

**PERES SECURES PROMISE FROM GERMANY
TO HELP ENHANCE ISRAEL'S TRADE STATUS**
By Gil Sedan

BONN, Aug. 23 (JTA) -- Israeli Foreign Minister Shimon Peres left Germany on Tuesday with a promise from German authorities that they would help push forward Israel's request to upgrade its trading status with the European Union.

For months, Israel has been engaged in negotiations with the E.U. to update its 1975 trade and economic agreement with the European body, particularly in the area of research and development projects.

In June, Peres met with the E.U.'s Council of Foreign Ministers in Luxembourg in an effort to establish closer economic ties with the 12 European states that comprise the E.U., which was formerly known as the European Community.

Israel is seeking to have an associate status with the E.U., similar to that of such countries as Switzerland and Iceland, which are not full members of the organization.

This status would give Israel similar benefits to those of the union's regular members, except that it would have no voting rights within the organization.

A major obstacle to the E.U.'s granting Israel privileges in the sphere of research and development were removed last week, when France formally informed Israel it would support opening E.U. research and development projects -- and budgets -- to Israeli firms on an equal basis to that of European firms.

Peres Supports German Bid At U.N.

A formal decision by the Council of Ministers is expected soon.

The E.U. decided to strengthen relations with Israel after it signed the Palestinian self-rule accord last fall. Israel is currently suffering a \$5 billion trade deficit with the E.U., which is its main trading partner.

A new comprehensive agreement with the E.U. would also grant favorable treatment to Israeli agricultural exports by gradually increasing the quotas of Israeli agricultural products allowed into the European market.

"If Israel opens its market to Palestinian agricultural projects, it is only just that Israel should be compensated," Peres said after meeting German President Roman Herzog on Tuesday.

During his two-day visit to Bonn, Peres also met with Chancellor Helmut Kohl and Foreign Minister Klaus Kinkel.

Speaking to reporters after the meetings, the Israeli foreign minister voiced a willingness to turn a page on the history of his host country and support the desire of German officials to be a permanent member of the U.N. Security Council.

In May, Germany and Italy were granted temporary memberships on the Security Council for a two-year period starting in 1995.

"Germany should no longer be looked upon from the past, but rather from a view to the future. Germany should play a greater role in world politics," Peres said.

NEWS ANALYSIS:**DESPITE GLITCHES, ISRAEL AND PLO
PLOW FORWARD WITH 'EARLY EMPOWERMENT'**
By David Landau

JERUSALEM, Aug. 23 (JTA) -- Despite recent terrorist attacks and some public diplomatic wrangling, Israeli and Palestinian policymakers see it as their common goal to keep up the momentum of the peace process.

This week, the two sides focused on the implementation of the so-called "early empowerment," the transfer from Israeli to Palestinian control of such areas as education, health, welfare, tourism and taxation throughout the West Bank.

Israeli and Palestinian negotiators have already concluded an agreement for giving the Palestinians responsibility for tourism in the West Bank.

And by the end of the week -- just a few days before the start of the new school year on Sept. 1 -- Israeli authorities were scheduled to officially hand over the administration of schools in the West Bank towns of Ramallah, Nablus, Jenin and Tulkarm.

"For the first time in history, the Palestinian people will be responsible for their own children, for their own education," Foreign Minister Shimon Peres announced at a news conference after meeting with Palestine Liberation Organization Chairman Yasser Arafat in the Gaza Strip last Friday.

Peres, the highest-ranking Israeli official to visit Gaza since the start of Palestinian autonomy in mid-May, met with Arafat to mark the first anniversary of the agreement reached in Oslo, Norway, last year.

That agreement set the stage for the Israeli-PLO self-rule accord signed last September on the South Lawn of the White House.

Some Bumpy Diplomatic Exchanges

Much has transpired since a year ago, when many Israelis were shocked by the news that Israel was going to extend official recognition to the PLO and grant the Palestinians full autonomy in Gaza and the West Bank town of Jericho.

