Kurtzer said the parties are considering holding a large business conference in Amman, Jordan.

The economic working group has created an "action plan" that deals with transportation, tourism, economic development, communications, and agriculture priorities, Kurtzer said.

**TOP ISRAELI BANKS ARE FOUND GUILTY
IN NATION'S LARGEST FINANCIAL SCANDAL**
By Cynthia Mann

JERUSALEM, Feb. 16 (JTA) -- The nation's leading banks and more than a dozen of their former top executives were found guilty this week of criminal misconduct in what had been Israel's biggest financial scandal ever.

Wednesday's verdict against Bank Leumi, Bank Hapoalim and the Discount and Mizrahi Banks was seen here as the dramatic culmination of the scandal surrounding the bank share collapse of 1983.

The Jerusalem District Court ruled that the bank officials had artificially inflated the price of

bank shares, risking the banks' capital and their ability to meet their obligations.

In addition, the court said, bank advisers misled the public about the real worth of the bank shares and otherwise advised customers improperly.

The manipulation of bank share prices had spurred buying of the shares until they dominated 70 percent of the market. When the Israeli stock market crashed in October 1983, many small investors and private businesses were devastated, and billions of shekels were lost.

Only the intervention of the government prevented large-scale bankruptcies and the closings of major banks. The affair cost Israeli taxpayers approximately \$9 billion.

The bank executives were convicted on charges of aggravated fraud, share manipulation, publishing false financial reports and misleading customers.

Sentences are to be handed down at a later date. The maximum penalty for the individuals' offenses is five years.

Ernst Japhet, the former chairman and managing director of Bank Leumi, was indicted earlier this month for his part in the manipulation of stock prices in the same scandal.

His indictment was handled separately from those of the other executives after he fled to New York following his implication in the scandal in 1986.

JEWS BLOW SHOFAR OUTSIDE WHITE HOUSE TO CALL ATTENTION TO PLIGHT OF BOSNIA By Deborah Kalb

WASHINGTON, Feb. 16 (JTA) -- Dozens of Jews blew shofars outside the White House on Wednesday to call for greater attention to the plight of the Bosnian people.

The event came less than two weeks after a particularly gruesome attack on the marketplace in the Bosnian capital of Sarajevo left 68 people dead and sent shockwaves throughout the world.

"The shofar is a wakeup call that we use on the High Holy Days to arouse ourselves from spiritual slumber," said Michael Feuer, president of the Washington region of the American Jewish Congress, which organized the event.

Feuer said in an interview that his group "came to realize that we have to arouse the American people," including the government, from their "spiritual slumber" over the Bosnia issue.

Jewish groups, including AJCongress, have long been calling for stronger action from the Bush and Clinton administrations to combat the "ethnic cleansing" perpetrated primarily by Serbs against Muslims in the former Yugoslav republic.

Many in the Jewish community have seen echoes of the Holocaust in the events in Bosnia-Herzegovina.

Under sunny skies, approximately 200 people gathered in snowy Lafayette Park across the street from the White House to participate in the event, which was co-sponsored by numerous other Jewish organizations.

Meanwhile, Hillel groups across the country held programs Tuesday night to bring attention to the issue of Bosnia and to raise humanitarian aid for the besieged country's citizens.

"BosniAid," as the effort was known, brought together Jewish, Christian, and Muslim

students in a variety of programs at over 130 campuses around the country.

Contributions were to be sent to the American Jewish Joint Distribution Committee, which would then provide medical supplies, food and clothing for the Bosnians.

SAUDIS WILL BUY \$6 BILLION IN COMMERCIAL PLANES FROM U.S. By Steven Weiss

WASHINGTON, Feb. 16 (JTA) -- Saudi Arabia has agreed to purchase \$6 billion in commercial aircraft from U.S. companies, President Clinton announced this week.

At a White House news conference Wednesday, Clinton and Commerce Secretary Ron Brown said the Saudis had decided to replace their civilian fleet of approximately 50 planes with aircraft made by Boeing Co. and McDonnell Douglas Corp.

