



NEWS AT A GLANCE

■ Rep. Benjamin Gilman (R-N.Y.) announced that Congress would seek to extend the Middle East Peace Facilitation Act for 90 days. The act, which expires at the end of June, allows U.S. aid to flow to the PLO. In a contradictory move, Sen. Alfonse D'Amato (R-N.Y.) unveiled legislation that would cut off all direct U.S. financial assistance to Yasser Arafat's Palestinian Authority.

■ The foreign aid debate returned to Capitol Hill as the House began considering a foreign aid appropriations bill. The measure would include nearly \$12 billion in foreign assistance, including \$3 billion for Israel, \$2.1 billion for Egypt and \$75 million for the Palestinians. [Page 3]

■ Ongoing fighting in the breakaway Caucasus region of Chechnya prompted the Jewish Agency for Israel to institute a new air route to transport Jewish refugees. Some 70 refugees arrived on the first flight of the new route. [Page 2]

■ Hundreds of Jewish settlers in Israel and their supporters moved into abandoned homes near the West Bank settlement of Barkan, launching a protest against the Israeli army's planned redeployment in the territories. Israeli security forces stood by as the protesters took possession of the apartments. [Page 4]

■ France's Jewish community reacted with dismay to the strong showing posted by the extreme right-wing National Front in the first round of countrywide municipal elections. The National Front registered strong gains in several sections of the country, including working-class suburbs of Paris and Marseilles.

■ A letter bomb exploded at the city hall in the German city of Lubeck. The bomb, addressed to the city's deputy mayor, was apparently connected to last year's arson attempt at the local synagogue.

■ A Palestinian terrorist who attacked an El Al jet in Athens lost a major battle in his eight-year struggle to remain in Canada as a refugee. Mahmoud Mohammad Issa Mohammad is expected to be deported soon, unless he successfully challenges the decision.

NEWS ANALYSIS

In current peace process, optimism for some sets off alarm for others

By David Landau

JERUSALEM, June 13 (JTA) — The louder the trumpeting that peace is possible, the more Israel's opposition groups increase their efforts to bring down the government of Prime Minister Yitzhak Rabin.

The atmosphere of brisk optimism that characterized U.S. Secretary of State Warren Christopher's latest round of Middle East shuttle diplomacy has set powerful alarm bells ringing among opposition parties and settler groups.

Galvanized by the accelerating momentum of the peace process, the opposition wants to force a test of public support now for Rabin's peace policies, rather than wait for the prime minister to decide on the propitious moment for a referendum or new elections.

This means bringing the Rabin government down and dissolving the Knesset in order to trigger early elections, which are not officially scheduled until the fall of 1996.

Both the Golan Heights settlers and their political supporters, as well as the West Bank settlers and their camp, have each gone into high gear — in the Knesset and on the streets — in their efforts to topple the Rabin government.

For its part, the Rabin government is anxious to conclude a full draft of a peace treaty with Syria and to put in place the second phase of the peace process with the Palestinians, before it is required to face the judgment of the electorate.

The feverish activity comes amid renewed optimism for the peace process, especially on the Israeli-Syrian track, in the wake of Christopher's visit to the region.

Christopher announced that Israel and Syria would resume negotiations in Washington between top military officials to discuss security arrangements for an eventual Israeli withdrawal from the Golan Heights.

Rabin firmly believes that a large majority of the Israeli public, once confronted with a clear choice of withdrawal for full peace with Syria, would give its blessing, however sadly and reluctantly, to the pullback from the Golan Heights.

A much-needed breathing spell

And on the Palestinian track, Rabin similarly believes that he could shore up the pro-peace camp and win over the waverers if he is able to effect a smooth transfer of authority to the Palestinian leadership in major West Bank towns.

Above all, to win additional support for the Palestinian track, he needs a stretch of time without any additional terror attacks from Islamic fundamentalist groups.

Some two months have passed since the last such attack. The period clearly has represented a much-needed breathing spell.

In an effort to keep the momentum going, Israeli and Palestinian negotiators were working this week almost around the clock to meet their July 1 target date for reaching agreement on the next phase of Palestinian self-rule.

The next phase would include the redeployment of Israeli troops from Arab population centers in the West Bank and the holding of Palestinian elections.