Following the signing of the self-rule accord last fall and the Cairo accord for implementing autonomy in May, the focus now has shifted to giving Palestinians throughout the West Bank some control over managing their own affairs.

Following the agreements reached on education and tourism, the next spheres to be transferred will be health and welfare. And finally, under the early empowerment program originally agreed to in Oslo last year, responsibility for taxes and finances will be vested in Palestinian hands.

The Peres-Arafat meeting in Gaza, while having a few bumpy diplomatic exchanges, was intended to maintain momentum in the year-old peace initiative.

While the substance of that conclave was hardly overwhelming -- the early empowerment talks had already been moving ahead quite briskly

for several weeks -- Peres and his closest aides came away encouraged.

"It's a going concern," said one top Israeli privately, referring to the still small and makeshift offices of the Palestinian governing authority in Gaza. "They're in business."

Peres told the Cabinet on Sunday that he felt Arafat was, at last, beginning to understand the delicate and intricate, but vitally important, workings of Israeli public opinion.

According to Peres, Arafat finally seemed to understand that the Israeli government's ability to move ahead was predicated upon continued public support for the peace process.

Despite Peres' upbeat assessment, two issues continue to affect Israeli public opinion in this context: the PLO's still-unfulfilled commitment to revoke clauses from its charter that call for the destruction of Israel, and the periodic instances of terrorism that continue to mar life for Israeli civilians and soldiers inside Gaza.

At a news conference following his meeting with Peres last Friday, Arafat blamed Israel for the PLO's delay in revising the organization's charter.

He said the anti-Israel clauses of the PLO charter could not be changed because Israel was not allowing all 480 members of the Palestine National Council to enter the Gaza Strip to attend a meeting at which a vote to change the charter would be taken.

In a show of disharmony rare at diplomatic news conferences, Peres, appearing disturbed, interrupted Arafat to say to reporters, "I told the chairman we shall not object to have the PNC meet in Gaza, and (we) invite all its members to come and participate in the meeting."

At which point Arafat appeared to throw the whole issue into question, saying he could not guarantee that the 480-member council would change the anti-Israel clauses.

Arafat's Political Strength A Concern

Peres has said he is hopeful that Egyptian President Hosni Mubarak will persuade the Palestinians to honor the pledge that was made a year ago.

Israel, for its part, has said it will allow the PNC -- the PLO's so-called parliament-in-exile -- to convene in Gaza for the purpose of revoking the offensive passages, even if this means admitting persons with terrorist records whom Israel has previously barred.

Privately, though, officials in Jerusalem wonder and worry whether Arafat -- even if he is persuaded to introduce the measure -- has the political strength to push it through.

Some senior Palestinian officials say that although they broadly support the peace process with Israel, they are not prepared to vote in favor of annulling the offensive clauses until Israel withdraws its troops from key cities in the West Bank.

Others have suggested that Israel should release the remaining Palestinian prisoners. Last week, Israel released 250 additional Palestinian prisoners. Israel said the latest release brought the total to 5,000 since the Cairo accord was signed.

Citing the terms of the accords already agreed to by both parties, Israeli officials are maintaining that the withdrawal from the West

Bank will accompany Palestinian elections, tentatively scheduled for December.

More sensitive, however, is the issue of terrorism.

Still unreconciled to the Palestinian autonomy, Israeli leaders in Gaza's Gush Katif settlement bloc charged over the weekend that incidents of terror have been on the rise since the first phase of Palestinian autonomy went into effect in May.

This prompted Maj. Gen. Matan Vilnai, the commander of the Israeli army's southern sector, to issue official statistics showing that the number of terrorist attacks against Israelis has dropped by two-thirds since Palestinian self-rule was launched.

Despite the drop, however, the remaining third included bloody and sometimes fatal attacks, such as one on Aug. 14 that felled an 18-year-old Israeli, Ron Sobol, who was riding on a main road in Gaza with a team of communications engineers.

