



NEWS AT A GLANCE

■ Turkish police have a suspect in connection with the car bombing of the president of the Ankara Jewish community, Yuda Yurum, the Turkish news agency Anatoliya reported. Ismet Kalizir, who is being held in Ankara, reportedly has ties to Islamic fundamentalist movements. Police captured him in Izmir, Turkey, after he reputedly approached a local television station and claimed responsibility for the attack.

■ Israeli officials say there was no truth to a report in the French weekly Tribune Juive that said Foreign Minister Shimon Peres signed an agreement for a staged withdrawal from the Golan over the course of 10 years. The paper said Peres and four other Israeli ministers were in Paris on June 5 to sign the agreement. A spokeswoman for Peres said he was in Israel on that date. [Page 4]

■ Israel's minister for religious affairs reached a compromise with the country's Sephardi chief rabbi on a series of reforms to deal with a blacklist that prevents some Israelis from obtaining marriages according to Orthodox law. The compromise was worked out after the minister's initial reform proposals led to several days of protests and pressure by Israel's Orthodox community.

■ Israeli leaders got a first-hand look at areas in the West Bank likely to be affected by an Israeli troop redeployment when the next phase of the self-rule accord is implemented. Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres toured the Ramallah area and flew over the West Bank in helicopters.

■ Controversy erupted over the funding for a new Jewish museum set to open in Berlin in 1997. City officials are disagreeing sharply with the museum's director over the museum's operating budget and overall organization.

■ Canadian officials ordered the deportation of a former bodyguard of Palestine Liberation Organization leader Yasser Arafat. But lawyers for Walid Khalil Baroud said they would appeal the ruling to the Supreme Court of Canada. [Page 4]

NEWS ANALYSIS

Embassy issue embroiled in peace process disputes

By Matthew Dorf

WASHINGTON, June 20 (JTA) — Moving the U.S. Embassy in Israel from Tel Aviv to Jerusalem — once a bread-and-butter issue for the Jewish community — has now become embroiled in both American political and Jewish disputes over the peace process.

Although most Jews believe that the embassy ultimately should be moved to Jerusalem, the capital of Israel, some believe that the timing of such a move is critical and should not disrupt the peace process.

The Clinton administration, concerned about the implications of such a move for the peace process, has threatened to veto pending legislation on the issue.

With these divergent opinions in mind, the Conference of Presidents of Major American Jewish Organizations came together last week to try to reach a consensus on current legislation that would require the United States to begin construction next year on a new embassy in Jerusalem.

Under the legislation introduced by Senate Majority Leader Bob Dole (R-Kan.), the U.S. ambassador would move in by 1999, when the final status talks between Israel and the PLO are scheduled to be completed.

Fifty-four senators, including 15 Democrats, have signed onto Dole's bill. In the House, Speaker Newt Gingrich (R-Ga.) has introduced similar legislation.

After an hour and a half debate, the Conference of Presidents declared its unanimous support for moving the embassy, but withheld its endorsement of Dole's measure.

The umbrella group said in a statement that it supports the "objective of the legislation to move the U.S. Embassy to Jerusalem." It also urged the Congress and the administration to work together to find a "mutually agreeable formula for bringing the U.S. Embassy to its rightful location in Jerusalem."

The National Jewish Community Relations Advisory Council took a similar stance last month.

As quickly as the Conference of Presidents agreed to withhold its explicit endorsement of the Dole bill, new intracommunal debates erupted.

Any doubt about whether the Conference of Presidents had, in fact, endorsed the Dole bill was resolved when the group issued two consecutive statements to the media last Friday.

The first headline declared: "Presidents Conference Supports Dole-Inouye Bill on Moving U.S. Embassy to Jerusalem."

Hoehnlein said the headline did not reflect the decision of the conference, which had only endorsed the objective of the legislation, but not the bill explicitly.

Debate over AIPAC's role continues

After a minor furor erupted in the Jewish organizational world, with some expressing anger that the headline went further than the statement, a corrected version was issued two hours later.

The new headline read: "Conference of Presidents Takes Stand on Dole-Inouye Bill." The headline referred to Sen. Daniel Inouye (D-Hawaii), who has co-sponsored the bill.

But the debate over the role of the American Israel Public Affairs Committee, the pro-Israel lobby, continues.

