

**PALESTINIAN SELF-RULE STARTING TO PICK UP STEAM AFTER SLOW START**

By Dvorah Getzler

JERUSALEM, May 12 (JTA) -- After a week of delays, implementation of Palestinian self-rule in the Gaza Strip and West Bank town of Jericho finally started to gather steam Thursday.

In Gaza that day, the newly formed Palestinian police force assumed control in the town of Rafah, which lies on the border with Egypt.

A day earlier, accompanied by the cheers of thousands of Gaza residents, a force of Palestinian police took over the town of Deir el-Balah, making it the first area to fall officially under Palestinian control.

In Jericho, an advance group of Palestinian officers entered the city on Thursday and began preparations for assuming control there.

Officials with the Israel Defense Force were meanwhile gearing up Thursday to escort a convoy of 300 Palestinian police who were soon to arrive from their staging point in Jordan.

The police were scheduled to travel through Israel to Gaza, where they would assume their duties. They were being allowed to travel with their arms, but they were not to be issued ammunition until their arrival in Gaza.

An Israeli officer who identified himself as Col. Herzl spoke about the convoy with Israel Radio on Thursday and expressed some hesitation about the operation.

"In an orderly manner, under our supervision and responsibility, they will reach Gaza through the State of Israel," he said.

The officer said this was the first time a convoy of this sort had been planned, and, he added, "It may be the last."

Also on Thursday, Palestine Liberation Organization Chairman Yasser Arafat announced the names of 15 of the 24 people who will serve as members of the Palestinian Authority, the body that will oversee Palestinian affairs in Gaza and Jericho.

Among the 15 were Arafat himself; Ahmed Karia, also known as Abu Alaa, head of the PLO's economic division; Nabil Sha'ath, a senior adviser to Arafat who was also chief Palestinian negotiator at the Israeli-PLO talks successfully concluded last week in Cairo; Saeb Erekat, a member of the Palestinian negotiating team in Washington; Hanan Ashrawi, a former Palestinian spokeswoman; and Elias Freij, the mayor of Bethlehem.

Sha'ath said Thursday that the remaining names would be submitted to Israel within the next few days.

ISRAELI OFFICIAL TELLS AMERICAN JEWS THEY SHOULD NOT 'SIT ON FENCE' OF PEACE

By Larry Yudelson

NEW YORK, May 12 (JTA) -- Uri Savir, the director-general of the Israeli foreign ministry who was among those negotiating accords with the Palestinians in Oslo and Cairo, told leaders of American Jewish organizations that they should not "sit on the fence," neither supporting nor

opposing the Israeli government's current peace initiatives.

"We invite you to be on the voyage with us, rather than standing on the shore with the skeptics who are hypnotized by past weakness," Savir told the Conference of Presidents of Major American Jewish Organizations in a meeting that was held Monday.

"It's your responsibility to follow us now. You may have questions, we have questions. But I know I am speaking to a group that doesn't sit on the fence. It's important to us. You were with us in times of war, and now in times of peace.

"I believe your support -- to stand up and be counted for the peace process -- is as important for the American Jewish community as it is for us," he said.

Savir said he respected those ideologically opposed to the peace process, but not those who sit on the fence.

Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres "cannot sit on the fence. For a leader, there is no 'yes-but.' One has to make decisions," said Savir.

Savir began the meeting by describing three questions he would not answer -- because, he said, they were irrelevant: Do you really trust the Palestinians? Are you optimistic or pessimistic? And do you believe the Palestinians can make it work?

The first question is irrelevant, he said, "because what is at stake is not trust. What matters is self-interest. If we invoke Palestinian self-interest to live side by side with Israel, they will live side by side with Israel."

The question of optimism or pessimism, said Savir, is based on the mistaken premise that "we don't affect our own future. The question stems from a very difficult fatalism in Jewish life and Israeli life."