The Israel Defense Force, meanwhile, is building new facilities west of the pre-1967 Green Line, which separates Israel from the West Bank, to house several training camps due to be moved out of the territories.

But despite these moves, there always hovers in the background the worry that one of the fundamentalist groups vying for the hearts of the Palestinians will lash out again.

One attack by fundamentalist terrorists, Rabin told his Cabinet on Sunday, could derail the entire process.

The problem, he continued in a rare comment on public trends, is that many Israelis do not yet understand the changes wrought in the region.

The enemies of yesterday are not the enemies of tomorrow, he

suggested, adding that Syria need no longer be Israel's enemy.

"There is one strategic enemy now: Iranian fundamentalism," Rabin said. "The groups carrying out terror actions against us, like Hamas, the Islamic Jihad, Hezbollah, are supported by Iran. These are not the PLO."

To demonstrate this distinction, the prime minister last week permitted publication of the fact that he had personally met with the chiefs of security of the Palestinian Authority.

However, many Israelis are not buying it.

The various opposition groups within Israeli politics are united in their determination to reject Rabin's distinction between the Palestine Liberation Organization and Israel's "enemies" and to persuade the public to reject it as well.

"The PLO," says Likud leader Benjamin Netanyahu, "is a corrupt organization that has failed to live up to any of its commitments under the [self-rule] accord. It will use international funds in order to build up its terrorist army, which will then be used against Israel."

Netanyahu, in fact, has called on the United States to cut off all aid to the Palestinians in the territories.

"No money should go to Gaza or Jericho because today, all of the funds, whether given directly or indirectly, will end up in PLO hands," Netanyahu said.

Israel's opposition groups, in addition to gearing up for a pitched political battle over the Golan and West Bank, are also drawing a sharp focus on Jerusalem.

Rightist demonstrators, led by Jerusalem Deputy Mayor Yitzhak Meir of the National Religious Party, have pitched their tents outside Orient House, the PLO's de facto headquarters in eastern Jerusalem that has long been the focus of tension between Israel and the PLO.

The demonstrators, seeking to close Orient House down, cite the ongoing diplomatic and administrative activities there as proof of the Palestinian Authority's intent to make eastern Jerusalem its capital.

And the Palestinian Authority played directly into their hands last weekend by resolving, at a session held in Jericho, to revive the 12-member council that administered eastern Jerusalem until the 1967 Six-Day War.

Throughout the West Bank, meanwhile, settler activists have pledged to take over any military facilities vacated by the IDF.

There is also talk of an armed Jewish militia patrolling areas that the settlers feel the IDF is abandoning.

Potentially dangerous confrontations

The Likud's Tzachi Hanegbi and Tsomet's Moshe Peled voiced support for such preparations this week, although Netanyahu took a more circumspect line.

With the July 1 target fast approaching on the Palestinian track, all the ingredients are in place for dramatic and potentially dangerous confrontations.

Politically, though, it is the Israel-Syria track on which the government's domestic position is most immediately threatened.

Secretary Christopher asserted over the weekend that never during his two-and-a-half years in office have the chances of reaching an Israeli-Syrian peace agreement seemed better.

But "better" in the view of the anti-withdrawal groups, only means "worse."

Rabin's battle to stay in office long enough "to finish the job" with Syria went through some nerve-racking moments in the Knesset this week.

Three Labor Party rebels, led by war hero and Knesset member Avigdor Kahalani, are determined to support legislation that would require a so-called "super majority" of 70 of the Knesset's 120 members to enable

the government to give up any territory currently under Israeli rule.

The Labor Party scrambled this week to prevent the Knesset from voting on the bill, but Kahalani said he was undeterred, maintaining that he would vote for such a bill even if it were introduced by one of the opposition parties.

Rabin says such legislation would effectively undermine the ongoing peace talks with Syria — which is precisely the purpose of the bill's advocates.

Rabin has threatened to drum Kahalani and his colleagues out of the Labor Party. But they say they are leaving anyway — to join the newly formed "Third Force" movement, which opposes withdrawal from the Golan Heights.