The Jewish community has long kept a watchful eye on purchases of American technological goods by Arab countries, especially those with military applications. In this case, where only commercial aircraft were involved, however, the major American Jewish watchdog groups had no comment on the sale.

"In this Olympic season, we come here to announce a gold medal win for America's businesses and workers," Clinton said.

Clinton added that the deal will support tens of thousands of jobs in states including Arkansas, California, Kansas, Missouri, Utah and Washington.

When asked about the deal's specific effects on American employment, Brown said the purchase would create at least 100,000 jobs.

Clinton thanked Saudi Arabia's King Fahd, who chose American companies over European companies for the purchase, for his "vote of confidence in American quality, American workers and the competitiveness of our exports."

Prince Bandar, appearing at the White House with Clinton and Brown, said the relationship between Saudi Arabia and the United States was "very strong."

ISRAEL AND UKRAINE PRODUCE PLANE SPECIALIZING IN MARINE SURVEILLANCE By Hugh Orgel

TEL AVIV, Feb. 16 (JTA) -- There's new proof the skies are becoming increasingly friendly: Israel and Ukraine have unveiled a jointly designed airplane.

The new plane, called the Antonov 72P, specializes in marine surveillance. The body of the aircraft was built in Ukraine, and Israel Aircraft Industries constructed its advanced electronics systems.

The price of the plane will be between \$15 million and \$20 million -- about one-third the price of similar planes on the market, according to Yishayahu Shapiro, a general manager at IAI.

Plans call for the plane to be marketed to countries with extensive coastal borders.

The Antonov 72P, which will be given its first public display at an upcoming air show in Singapore, carries a crew of five. It is equipped with a variety of weapons and specialized electronic equipment built to the purchaser's specifications.

VATICAN TO HOLD FIRST CONCERT IN MEMORY OF HOLOCAUST VICTIMS

By Ruth E. Gruber

ROME, Feb. 16 (JTA) -- The Vatican will hold a concert in memory of the 6 million Jews who perished in the Holocaust, a spokesman announced, in a further indication of warming ties between the Holy See and world Jewry.

The concert will be held at the Vatican on Yom Hashoah, or Holocaust Remembrance Day, which this year falls on April 7.

In making the announcement, a Vatican statement described the Holocaust as "a terrible abyss which has thrown a black light on the terrifying depth of human evil."

A concert, the statement said, would be the best way to commemorate the Shoah, since music is the best way of reaching people's souls.

"The intent of the concert is to unite the hearts of those who hear it in the memory of terrible events, which should never be forgotten so that they are never repeated," the statement said.

The announcement of the Vatican concert came just six weeks after the Vatican and Israel signed their historic agreement to establish full diplomatic relations.

Rabbi A. James Rudin, interreligious affairs director for the American Jewish Committee, who was involved in planning the event, said the concert demonstrates the pope's commitment to the furthering of Catholic-Jewish relations.

"It's one more sign of the enormous sea change that's taken place between Catholics and Jews," Rudin said.

The concert, to be held in the Vatican's modernistic Paul VI auditorium, will be attended by Pope John Paul II, Rome's chief rabbi, Elio Toaff, and other senior religious officials.

Survivors, Cardinals And Diplomats To Attend

It will include "Kol Nidrei" by Max Bruch, the adagio of Beethoven's Ninth Symphony, and Psalm 92, as arranged by Franz Schubert for the inauguration of a new synagogue in Vienna in 1826.

Concluding the concert will be selections from Leonard Bernstein's Kaddish Symphony, which includes the recitation of the Jewish prayer for the dead, and two of his Chichester Psalms, which also contain passages in Hebrew.

The concert will be performed by the London Philharmonic orchestra in conjunction with the Vatican's Cappella Giulia Choir.

Leading the orchestra will be Gilbert Levine, an American conductor who has spent more than three years attempting to arrange such a concert.

Originally, he had hoped to be able to have it outdoors, in Rome's historic Jewish ghetto.