AIPAC, which has led the charge for the bill on Capitol Hill, said the Conference of Presidents' statement would not prevent it from continuing to ask members of Congress to co-sponsor the Dole bill.

"The statement does not suggest not to support the Dole bill. That's the bottom line," said Neal Sher, AIPAC's executive director.

"There is only one initiative out there," Sher said of the Dole proposal.

For his part, Hoehnlein said that now that the conference has issued a statement, AIPAC's lobbying on this issue is a "gray area."

Hoehnlein said the conference would probably take up the issue of AIPAC's lobbying at a future date. "This is a question that we will have to

take up and will have to be resolved," he said. "We need to be careful when using a tremendous resource like our relationships with Capitol Hill to avoid sending a confusing message."

Americans for Peace Now, which has lobbied members against the initiative, labeled AIPAC's decision to continuing explicit support for the bill "unfortunate."

"I certainly hope [AIPAC] will honor the spirit of the conference," said Linda Heller Kamm, co-president of Americans for Peace Now.

"If anyone spins [the statement] as support for Dole, there will be an intifada in the Jewish community. There was no consensus," said another Jewish activist who spoke on the condition of anonymity.

Alluding to AIPAC's position, Martin Raffel, associate executive vice chairman of NJCRAC, said, "Any agency that wishes to operate on the basis of consensus of the community would not be endorsing the Dole legislation because there was no consensus on Dole."

"We should be working for bipartisan cooperation and cooperation between the White House and Capitol Hill," he said.

When Dole first introduced his bill, many activists thought it would breeze through Congress.

However, with the Clinton administration vehemently opposed to the bill and many Democrats strongly opposed to the measure, the initiative has stalled on Capitol Hill. Sen. Dianne Feinstein (D-Calif.) has even threatened to filibuster the legislation if Dole brings it to the floor.

Jewish activists, meanwhile, are feverishly trying to prevent Jerusalem from becoming a divisive political issue. And the Conference of Presidents is hoping to play the role of mediator.

In a meeting with the conference's leadership Monday, Secretary of State Warren Christopher said he would recommend a presidential veto if the measure ever gets to President Clinton's desk.

Christopher has "strong, substantive and constitutional objections to the legislation," Malcolm Hoenlein, executive vice chairman of the conference, said after the meeting with Christopher.

Dole bill is 'damaging to the peace process'

In a letter sent to Dole on Tuesday, Christopher wrote, "I will recommend that the president veto" the bill if it passes Congress. The bill is "ill-advised and potentially very damaging to the success of the peace process," Christopher said in the letter.

"There are few other issues that are more likely to undermine negotiations and complicate the chances for peace than premature focus on Jerusalem," Christopher also said.

Emphasizing the administration's position that Jerusalem should be kept on the back burner, Christopher cited the veto last month of a U.N. Security Council resolution condemning Israeli land expropriations in Jerusalem.

In addition, Christopher wrote, the legislation "would unconstitutionally invade exclusive presidential authorities" by compelling "the president to build and open an embassy at a particular site for foreign policy reasons."

A Senate Republican aide responded to Christopher's letter, saying it is "crystal clear that everyone who believes the embassy should be moved to Jerusalem should look to Congress because the administration will not act."

One Jewish supporter of the Dole bill called Christopher's letter "oxymoronic."

By sending this letter, Christopher has thrust the embassy issue and Jerusalem back into the limelight, this supporter said.

Meanwhile, activists close to the issue sounded a pessimistic note about the chances for compromise.

"Hopefully, something could be worked out" between the administration and Congress, but "there were no specific proposals offered" in the meeting with Christopher, Hoenlein said. □

U.S. naval officer charged with spying for Saudi Arabia

By Jennifer Batog

WASHINGTON, June 20 (JTA) — A U.S. naval officer has been charged with espionage after he was accused of supplying government secrets to Saudi Arabia.

The Navy has accused Lt. Cmdr. Michael Schwartz of passing information to Saudi Arabia's military from November 1992 to September 1994 while he was assigned to the U.S. Military Training Mission in Riyadh, Saudi Arabia, said Cmdr. Kevin Wensing, a public relations officer for the U.S. Atlantic Fleet, which is handling the investigation.

Schwartz, who is 43 and not Jewish, reputedly mishandled classified information by bringing it home with him, passing military information — in the form of computer diskettes and documents — to a foreign government without authorization and failing to disclose that he had brought the documents home, Wensing said.