The "Third Force," led by Kahalani, former IDF chief of staff Dan Shomron and ex-Laborite and Golan settler Yehuda Harel, has adopted "Elections Now" as its rallying cry. What remains to be seen is whether a majority of the Knesset's members are ready to go along with that demand and bring down the Rabin government. □

Agency flies more Jews from Chechnya to Israel

By Uriel Masad

JERUSALEM, June 13 (JTA) — Ongoing fighting in the breakaway Caucasus region of Chechnya has prompted the Jewish Agency for Israel to fly 70 more Jewish refugees to Israel.

The refugees, arriving here Sunday night, came to Israel via a new air route from Makhachkala, the capital of Daghestan, an autonomous Muslim republic in the northern Caucasus, located on the Caspian Sea.

Chaim Chesler, head of the Jewish Agency delegation to the former Soviet Union, said the decision to initiate the new flight route came as the result of the growing numbers of refugees from Chechnya.

He also noted that the old land route used by Chechen refugees had become difficult and life-threatening because of the ongoing war between Russia and Chechnya that started in late 1994.

As a result of the Jewish Agency's negotiations with the authorities in Daghestan, it was agreed that immigrant flights would leave on a biweekly basis from Makhachkala, pick up additional immigrants from the Caucasian city of Sochi, and continue on to Israel.

The arrival of the latest group of refugees brings to more than 173 the total number of Chechen Jews who fled the war and were brought to Israel by the Jewish Agency.

Since 1989, some 12,400 olim have reached Israel from Daghestan. More recently, immigration from the region has reached about 150 olim per month.

The new flight connection is expected to accelerate that pace. Some 20,000 Jews remain in Daghestan. □

Dairy sector not cowed by production

By Naomi Segal

JERUSALEM (JTA) — Israel's agricultural industry paid tribute to one of its sacred cows, the dairy sector, at a ceremony celebrating the country's production of its 1 billionth liter of milk.

The event took place shortly before the Shavuot holiday, when dairy products are traditionally consumed.

Agriculture Minister Yakov Tsur praised dairy farmers for their contribution to the Israeli economy. He said the dairy sector is growing 4 percent annually.

"This is a very successful sector in Israel," he told Israel Television, adding that its achievements are "very advanced." □

Debate on foreign aid shifts as spending bill is prepared

By Matthew Dorf

WASHINGTON, June 13 (JTA) — Having concluded a divisive and bitter partisan feud that erupted over foreign aid in the House last week, lawmakers and activists are focusing on what is likely to become the real action in the debate.

Certain of a presidential veto, the House bill has become virtually irrelevant in the ongoing debate over foreign aid.

The action has shifted from the House floor, which passed an authorization bill that would substantially slash U.S. overseas assistance.

Now, members of Congress and activists are concentrating their efforts on the appropriations process, where the money is actually spent.

Congress must pass an appropriations bill signed by the president in order to spend money.

In contrast, authorization bills, which set spending targets and guide debate, are not required.

With the foreign aid debate a politically difficult one, Congress has often sought to avoid the authorization process.

As a result, no foreign aid authorization bill has become law in the past 10 years.

This year, however, Republican lawmakers, anxious to reduce spending and reshape the foreign aid program, have pushed forward with the authorization process.

The House passed the measure 222 to 192 last week, after days of sparring between Democrats and Republicans.

Jewish groups also were divided over the authorization process, even though Israel's annual \$3 billion in aid was secure.

Some groups joined Jewish Democrats and the Clinton administration in arguing that an overall reduction in foreign aid was not in the best interest of the United States.

Some also believed that a cut in foreign assistance today would leave Israel vulnerable to cuts in the future.

Although the Senate is still scheduled to take up an authorization bill next week, observers expect the real action to take place in the appropriations process, which is already under way in the House.

Close as one can come to a sure thing

Despite the shift, lawmakers and activists agree that Israel's aid is as close as one can come to a sure thing in Washington.

However, how much other countries will receive is still the topic of heated debate, and one over which Jewish groups remain concerned.

Jewish groups are most concerned about the fate of aid to Egypt and the Palestinians. Also of concern to some groups is continued aid to African nations and the former Soviet Union.

"We try to get as big a foreign aid package as possible," said Neal Sher, executive director of the American Israel Public Affairs Committee, the pro-Israel lobby.

AIPAC came under fire from some Jewish groups and Jewish Democrats for supporting the House foreign aid authorization bill, which gutted aid to Africa and other countries.