Levine, whose wife is the daughter of a Holocaust survivor from Slovakia, was for four years director of the Krakow Philharmonic Orchestra in Poland, where he became involved in interreligious issues.

In Krakow, he was instrumental in setting up and conducting several concerts at the 19th-century Temple Synagogue. The concerts were dedicated to Holocaust victims and to strengthening dialogue between Jews and Poles.

Holocaust survivors, cardinals, diplomats and other prominent figures will also to attend.

ISRAEL AND EUROPEAN UNION TO BEGIN TALKS ON UPDATING TRADE AGREEMENT

By Joseph Kopel

BRUSSELS, Feb. 16 (JTA) -- Representatives from Israel and the European Union will soon be sitting down at the negotiating table here to discuss the updating of Israel's 1975 trade and economic agreement with the countries of what was then known as the Common Market.

The talks, scheduled to begin here next week, are expected to be finished by year's end.

At their summit conference last December, the 12 leaders of the European Union gave their backing to the opening of these talks and noted that the conclusion of a new agreement with Israel "is one of the key elements of the development of cooperation between the European Union and the Middle East region."

Israeli Prime Minister Yitzhak Rabin visited Brussels early in December to express Israel's hope that the new agreement will deepen his country's relations with Europe and give more access for Israeli products and services on the European market.

Europe is Israel's main trade partner. Last year, more than 60 percent of Israeli imports were from European countries and over 38 percent of Israel's exports were to the European Union.

Since 1975, Israel has had a free-trade agreement with European countries. But in recent years Israel has tried to elevate its trading status to gain better access to the European market.

Israel is hoping that the new accord will extend the free-trade area to include the services sector, and will provide a closer association between Israel and Europe in certain scientific research and development programs.

"Our relatively small and dynamic economy complements yours, rather than competes with it," Rabin said during a meeting of the Council of Europe in Strasbourg, France, last month.

He also urged the Europeans to be more flexible on the sensitive issue of greater access for Israeli agricultural products to Europe.

The formal opening of Israeli-European talks will be preceded by a visit to Israel by Spain's Manuel Marin, the European commissioner in charge of Middle East and Mediterranean policy.

VERTIGO CAUSED FATAL CRASH

TEL AVIV, Feb. 15 (JTA) -- Vertigo caused the helicopter crash which last month killed the officer in charge of the West Bank, according to the findings of an investigating commission.

The crash killed Maj. Gen. Nechemia Tamari, the head of the Israel Defense Force's Central Command, his aide and two pilots.

Investigators said the pilots were disoriented as they sought to land at the Central Command headquarters north of Jerusalem amid high winds and blinding low clouds.

The findings were based on radio transmissions before the crash, a close inspection of the site of the accident, and examination of the debris, as the Bell-206 helicopter has no "black box" logging in-flight activity.

Tamari and his aide and pilots were returning to their base after overseeing a search for reported infiltrators from Jordan in the Beit She'an Valley.

BEHIND THE HEADLINES:**YOUNG, SECULAR JEWS LEAVING JERUSALEM FOR CHEAP HOUSING, RELIGIOUS TOLERANCE**
By Michele Chabin

JERUSALEM, Feb. 16 (JTA) -- Like many young couples, Elana and Joe Alexander want to buy an apartment here in the capital. But, like many young Jerusalem couples, they cannot afford to do so.

"The housing prices here are really shocking," said Elana, a travel agent in her late 20s. "First we looked in the center, where my father lives, but found that three-bedroom apartments cost over \$200,000, way beyond our means.

"We've just started looking in the suburbs -- Pisgat Ze'ev, Givat Ze'ev -- places we don't really want to live. Even Ramot (a once-affordable suburb of the city) has gotten expensive. It's very frustrating to want to put down roots in Jerusalem and not be able to do so because of lack of money," she said.

The Alexanders are among an increasing number of young Jerusalemites who do not want to leave the capital but who cannot afford to stay.