Espionage is a crime punishable by a maximum of life in prison, fines and, in some rare cases, death, Wensing said.

An Article 32 hearing, the U.S. Navy's version of a grand jury hearing, is scheduled for July 21, Wensing said. At the hearing, an officer will review whether there is enough evidence to pursue further administrative action against Schwartz, he said.

Schwartz, a 17-year Navy veteran who served in the Persian Gulf War, has been assigned to an onshore administrative position at the naval base in Norfolk, Va., until the matter is resolved, Wensing said.

Schwartz's lawyer, Lt. Cmdr. Julie Tinker, refused to comment on the case.

Lt. Cmdr. Christopher Morin, who is handling the case for the government, could not be reached for comment. A source close to the case said the Navy discovered the alleged transgressions when one of Schwartz's fellow officers apparently noticed that some classified material had been passed. Allegedly, the incident was reported to a supervisor.

There was "no indication" that anyone solicited or paid for the information, said the source, who asked not to be identified. There was also no indication that others were involved, the source said.

"I can't speculate on what his motives were. Perhaps he thought it was benign information, but according to the statutes, you're not allowed to pass on information" unless it says that entity can have access, the source said.

Charges filed by the Atlantic Fleet on May 23 describe some of the information — which ran the gamut from "confidential" to "secret" classifications — as military intelligence digests, intelligence advisories and tactical intelligence summaries.

The papers name several documents that changed hands and said the suspect "had reason to believe" that the information could either harm U.S. interests, or further Saudi Arabia's.

Although the charges against Schwartz are serious, the information is not that damaging to U.S. security interests, the source said, calling the bulk of the material "information that's classified now, but in two months you might see it on CNN." □

NEWS ANALYSIS**Landscape of Israeli elections takes new turn with Levy entry***By David Landau*

JERUSALEM, June 20 (JTA) — Israel's election campaign has been thrown wide open with the dramatic announcement by former Foreign Minister David Levy that he will run for prime minister in next year's national elections.

Before a cheering throng of thousands on Sunday, Levy formally announced that he is leaving the Likud and setting up his own party.

Levy indicated last month that he would secede from Likud after party leader Benjamin Netanyahu refused to compromise on the way the Likud is to select its slate of candidates for the next Knesset.

The Moroccan-born Levy, maintaining that the Likud's electoral procedures were biased against his supporters, made it clear that he was ready to bolt.

But Levy's decision to make a play for the prime ministership, as well as challenge the Likud for Knesset seats, came as a surprise to some. The decision, moreover, highlighted an ongoing fragmentation on the right that could conceivably ruin Netanyahu's prospects of a head-to-head fight with the incumbent, Labor's Yitzhak Rabin, for the prime ministership.

It also raised temperatures in the Israeli political arena at a time when accelerated progress in the peace process is already heightening tensions among Israelis.

Under Israel's new election laws, to be applied for the first time in the election slated for November 1996, people will cast two votes: one for prime minister and the other for the party of their choice. In the past, Israeli voted only for the party, with Knesset members chosen on the basis of the party's slate of candidates. The head of the victorious party automatically became prime minister.

Under the new regulations, a prime ministerial candidate will need 50 percent of the votes to win outright on the first ballot. If no candidate achieves 50 percent, a second round will be held between the two leading candidates.

Netanyahu may be robbed of first-round victory

Although Rabin is likely to be the only candidate on the left, there is more competition on the right. Netanyahu has been challenged by the leader of the nationalist right-wing Tsomet Party, Rafael Eitan, a former Israel Defense Force chief of staff with wide popularity.

Netanyahu, who has been ahead of Rabin in recent polls, was already considered likely to be robbed of the chance of a first-round victory by Eitan's challenge.

But now, with Levy entering the fray and other potential candidates considering their options, speculation is growing that the Likud leader's showing in the first round could be seriously eroded.

Indeed, certain powerful friends of the National Religious Party leader, Zevulun Hammer, are known to be urging him to run for prime minister — and arguing that he has a fair chance of success. Believed to be among these friends is Mexican Jewish millionaire Marcus Katz, a longtime supporter of national-religious causes in Israel who reportedly is prepared to contribute heavily to a Hammer challenge for the premiership.