At the same time, however, AIPAC, which leads the charge on the hill for Israel's foreign aid, successfully lobbied lawmakers to restore \$1 billion to the total foreign aid package, Sher said.

Last year, the Congressional Black Caucus emerged as a staunch supporter of foreign aid.

This year, Jewish Democrats in the House banded together with the caucus to oppose the authorization bill.

Although no one knows what the final bill will look like, Capitol Hill insiders predict that members of the Black Caucus would support the spending bill.

"I'm sure the Democrats who voted against the [authorization] bill will support the appropriations bill," said an aide to a leading member of the Congressional Black Caucus.

"Members generally like Israel and support Israel but they had a point to make on the authorization bill," the aide said.

The mood has clearly shifted on Capitol Hill.

In the wake of the authorization bill debate, members and their staff on both sides of the aisle were quick to criticize AIPAC.

Democrats charged that AIPAC had "abandoned" the foreign aid program, while Republicans countered that the pro-Israel lobby "failed to deliver" additional support from pro-Israel Democrats.

But now that the House has begun work on the spending bill, cooperation is the buzzword.

'Authorization bill is irrelevant anyway'

For its part, AIPAC is looking to the future.

"There's no rift," Sher said. "AIPAC's position was understood on both sides of the aisle."

"Our focus is now on the appropriations process," he said.

Congressional aides agreed that there is no lasting damage from the sparring over the authorization bill.

"Technically, the authorization bill is irrelevant anyway," said one congressional aide working on foreign aid.

"This is where it counts and we will work together."

Said another aide of the shift to the next phase, "We're all pros, we know in the end that we have to have a bill."

The process has already begun. Last week, Democrats and Republicans banded together to write the first of many drafts of the foreign aid appropriations bill.

Using the budget resolution as a guide, members of the House Appropriations Subcommittee on Foreign Operations proposed slightly more than \$11.99 billion on foreign aid, keeping true to Chairman Sonny Callahan's (R-Ala.) promise to keep spending under \$12 billion.

The measure, which has the full support of AIPAC and other Jewish groups, includes \$3 billion for Israel; \$2.1 billion for Egypt; \$75 million for the Palestinians; and an additional \$25 million in loan guarantees for the Palestinians.

The bill would also spend \$528 million on African nations and \$595 million on states of the former Soviet Union, known in Congress as the Newly Independent States, as well as \$671 for refugee assistance, including \$80 million for Israel.

The full House Appropriations Committee was scheduled to vote on the bill Thursday. If approved, as was widely predicted, the full House is scheduled to take up the measure June 21.

Congressional insiders predict that the bill will pass but caution that Israel's aid is becoming harder to defend.

Israel and Egypt represent about half of the money the House is recommending that the United States will spend on foreign aid next year.

"There can be no cut while the talks are going on with Syria but we all know that argument can't hold much longer," an aide close to the process said. □

Protesting redeployment plans, Israeli settlers take over homes*By Naomi Segal*

JERUSALEM, June 13 (JTA) — Hundreds of Jewish settlers and their supporters have moved into abandoned homes near the West Bank settlement of Barkan, launching a protest campaign against the Israeli army's planned redeployment in the territories.

Before dawn on Tuesday, the settlers moved into 13 empty buildings on a hilltop overlooking the Trans-Samaria highway, southwest of Nablus.

Israeli security forces stood by as the protesters cleaned up the apartments, hooked them up to electricity and water, and hung Israeli flags. To make the point that they had no intention of leaving, the settlers reportedly stood guard, brandishing loaded Uzi submachine guns.

Settlers said the buildings were built privately in the early 1980s and that they could not be forced out. Security forces were checking the legality of the claim.

The move came less than two weeks before the July 1 target date Israel and the Palestinians have set for finalizing agreements on the next stage of self-rule, which includes an Israeli army pullback from Arab population centers in the West Bank on the eve of Palestinian elections.

It also took place amid reports that the Israel Defense Force is ready to withdraw troops from four cities in the West Bank.

Senior military sources told the Israeli daily Ha'aretz that the IDF is ready to pull out of Jenin, Nablus, Tulkarm and Kalkilya. The sources said differences have arisen with the Palestinians over their demand that the pullback also include Ramallah and Bethlehem.