'We Were Running Their Lives'

What the Oslo process is about, said Savir, is that Israel discovered that "we are a very strong country, a regional superpower." Israel, he said, is self-reliant not only in its security, but in being able to shape its future with its neighbors.

As to whether the Palestinians can govern the Gaza Strip and the West Bank town of Jericho, Savir said the question reflects "a sudden heartbreaking Jewish anxiety about how the Palestinians can run their own affairs."

Israel, he said, made a strategic decision that it is strong enough to run its own affairs and let the Palestinians run theirs.

"We were running their lives against our will, because it was imposed on us by Arab rejectionism in 1967. Ultimately, it's their business. We have enough challenges to run Jewish life," he said.

Savir added that it is a mistake to look at the Palestinians every hour with a stopwatch to examine "have they done well, have they done badly.

"Anyone who expects the Palestinians to turn overnight into a Jeffersonian government, a

Swiss economy and a London-type police force is mistaken.

"The internal problems and internal struggles will go on for years," he said.

He added that terrorism will not stop under Palestinian self-rule. "We're better at (stopping) it than they are, and we don't stop all of it."

Savir said that the year of negotiations, first secretly in Oslo and now publicly, developed empathy on both sides.

"We discovered Israel and Jews don't have a monopoly on suffering. There are deep wounds on both sides. If you don't analyze them carefully they will probably never go away," he said.

Just as an Israeli child orphaned by a terrorist attack will probably never forgive or trust Palestinians, so too, said Savir, a Palestinian child who has seen his father humiliated by a soldier -- no matter how valid the reason -- may perhaps never forgive Israelis.

"If we want peace for Israel, we have to start to heal the wounds. It won't start tomorrow. It may be a full generation before Israeli-Palestinian reconciliation."

In response to a question by Lester Pollack, chairman of the Conference of Presidents, about the Israeli soldiers missing in action since the 1982 War in Lebanon, Savir said, "You shouldn't be concerned that we don't do enough."

"A lot is happening that can't be told. Not only with (Palestine Liberation Organization Chairman Yasser) Arafat, but with different elements that are much less partners of ours," he said.

FORMER BANK LEUMI CHAIRMAN CONVICTED ON CHARGES STEMMING FROM 1983 SCANDAL
By Dvorah Getzler

JERUSALEM, May 12 (JTA) -- Ernst Japhet, former chairman of Bank Leumi, was found guilty on Thursday of fraudulently manipulating the shares of his bank in a case that goes back more than a decade.

Japhet, who four months ago returned here from New York after fleeing Israel more than 10 years ago, personified the country's banking establishment for most Israelis until the 1983 bank shares scandal.

He was the last of the senior officials at Israel's leading banks to face trial on charges surrounding the 1983 scandal.

In April, the nation's leading banks and more than a dozen of their top officials were given large fines, and the executives sentenced to prison, on charges relating to what had been Israel's biggest financial scandal ever.

The manipulation of bank share prices a decade ago 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.

During his trial, Japhet refused to testify and sat stone-faced throughout. Often considered aloof and distant, he was arrogantly dismissive of all journalists' attempts to interview him.

When handing down the guilty verdict,

District Court Judge Miriam Naor drew particular attention to Japhet's formidable position as the country's top banker, not merely in the eyes of the public, but also among his peers and in government circles.

In April's sentencing, Japhet's second in command, Mordechai Einhorn, was given an eight-month prison term and fined some \$200,000. Officials with the Hapoalim, Discount and Miz-rachi Banks were also fined and sentenced to prison at that time for their roles in the scandal.

YEMENITE SECT LEADER REMANDED AFTER RAID ON HIS HOME LEADS TO 1 DEATH
By Dvorah Getzler

JERUSALEM, May 12 (JTA) -- Yemenite rabbi and sect leader Uzi Meshulam was remanded in custody on Wednesday morning after a dawn raid on his fortress home the day before, in which one of his followers was shot and killed by Israeli police.