Others who might join the contest for prime minister are the still-unelected leader of the nascent "Third Force" party, which opposes any Israeli withdrawal from the Golan Heights, and possibly former Soviet refusenik Natan Sharansky, who recently announced the creation of a movement that would be sensitive to the needs of the country's recent immigrant population.

Katz is reportedly arguing that Eitan, Levy, the "Third Force" candidate and Sharansky would all sap Netanyahu's support, while all Orthodox and traditional voters would rally around Hammer.

Even if Hammer won by just a hairbreadth, he would become the candidate to run against Rabin in the election's second round. Then, presumably, all the other candidates, as well as the entire right in Israel, would unite around Hammer with the hope of ousting Rabin and defeating his land-for-peace policies.

Such calculations must be, for the moment, mere fanciful speculation. They are founded principally on the novelty of the reformed electoral system. But they do point to a potential erosion of Netanyahu's unquestioned primacy at the head of the so-called "national camp."

For their part, Labor members of Knesset did nothing to hide their glee at Levy's break with the Likud. "We like Levy," said Labor Knesset member Haggai Merom. "We like his constituency — people from the development towns and the outlying parts of the country."

His colleague, Eli Dayan, put it even more bluntly. "This is bad for them and good for us," he said.

Officially, Labor officials said they would be glad to cooperate with Levy and his party in a new coalition to run the country after the elections.

Levy, a minister in every Israeli Cabinet from 1977 to 1992, is considered a relative moderate in Likud terms. Some Laborites have even long regarded him as a potential ally for their party. The 57-year-old Levy draws strong support at the municipal level, particularly in development towns in the Galilee and Negev.

Of Israel's 4.5 million Jews, nearly half are Sephardim.

Political observers say Levy's success in his risky new venture would depend largely on the list of candidates he manages to put together.

Levy wants to keep the public guessing

Levy said he would not publish his list of candidates for another year, leaving him ample time to approach a broad range of electorally attractive individuals — and to keep the public and his rival politicians guessing.

While Levy will try to find ways to stay in the public mind over the coming months, his archrival, Netanyahu, for his part, pushed for an early confrontation — and consequently Levy's ouster from the party — in the hope that the public would forget the episode by the time the election campaign begins in earnest.

Meanwhile, Levy, who was foreign minister from 1990 to 1992, is carefully refurbishing his image as a statesman who is familiar with the diplomatic arena and who represents firm but not extremist views.

In his speech Sunday night, Levy said his new movement would focus on social and economic issues. He placed himself in the political center, saying he would "not be dragged to extremes which imperil national unity."

He also lashed out at the Rabin government for what he called its "so-called peace policy." He called for the suspension of talks with Syria in light of the latest upsurge of violence in southern Lebanon.

Israeli experts say the Hezbollah offensive comes as the result of at least passive Syrian acquiescence to their moves, explaining Levy's hawkish stance toward Damascus. With regard to Israel's ongoing negotiations with the Palestinians, Levy is sharply critical of the Rabin government, but significantly less vehement than Netanyahu.

With the July 1 target now fast approaching for the scheduled, but not likely to be concluded negotiations over the second phase of Palestinian self-rule, Netanyahu speaks of Rabin as "the man who cannot say 'no' to Yasser Arafat." □

Israeli and U.S. officials deny report of done deal*By Naomi Segal*

JERUSALEM, June 20 (JTA) — Israeli officials have denied a newspaper report that it had reached a secret, preliminary agreement with Syria calling for a gradual withdrawal from all of the Golan Heights.

The Prime Minister's Office and Foreign Ministry issued statements Tuesday saying there was no truth to a report in the French weekly *Tribune Juive* that said Foreign Minister Shimon Peres had signed an agreement on a staged withdrawal from the Golan over the course of 10 years.

The Jewish paper said Peres and four other Israeli ministers were in Paris on June 5 to sign the agreement.

The report added that according to the agreement, both countries would hold national referendums on any final peace deal, which would be annulled if it did not gain a majority of public support.

"I deny the whole thing," said Behira Berdugo, Peres' spokeswoman. "Peres was in Israel that day. No such thing was signed."

In Washington, State Department spokesman Nicholas Burns also issued a denial, saying, "I have no information that would corroborate that particular report."

Referring to talks between high-level military officials from Israel and Syria that are scheduled to convene June 27, Burns added, "In our view, this is the next step on the Syrian-Israeli track."