A report just released by the city's department of strategic planning reveals what many already suspected: an unprecedented number of Jerusalemites are leaving the city, primarily because of skyrocketing housing prices and limited job opportunities.

The majority are young men and women with college degrees, many with families. A large percentage are non-religious.

Last year, 16,700 residents left the city, compared to 15,100 in 1992. In the past four years, some 59,000 Jerusalemites moved out of the capital, while only 39,000 moved in.

And yet, despite these statistics, the city's population of 565,000 is the highest ever. This is due to the high birthrate among Jerusalem residents -- 23.5 births per 1,000 residents, compared to the nationwide rate of 14.2 -- and can be attributed in large part to the fervently Orthodox Jewish communities and the Arab sector.

The high birthrate notwithstanding, it is clear that Jerusalem is losing the very people it wants to attract, said Sara HersHKovitz, author of the city report.

'We're Losing The Best And The Brightest'

"Most are young, educated, with young children. If this trend continues, in the long run we will have a disproportionate number of older people and a low percentage of people of working age.

"We're losing the best and the brightest," said HersHKovitz.

In a statement to reporters last week, Mayor Ehud Olmert said, "It is essential to keep a demographic balance here. I hope the government ministries will work with me in doing whatever is necessary to put an end to this deteriorating situation."

According to municipal spokeswoman Ruth Jaffe, creating more housing and employment opportunities are at the top of the mayor's list of priorities.

In his election platform, Olmert proposed constructing new neighborhoods on the city's outskirts, especially on the "empty hills of east-

ern Jerusalem." These new areas would be serviced by a peripheral road that would circle the city.

The city's job market also needs to be overhauled, according to HersHKovitz. "Jerusalem has very little industry," she pointed out.

"Just 11 percent of the workforce is employed in industry, with another 10 percent in business and finance services. A full 45 percent work in public and community services" -- the first jobs cut when the city is financially strapped, HersHKovitz said.

Like his predecessor Teddy Kollek, Olmert sees high-tech industry as one of the keys to Jerusalem's economic future. Low on pollution and high on brainpower, high-tech firms would keep many of the city's highly educated graduates in the city.

One issue not mentioned in the city's report, but which crops up in many conversations with former Jerusalemites, is the "religion factor."

Many city dwellers, as well as those who have left, believe that Jerusalem is becoming progressively more religious in tone and sensibility.

Concern That Mayor Will Favor Haredim

Citing a number of riots initiated by the "black hat" community in the past few years, they worry that the capital will no longer be a welcome place for secular Jews, who don't want their streets closed on Shabbat, and who go to the few pubs and restaurants that operate on Friday night.

There is also growing concern among so-called "traditional" Jews that the new mayor will favor the haredi, or fervently Orthodox, community because its votes in the mayoral election ensured Olmert's victory.

"Olmert got elected because of the haredim, so of course he will favor them when it comes to funds for education and housing," said a Jerusalem woman who identified herself as Shira. "That's not fair to the rest of us."

One man, who did not wish to be identified, decided to leave Jerusalem about two years ago because he found the city "stifling religiously."

"Jerusalem is a very religious city, and I found it stifling after a while," he said in a telephone interview from his Tel Aviv apartment. "I love Jerusalem, but there's nothing to do on Shabbat. I don't have a car, and since there's no public transportation on Shabbat or the holidays, I felt stuck."

He said that "in Tel Aviv I'm earning 30 percent more than what I was earning in Jerusalem, performing the same kind of work. Professionally, there are a lot more job opportunities in Tel Aviv, and the pay is much higher."

But the clincher, he said, "was my growing desire to express who I really am. I'm gay, and there is a large gay community in Tel Aviv. There's also a small gay community in Jerusalem, but people in the city are much more judgmental. I feel freer in Tel Aviv, more able to be myself."

Yet many, like the Alexanders, say they are staying put. "We'll rent in the center of Jerusalem for a while longer, and hope that more apartments will be built, and competition will bring the prices down a bit" said Elana. "There's no place like Jerusalem. This is what living in Israel is all about."