Some 250 police officers, including members of special crack units, were on hand around the court Wednesday as hundreds of Meshulam's followers tried to follow their leader inside.

The siege of the Meshulam home, located in the development town of Yehud near Tel Aviv, ended early Wednesday morning when the remaining 26 people who had barricaded themselves inside surrendered. Among them were Meshulam's wife, Elisheva, and their children.

The raid, which began before dawn on Tuesday, was intended to end a six-week standoff that began in late March. At that time, Knesset members promised Meshulam that there would be a parliamentary commission of inquiry into the fate of an undetermined number of Yemenite children who disappeared mysteriously shortly after arriving in Israel in 1949 and 1950.

The sect has charged that Israeli authorities kidnapped babies born to Yemenite mothers during that period and gave them to Jewish families of European descent.

Doctors who recall that period, when tens of thousands of Yemenites arrived in Israel, say the hospitals were ill equipped in the development towns to which the immigrants were assigned. Many children died and many others were taken into hospitals without being properly registered.

When the siege began Tuesday, one member of the sect, a 21-year-old settler from Elon Moreh in the West Bank, was shot dead by a police sniper who spotted him on a roof firing at a police helicopter and at the force below.

When police entered the Meshulam home, they found an arsenal of weapons that included cases of hand grenades, assault rifles, machine guns, and gas masks, as well as a supply of food and water to withstand a siege.

Police have treated the Meshulam sect with care, fearing a confrontation like the one last between the Branch Davidian sect and enforcement officials in Waco, Texas. That standoff ended in violence and the death of many members of the sect.

No one knows exactly how many followers Meshulam has, but there are certainly hundreds, and he appears to wield a very strong influence over them. Many are said to be known to the police and have close connections with violent and extremist nationalist groups.

NEW ITALIAN PREMIER DEFENDS INCLUSION OF FAR RIGHT IN CABINET

By Ruth E. Gruber

ROME, May 12 (JTA) -- Italy's new prime minister, Silvio Berlusconi, this week defended his decision to include neo-fascists in his Cabinet, rejecting international concern expressed over the issue.

Berlusconi charged those criticizing his new Cabinet with "bad faith" and said they were spreading a campaign of "disinformation."

Berlusconi's 25-member Cabinet was sworn in Wednesday as part of Italy's 53rd government since World War II.

Five of its 25 ministers are members of the National Alliance, the far right-wing movement at whose core is the Italian Social Movement, a party that was formed after the war by supporters of defeated fascist dictator Benito Mussolini.

The day after Berlusconi's defense, however, the speaker of the Italian Senate said he could understand European concern over the issue.

Speaker Carlo Scogniamiglio blamed neo-fascist leader Gianfranco Fini for helping fuel the controversy, particularly with his remark last month calling Mussolini "the greatest statesman of the century."

"It was an inopportune remark which had a very negative effect on public opinion," Scogniamiglio told a news conference. "To recall one name can have more of an impact than 100 speeches."

Scogniamiglio, who is a member of Berlusconi's Forza Italia party but holds a position that puts him above party politics, said the National Alliance, though right-wing, was not neo-fascist per se.

But, he added, "nobody can pretend not to know that it derives from the (Italian Social Movement), which in turn has its roots in the fascist experience.

'They Have Nothing To Do With Fascism'

"In Italy, we know the representatives of the National Alliance well, and we know they have nothing to do with fascism. But outside Italy memories of what fascism was remain," he said.

Viewed from outside, he said, "It is understandable that there is deep concern" -- particularly since there are extreme right-wing movements in other European countries that do resemble true fascism.

In his first interview as prime minister, Berlusconi -- a billionaire tycoon whose wide-ranging business interests include the media, retailing and construction -- told state-run RAI television Wednesday night that his government was fully committed to democracy.

"All Italians can be absolutely sure that what they have before them is a government that believes in the fundamental principles" of freedom, democracy, respect and tolerance for others, he said.