The inability of the Palestinian police to thwart such actions gravely damaged the standing of the entire Palestinian governing authority in the eyes of many middle-of-the-road Israelis.

Prime Minister Yitzhak Rabin, acutely aware of the public mood, accused the Palestinians of being "not serious" in their purported efforts to hunt down the miscreants and to arrest known fundamentalist activists.

Walking a narrow line as he attempts to cope with the demands of Palestinian public opinion, Arafat pledged to fight terrorism, but refused to embark on a showdown with the Islamic fundamentalist Hamas movement.

Hamas is not only his main political rival, but was also behind the Aug. 14 attack as well as numerous other attacks against Israelis.

Arafat's words showed his canny regard for Palestinian public opinion and reflected his ongoing desire to win over as broad a swath as possible of the Palestinian public -- fundamentalists as well as secular nationalists -- for his peace policies.

What remains to be proven is that he is developing the same awareness and understanding of his need to win the confidence of the Israeli public.

U.N. COMMITTEE CONDEMNS TERRORISM

By Tamar Levy

GENEVA, Aug. 23 (JTA) -- A U.N. committee meeting here has unanimously adopted a resolution condemning international acts of terrorism, including the recent bombings of Jewish and Israeli buildings in Buenos Aires and London.

The resolution, adopted by the Committee on the Elimination of Racial Discrimination, expressed grave concern about terrorist acts occurring around the world that target certain racial, ethnic or national groups.

In particular, the committee condemned the terrorist bombing of the Jewish headquarters in Buenos Aires on July 18 that left 99 dead and more than 200 wounded, as well as two separate bomb attacks in London that targeted the Israeli Embassy on July 26 and the Joint Israel Appeal the next day.

The committee also called for increased international cooperation to prevent and combat terrorism.

RABBI WARNS OF CHRISTIANIZATION OF SITES OF NAZI CONCENTRATION CAMPS

By Debra Nussbaum Cohen

NEW YORK, Aug. 23 (JTA) -- After a recent visit to Eastern Europe, activist Rabbi Avi Weiss has warned that the sites of former Nazi death camps are being Christianized by the presence of churches and crosses.

Weiss, with a small group of followers, demonstrated Aug. 17 at a Catholic church located at the Auschwitz/Birkenau death camp, and went on to the Sobibor death camp in Poland, Theresienstadt in the Czech Republic and Dachau, which is located in Germany.

The demonstration recalled the now-notorious one Weiss led in 1989 to protest the presence of a convent at Auschwitz.

It ended with Weiss and his followers being kicked and punched by convent workers in the presence of Polish police.

In contrast, this protest went without incident.

"Revisionism is happening right now in the camps," said Weiss in a telephone interview from Paris. "This is nothing less than an attempt to Christianize the Holocaust.

"No matter where you stand in Auschwitz, when you look up you see crosses towering over your head," said Weiss, who heads Amcha-the Coalition for Jewish Concerns.

"If revisionism is taking place right there, then it is inevitable that the history of the Holocaust will be distorted," he said.

The Auschwitz/Birkenau church, which is located outside the barbed-wire fence that enclosed prisoners, is in a building designed by the Nazis to house the camp commandant's office.

The building was never used for that purpose, according to Weiss, but was used to beat, rape and murder Jewish women taken there by Nazi guards from inside Birkenau.

It was used as a candle factory following the war and is the only structure remaining of the complex that served as the Nazi headquarters at Auschwitz/Birkenau, said Weiss.

The presence of the church violates a 1987 agreement signed by European Jewish leaders and four Catholic cardinals stipulating that "there will be no permanent Catholic place of worship at Auschwitz/Birkenau," said Weiss.

Large Cross Remains Outside Auschwitz

During his hour-long protest, Weiss and his followers blocked the entrance to the church, said Psalms and recited Kaddish, the Jewish prayer for the dead.

They were surrounded by at least 25 Polish police, said Weiss.