There has so far been no reaction to the report from Syrian officials. □

German minister reassures Jewish leaders on tourist office*By Steven M. Zeitchik*

NEW YORK, June 20 (JTA) — Hoping to allay fears about anti-Semitic discrimination at his country's tourist office here, German Economics Minister Guenther Rexrodt has assured Jewish officials that he would try to correct any possible mistakes made by the tourist office.

"I shall engage myself and see that the necessary consequences are being drawn from the affairs in and around the German Tourist Office," said Rexrodt, whose ministry oversees the tourist office.

Rexrodt's remarks came as the usually low-profile Economics Ministry has come under fire in recent months for what many believe to be unethical behavior at the German Tourist Office.

The criticism began in May, when an employee of the tourism office was dismissed for translating an article in "The Journal of Historical Review," a German-based periodical that maintains that the Holocaust never occurred.

Two weeks later, an 11-year-old market study recommending that Germany discourage blacks, Jews, Hispanics and Asians from visiting was unearthed.

The office is also embroiled in a controversy over former employees who allege that they were discriminated against because of sex and race.

At last week's meeting with the New York Jewish Community Relations Council, Rexrodt denounced the study, but denied that it had ever been intended as a directive.

"The singling out of any particular group in the United States was never policy of the German Tourist Office and is in clear contradiction to basic principles of the present and previous German governments," he said.

The minister also hinted at a restructuring of the organization. He said he would try to "find the appropriate structures" to ensure that office's operations abroad "are

in line with the German government's position." Although it receives about 85 percent of its funding from the government, the office is comprised of and managed by private individuals and interests, according to German officials.

The allegations of anti-Semitism come at a particularly sensitive time for American Jews, especially those who survived the Holocaust. Fifty years after the end of World War II, Germany is intensifying its efforts to make amends for its war crimes, and many in the Jewish community are scrutinizing the German government's every move.

The German government has apparently sensed the emotional and historical significance the issue has for Jews.

Last week's meeting with Rexrodt was convened at the last-minute request of the JCRC, as Rexrodt stopped over in New York en route to the G-7 meeting in Halifax, Nova Scotia, of leading industrial nations.

"The big news is that this meeting happened," said Harriet Mandel, director of Israel and International Concerns for the JCRC. She said there was a "tremendous amount of candor" at the meeting.

Some Jewish leaders, however, believe that the German government has not gone far enough.

"I think it sends an important message that he took the time to come and meet with us," said Mark Weitzman, national associate director of the Simon Wiesenthal Center. "But I would like to see some action to follow up on these admissions."

Weitzman said full investigations have not taken place in the other tourist offices, such as those in Europe.

Germany's acting consul-general, Hans von Stackelberg, said in an interview that office managers in other countries have told him that no more inflammatory documents exist. But he said he "cannot exclude anything."

"I can only hope and trust the managers there," von Stackelberg said. □

Canada orders deportation of former Arafat bodyguard*By Gil Kezwer*

TORONTO, June 20 (JTA) — After a brief immigration hearing, Canadian officials have ordered the deportation of a former bodyguard of Palestine Liberation Organization leader Yasser Arafat.

But lawyers for Walid Khalil Baroud said they would appeal the ruling to the Supreme Court of Canada.

Royal Canadian Mounted Police and Canadian immigration officials arrested the 45-year-old Palestinian one year ago, when he was picked up at his home in Mississauga, Ontario, just west of Toronto.

Immigration spokesman Kevin Sack said at the time that Baroud posed a national security threat. No further details were released.

Baroud, an official of Al Fatah, the mainstream PLO group, arrived at Toronto's Pearson International Airport from Greece in May 1991 with his wife and three children. Two additional children have been born since the family arrived in Canada.

The family, traveling on forged Egyptian passports and claiming to be Israelis, filed for refugee status.

But Canada issued a nationwide warrant after Baroud skipped two immigration hearings.

Baroud has acknowledged his involvement with the PLO, but denied ever planning or taking part in terrorist attacks. On June 6, 1994, he was returned to jail after Canadian intelligence officials said they thought that Baroud had engaged in terrorism.

Baroud had reportedly been in charge of coordinating terrorist acts in Libya, Syria, Lebanon and Greece, where he was stationed for eight years. □