National Alliance members he knew "have nothing to do with a distant past, to put it clearly, with fascism. They are so far from fascism that they can be considered anti-fascists," he said.

National Alliance leader Gianfranco Fini, who for years led the Italian Social Movement, has

tried to rid his party of its jackboot image. "The Berlusconi government marks the end of the first republic and the ideological ostracism of the right," Fini, 42, said Tuesday.

"We have reached an objective. Some people believed that speaking of the right in government was a vain illusion. Tonight, Italians acknowledge that this is not so."

Fascism was "finished in 1945," he repeated on Wednesday, but he has so far failed to repudiate fascist ideology.

European leaders who have expressed concern at the inclusion of neo-fascists in the Italian government included French President Francois Mitterrand and Belgian Foreign Minister Willy Claes.

The European Parliament last week also passed a motion calling on Italian President Oscar Luigi Scalfaro to make sure that the new government "remains faithful to the fundamental values underlying the creation of the European Community."

The European Parliament is the legislative body of the 12-member European Union, formerly called European Community.

HUNGARIAN VOTERS REJECT RIGHT WING, ALLAYING JEWISH FEARS OF ANTI-SEMITISM

By Agnes Bohm

BUDAPEST, May 12 (JTA) -- Allaying the fears of the Hungarian Jewish community, the country's extreme right-wing fared poorly in the first round of elections here this week.

According to preliminary tabulations of Sunday's nationwide vote, the country's Socialist Party made a strong comeback after four years of conservative rule under the Democratic Forum, a center-right coalition that came in second.

But Istvan Csurka, the leader of far-right elements in Parliament who has made anti-Semitic speeches in the past, was turned back, along with his followers in the Hungarian Justice Party, who received only 1.4 percent of the vote.

A total of at least 5 percent of the vote is needed to secure a seat in the Hungarian Parliament, whose final composition will be determined after a second round of voting on May 29.

The strong showing of the former Communists who make up the Socialist Party reflected voter discontent with the economic hardships the country has endured since the conservative Democratic Forum won a historic victory in 1990 that ended four decades of Communist rule.

Preliminary results of the voting indicated that the Socialists garnered some 30 percent of the vote Sunday, while the Democratic Forum received some 11 percent.

According to Peter Feldmayer, president of the Alliance of Hungarian Jewish Communities, the results proved that Hungarians rejected the anti-Semitism that marked some of the campaigning.

During the campaign, posters of the liberal Free Democratic Party were painted over with Jewish stars, and on some posters the word "Jew" had also been painted.

Some of the Liberal Party leaders are Jewish. The party came in second place with 19.7 percent after the first round.

Some observers say Sunday's results show that the majority of Hungarians distanced themselves from old-fashioned nationalistic ideas.

ARGENTINA TO CREATE AGENCY TO FIND NAZIS LIVING THERE

By Susan Birnbaum

NEW YORK, May 12 (JTA) -- Argentine President Carlos Menem has told a group of Jewish leaders that the country will establish a special agency to track down Nazis who found refuge there after World War II.

Ruben Beraja, president of the DAIA, the umbrella body of Argentine Jewish groups, and Manuel Tenenbaum, head of the Latin American Jewish Congress, met with Menem and his staff Thursday to discuss such a plan after police arrested former SS Captain Nazi Erich Priebke in an Andean resort town Tuesday.

Priebke was found in San Carlos de Bariloche, a haven for Nazis, and interviewed there by ABC Television for its program "PrimeTime Live," which was broadcast last week.

Priebke admitted in the interview to having taken part in the reprisal massacre of 335 Romans at the Ardeatine Caves in March 1944. Since that broadcast, Italy initiated extradition proceedings for Priebke.

Elan Steinberg, executive director of the World Jewish Congress in New York, said Menem pledged to extradite Priebke as soon as the appropriate documentation is received from Italy.