A 40-foot-high cross remains outside the building which housed the controversial convent at Auschwitz, said Weiss.

That building was originally used to store Zyklon-B, the gas used to murder many of the 1.6 million Jews killed at Auschwitz.

The Carmelite nuns who had occupied the site vacated it last year after an international furor over their presence, delicate negotiations between Jewish leaders and Catholic officials, the construction of a new convent and meeting center nearby and, finally, the intercession of Pope John Paul II.

"The issue is that a cross at Auschwitz is as inappropriate as a Jewish star would be at the largest Christian cemetery in the world," said Weiss.

At Sobibor, where 250,000 Jews and 1,000 non-Jews were murdered by Nazis, a large, two-story Catholic church has been standing since the late 1970s, he said.

It was built on the site of a small, prewar chapel which had been used by Nazis to kill some Jews and was razed by the Nazis after the revolt at Sobibor.

At Theresienstadt there is a 50-foot-high cross at the entrance of the camp, said Weiss.

Dachau is "the worst," he said. "Today it is a Christian camp."

There is a Carmelite convent built in 1964 at the back of the concentration camp whose residents "are praying for atonement and reconciliation," said Weiss.

A Protestant church, in another recently built building, is also located within Dachau and holds regular Sunday worship services, he said.

Bells peal hourly from a Catholic monument near Dachau, said Weiss, overshadowing the menorah which constitutes a Jewish memorial there.

"Dachau is consumed with Christian symbolism and places of worship," he said.

Weiss is currently meeting with representatives of European Jewish groups in France and Belgium.

Upon his return to the United States he plans to embark on a campaign to focus international attention on the situation at the camps.

"If we really want improved Vatican-Israel relations, this must be a priority and not pushed under the rug," he said.

"Now it's up to those Jewish people with the contacts (in the Catholic world) to push this forward," Weiss said.

The Vatican and Israel established formal diplomatic ties for the first time last year.

If the church at Birkenau/Auschwitz II is not removed by next spring, he warned, he will orchestrate a "massive" protest in time for the 50th anniversary of the liberation of the death camps by the allied forces.

PACKAGE STIRS ALARM AT IPO CONCERT

By Agnes Bohm

BUDAPEST, Aug. 23 (JTA) -- A suspicious suitcase that turned out to be harmless was found and detonated recently by Hungarian police at the site here where the Israel Philharmonic Orchestra was performing.

Although it turned out to be a false alarm, the security alert delayed the orchestra's arrival from Frankfurt for two hours, Hungarian Television reported.

Hungarian police have been on alert at Jewish and Israeli sites since bombs hit Jewish targets in Argentina, Panama and Britain last month.

The Israeli orchestra's Budapest performance was one stop on a European tour that also included Hamburg, Germany, and Zagreb, Croatia.

Tickets for the Budapest concert were not completely sold out, apparently because of the unusually high price of tickets, which cost the equivalent of between \$50 and \$60.

AFTER 13 YEARS OF UNCERTAINTY, HOLOCAUST MUSEUM TO RISE IN NEW YORK

By Susan Birnbaum

NEW YORK, Aug. 23 (JTA) -- After 13 years of uncertainty, supporters of a Holocaust museum in New York have announced they will finally be able to start building the edifice this fall.

A Living Memorial to the Holocaust-Museum of Jewish Heritage will be located in Battery Park City in lower Manhattan and is slated to open in late 1996.

The museum, which will encompass the most tortured historical era of the Jewish people, will face the Statue of Liberty and Ellis Island, symbols of hope and welcome to those who successfully fled the tyranny that consumed 6 million Jews.

Under the terms of a lease signed last week, new financing that will cover half the \$15 million expected construction cost will come from the Battery Park City Authority. Other funds will come from private contributions.

The new 99-year lease overrides a 99-year lease signed in September 1986. The new plans call for the leasing of a much smaller parcel of land than the one leased eight years ago.