U.S. Secretary of State Warren Christopher, meeting with Arafat in the West Bank Jericho enclave Saturday, reportedly urged the PLO leader to accept a partial pullout of Israeli troops from the four cities.

During the meeting, which came as part of Christopher's latest round of Middle East shuttle diplomacy, the secretary reportedly said the Palestinian Authority would get more aid from foreign donor countries if Arafat accepted the idea of a partial pullout.

The settlers, however, are unwilling to countenance even a partial withdrawal. "Unquestionably, the intention is to make the redeployment as difficult as possible, with the hope that much or all will not take place," settler leader Yechiel Leiter said.

Leiter said the settlers had no intention of leaving the settlement, newly dubbed "Ma'aleh Yisrael."

"We have established a new community here in Jewish buildings," he said, adding that similar efforts would take place throughout the West Bank.

Housing Minister Binyamin Ben-Eliezer, calling the effort a political statement, said he expected that the settlers would be forced to evacuate soon.

Palestinian official Faisal Hussein called the settler action "a provocation." □

Palestinians plan creation of Jerusalem city council*By Naomi Segal*

JERUSALEM, June 13 (JTA) — In an effort to emphasize their political claims to the city, the Palestinian leadership plans to establish its own city council in Jerusalem, a senior Palestine Liberation Organization official said this week.

The decision to revive the 12-member council that administered eastern Jerusalem until the 1967 Six-Day War was approved at Saturday's weekly meeting of the Palestin-

ian Authority. The decision was likely to renew tensions between Israel and the Palestinians over the future of the city, after controversy erupted last month over Israeli plans for land expropriations in eastern Jerusalem.

Talks on the status of Jerusalem are scheduled to begin in May 1996.

Last year, the Knesset passed legislation barring the Palestinian Authority from operating inside Israel and Jerusalem.

The former deputy mayor of eastern Jerusalem, Amin Majaj, said PLO leader Yasser Arafat met with former council members last week in Jericho.

Arafat informed them that he had decided to revive the Jerusalem council, and he promised that he would provide them with financial and administrative support, according to Majaj.

Palestinian official Faisal Hussein said Majaj, 74, would be named the new mayor of eastern Jerusalem.

"With this council, we can do things to help our community," said Hussein.

Jerusalem Mayor Ehud Olmert was not immediately available for comment.

Foreign Ministry officials said they were still studying the Palestinian decision.

In a separate, but related move conveying the ongoing battle over Jerusalem, a Jerusalem municipal official and other right-wing supporters held a sit-down strike Sunday outside Orient House, the PLO's de facto headquarters in eastern Jerusalem, calling on the government to close it down. □

Israel considers appeal of Iraqis seeking asylum*By Naomi Segal*

JERUSALEM, June 13 (JTA) — Israel's High Court of Justice is considering the appeal of 31 Iraqis seeking temporary asylum here.

At a hearing last week, the state argued that some of the Iraqis posed a security threat and asked that they all be kept in jail until they could be deported.

The hearing was expected to be the final one on the fate of the Iraqis, who were jailed after sneaking into Israel across the Jordanian border.

Some have been in prison for as long as two years.

U.N. officials said most of the Iraqis fled Iraq in search of a better economic life, leaving families behind.

A lawyer representing the Iraqis said fleeing to Israel makes it impossible for them to return home.

"The fact they chose Israel as a place of asylum automatically converted them into traitors who can be prosecuted by Iraq," said Zvi Reich, a lawyer for the Association for Civil Rights in Israel.

In January 1994, Prime Minister Yitzhak Rabin established a special commission composed of security and government officials to consider the Iraqis' plight.

A government brief filed with the Supreme Court said the special commission found that six of the detainees committed unspecified "subversive acts" and recommended that they be imprisoned until they are deported.

Some of the other prisoners, according to the government brief, pose a "lesser danger," but should be detained for an unspecified time in order to allow security officials to do a thorough background check on them.

According to the state's court papers, the government suggested an Arab country to which they could be deported.

But Rabin ordered that the name of the country be kept secret, noting that "publication of this country's name may disrupt the actual deportation and could hurt the security of Israel and its foreign relations." □