Menem also agreed, according to Steinberg, to set up a center that will not only look at the files on Nazis who found refuge in Argentina but use the files to track down other Nazis who may be alive in Argentina.

The government's files on Nazis were closed to the public until Menem opened them for the first time in 1992.

Even with the files opened, however, "there was no active effort to seek out those who were alive in Argentina and seek to bring them to justice," Steinberg said.

The new agency will reportedly become part of either the foreign or interior ministries.

Rabbi Marvin Hier, dean of the Wiesenthal Center, said, "We are very delighted that the government of President Menem is acting so responsibly in this manner, and we also commend the government for the house arrest of Priebke, pending the completion of the extradition request."

He added, "We also hope that this would signal that the government will respond to the list of eight suspected Nazi war criminals that we sent to the foreign minister last year, of which we have still not heard."

POLL SHOWS FRENCH THOUGHT TOUVIER TRIAL WAS 'NECESSARY'

By Michel Di Paz and Beatrice Luzzatto

PARIS, May 12 (JTA) -- The trial of Paul Touvier, a Vichy official convicted of killing seven Jews, was "necessary," according to an opinion poll conducted here last week.

Touvier, 79, was sentenced last month by the Versailles Court of Justice to serve a life sentence for crimes against humanity.

As chief of the intelligence service of the French collaborationist militia in Lyon during World War II, he ordered the execution of seven Jewish hostages in Rillieux-la-Pape, located near Lyon in southeastern France, on June 29, 1944.

The executions were ordered in retaliation for the assassination by the French Resistance of Philippe Henriot, the Vichy propaganda minister.

According to last week's poll, 61 percent of French citizens interviewed favored the trial, while 32 percent opposed it.

There was less support for the trial among self-described observant Catholics, 40 percent of whom opposed the trial, with many of them saying it would "awaken old passions." Among this group, 52 percent favored holding the trial.

Touvier had spent many years in hiding after he was charged with crimes against humanity. It was discovered later that he was helped by numerous members of the Catholic church in France, some of them belonging to the highest ranks of the Catholic hierarchy.

Among those polled who described themselves as having leftist leanings, 69 percent felt that the Touvier trial should have taken place. Among self-described rightist sympathizers, 59 percent approved holding the trial.

Touvier was the first French citizen to be tried for crimes against humanity.

The only other Frenchman still indicted on that charge is Maurice Papon, 84, who ordered the deportation of 1,690 Jews from the Bordeaux area at a time when the region was not under Nazi occupation.

Many observers here doubt Papon will ever be brought to trial because of the high positions he held in France both during the war and after.

Papon was Paris police chief during the 1960s and was a Cabinet member in the 1970s.

GERMAN JEWS INCREASINGLY WORRIED THEY'RE AGAIN REGARDED AS FOREIGN

By Igal Avidan

BERLIN, May 12 (JTA) -- German Jews are becoming increasingly worried that they are again being regarded as foreigners in their own country, according to the leader of Germany's Jewish community.

During a recent interview with the German weekly Deutsche Sonntagsblatt, Ignatz Bubis, chairman of the Federation of Jewish Communities in Germany, said that anti-Semitism has ceased to be a taboo in Germany.

He said that German Jews have been increasingly uneasy following the March 25 firebombing of a synagogue in the northern port town of Lubeck.

The attack, in connection with which police last week arrested four suspects, was the first firebombing of a German synagogue since Kristallnacht, in November 1938.

During the interview, Bubis said he was receiving more anti-Semitic mail than ever before.

He noted that he used to receive one anti-Semitic piece of mail for every 20 positive letters, but that now anti-Semitic material comprises one-third of his mail.

Bubis voiced the opinion that German youths are far less anti-Semitic than Germany's older generation.

He also noted that many Germans consider Jews living in their communities to be foreigners.

As an example, he pointed to a recent remark by the mayor of the western city of Essen, who referred to the local Jewish community as "the Israeli community."