The original plans fell through in large part because the museum was heavily dependent on supporters in the real estate industry, which suffered a severe downturn in the 1980s.

The museum was designed as a grey granite hexagon, the six points of the hexagon meant to symbolize the 6 million Jews who perished in the Holocaust and to invoke the six-pointed Star of David.

The museum's collection -- about 13,000 artifacts amassed since plans for the museum began in 1981 -- includes clothing worn by survivors after they were liberated. It also contains articles of infamy, such as a shoe insole the Nazis made from a desecrated Torah and an anti-Semitic children's book with ugly caricatures of Jews.

The museum, which merged in 1989 with the Center for Holocaust Studies in Brooklyn founded by Professor Yaffa Eliach, has taped interviews of more than 3,000 Holocaust survivors.

Educate About Modern Jewish History

"What we really want to do is expand the fulfillment of our mission to educate the public about modern Jewish history and the Holocaust," said David Altshuler, director of the museum.

"While we have been able to do some programming out of a makeshift set of offices, we certainly look forward to the day in 1996 when our facility will open in Battery Park City, opposite the Statue of Liberty and Ellis Island, and will be able to accommodate a half-million persons or more per year," he added.

Asked why New York needs a Holocaust museum in addition to the well-received museum in Washington, Altshuler replied, "When I worked on the museum in Washington, people asked 'why there?' when there was already Yad Vashem (in Jerusalem).

"One day after Washington opened, nobody asked the question again," he said.

New York is a logical site for a Holocaust museum, he said, because "New York is the home to the largest Jewish community in the world,"

many Holocaust survivors and "one of the more culturally, religious and ethnically diverse and interesting cities in the world.

"It is unthinkable that there would not be a permanent memorial to the victims of the Holocaust here, and particularly an educational institution that teaches about Jewish life. And I emphasize life," Altshuler said.

The museum is intended to educate visitors about Jewish life before and after the Holocaust, and will include the history of Jewish immigration to the United States.

The museum was developed by the New York City Holocaust Memorial Commission, which was founded in 1981 and is co-chaired by Manhattan District Attorney Robert Morgenthau and George Klein, a real estate developer.

AMID REPORTS OF GERMAN RIGHT ALLIANCE, BUBIS WARNS OF INTELLECTUAL EXTREMISM

By Gil Sedan

BONN, Aug. 23 (JTA) -- Amid reports that two radical right-wing parties are planning to join forces, the leader of German Jewry warned this week that neo-Nazi extremism, once the province of violent youths, is now spreading to German intellectuals.

Ignatz Bubis, chairman of the Central Council of Jews in Germany, issued the warning as the Republican Party and the German People's Union said they may close ranks to form an ultrarightist alliance.

Neither of the two parties has elected officials serving in the German Parliament, because neither has been able to receive the necessary 5 percent minimum of the total votes required for entry into Parliament.

The Republican Party, the larger of the two, has also done poorly in recent regional and municipal elections.

Republican chairman Franz Schonhuber and DVU Chairman Gerhard Frey urged their supporters this week to set aside their differences in order to achieve strength through "a united rightist defense" in Germany.

Responding to the rise in right-wing activity, Bubis said in a radio interview that new groups of far-right thinkers are more dangerous than neo-Nazi skinheads.

"The state will be able to cope with the violence (of the skinheads), but the intellectuals supply the ideology that lures young people and makes them into violent criminals," he said.

"This is a recent phenomenon. You do not find these intellectuals among the violent perpetrators," Bubis added, noting that far-right thinkers deceive themselves into believing that they are simply providing youths with a way to enter the German political process.

"They do not see that they themselves become the ones who give far-right radicals their ideas," he said.

Bubis expressed similar concerns in Dresden, the eastern German city where he was awarded the Erich Kestner Award for his achievements in advancing liberal ideas. At the ceremony, he expressed concern about the involvement of high-school teachers in rightist political parties.

He also warned of the danger that the radical right would gradually become the "in thing" among German intellectuals.