

**NEWS AT A GLANCE**

■ The House of Representatives voted overwhelmingly to approve an \$11.9 billion foreign aid bill, which retains current levels for Israel, Egypt and the Palestinian Authority. [Page 2]

■ The Israel Defense Force chief of staff charged that Hezbollah broke the terms of the cease-fire in southern Lebanon with its attack on Israeli soldiers. Prime Minister-elect Benjamin Netanyahu vowed that his new government would deal with the situation in southern Lebanon. [Page 3]

■ Jerusalem Mayor Ehud Olmert could face charges in connection with a financial scandal in 1988, when he served as treasurer of the Likud Party. [Page 3]

■ A new study on worldwide anti-Semitism found that it is on the wane in many countries around the world while racism and xenophobia directed against other groups is on the rise. [Page 3]

■ Two Palestinian Council members urged Arab states to freeze their normalization of ties with Israel. [Page 4]

■ King Hussein of Jordan met with Secretary of State Warren Christopher in Washington to discuss the continuation of the peace process. The visit came a day after the king received an award from the Anti-Defamation League. [Page 2]

■ Turkey's president said Ankara would not cancel its military agreement with Israel, even though the pact has drawn sharp criticism from Iran and other Arab states. President Suleyman Demirel met with his Israeli counterpart, Ezer Weizman, who is on a two-day state visit to Turkey.

■ Just-released U.S. intelligence documents reveal that the Nazi regime transferred billions of dollars in gold and cash during World War II to Switzerland, the World Jewish Congress said. The documents show that a top Nazi official told American agents during a secret postwar investigation that Germany moved about \$6 billion to Switzerland.

**NEWS ANALYSIS****Orthodox parties using gains in Knesset to bolster influence**

By David Landau

JERUSALEM (JTA) — Bolstered by their strong showing in the Knesset elections, Israel's three Orthodox parties are poised to play a pivotal role in the government of Prime Minister-elect Benjamin Netanyahu and in the new Parliament.

The National Religious Party, Shas and United Torah Judaism, which together won 23 Knesset seats, have been far from timid as they conduct negotiations with Netanyahu to secure ministerial positions in the Cabinet and commitments to allocate more resources, especially in education and housing, for their religious constituencies.

To be sure, they fully expect that their demands will be whittled down to something that their prospective secular coalition partners — Likud, Yisrael Ba'Aliyah and The Third Way — can live with.

But as they press their demands, the religious parties appear to be employing the logic of a Chasidic tale:

In the story, a poor Chasidic man complains to his rebbe about the extreme conditions of overcrowding in which his family is forced to live.

"Do you have a goat?" the rebbe asks.

The man confirms that he does.

"Bring him into the house to live with you, too," the rebbe commands.

Some time later, the man returns, complaining even more bitterly about his domestic conditions.

"Remove the goat," is the command this time.

The next day, the Chasid is back to thank the rebbe and to report that with the goat out, things at home feel immeasurably more comfortable.

In the ongoing coalition negotiations, the religious parties are pressing a crowded list of demands that include:

- legislation to make permanent the "status quo" arrangements by which the Orthodox have a virtual monopoly over religious life in Israel;
- forbidding the sale of pork;
- stricter legislation on abortions;
- tightening the Law of Return to bar people whose Jewishness is deemed suspect from immigrating to Israel;
- passing a "Basic Law," which would eventually become part of a yet-to-be-completed Israeli constitution, on the Jewishness of Israel, defining Israel as the state of the Jewish people.

Yisrael Ba'Aliyah Party leader Natan Sharansky has made it clear that tampering with the Law of Return would drive his party and its seven Knesset seats out of the coalition fold, and with Likud only holding 32 seats, Netanyahu will need them.

To make the Cabinet feel more comfortable, the Orthodox parties may well drop some of their demands as a coalition agreement takes shape.

**Firm stand against religious pluralism**

But where the Orthodox parties intend to stand firm is in their battle against the Reform and Conservative movements.

Specifically, the Orthodox parties demand legislation that will state categorically that all conversions to Judaism carried out in Israel must be done under the aegis of the state's Orthodox Chief Rabbinate.

This demand comes in the wake of a recent ruling by the High Court of Justice that non-Orthodox conversions in Israel are not prohibited. The court urged the Knesset to create specific legislation on this matter, but no action was taken by the outgoing Parliament.

Now, with the Orthodox a powerful force in the new Knesset, the anticipated law will almost certainly rule out Conservative or Reform conversions performed in Israel.

The High Court ruled some years ago that non-Orthodox conversions carried out abroad are valid in Israel, and that someone thus converted must be registered as Jewish. That ruling is not — for now — under attack.

But as another prong of their strategy, the Orthodox parties may also seek measures that would effectively exclude Reform or Conservative

members from local religious councils. The councils, supervised by the Religious Affairs Ministry, have exclusive jurisdiction over marriage, kashrut, burial and other religious matters for all Jews living in Israel.

For his part, Netanyahu has made it clear that he does not oppose some of these steps.

Netanyahu has frankly admitted to various groups of American non-Orthodox rabbis and laymen that, in his view, Israel was not ready for religious pluralism at this time.

He also made it clear that a government under his leadership would shelve many of the aspirations of the non-Orthodox streams of Judaism for greater influence and recognition.

On matters of religious observance affecting the general Israeli public, the Orthodox parties say they do not want to create an atmosphere of coercion.

Nevertheless, they are demanding stricter enforcement of Sabbath observance.

There is talk of reviving a Sabbath observance squad of inspectors, under the Ministry of Labor, that tickets shops and businesses illegally operating on the day of rest.

Similarly, there are calls for more rigid enforcement of the requirement that public transportation services resume only when the Sabbath has ended.

In recent years, some bus services have operated during Saturday afternoon.

Most importantly, in the long term, is the Orthodox parties' determination to put a brake on what the president of the Supreme Court, Justice Aharon Barak, has termed Israel's "constitutional revolution."

Barak, who is seen as a bastion of liberalism — the Orthodox say anti-Orthodoxy — was referring to a series of Basic Laws passed by the Knesset in recent years on broad issues of human and civil rights that one day would be part of Israel's constitution.

The Orthodox are uncomfortable with some of these laws, fearing that they could be construed as impinging on religious practice or might limit the authority of religious law.

With the Orthodox parties now set to play so crucial a role in government and in the Knesset, this legislative process is sure to slow down.

### **Accumulation of power and resources**

For these parties, the most important outcome of their electoral successes and of the coalition talks will be the accumulation of power and resources for their respective communities.

The fervently Orthodox Sephardi Shas Party, with 10 seats in the new Knesset, believes that it has the potential to double its number of followers — if its Ma'ayan HaTorah school system is adequately funded.

Shas activists feel that schooling and extracurricular activities for children and their parents are the movement's great drawing points among the broad Sephardi public.

The nine-seat NRP, whose leader, Zevulun Hammer, is poised to return to his role in the 1980s as education minister, is also determined to boost the state's religious-educational network, which is broadly affiliated with the religious Zionist movement, the base of NRP support.

The Orthodox parties also want their own state-supported television and radio stations, arguing that most of the mass media are not suitable for their ideological and educational needs. All three parties are confident that promoting the interests of Israel's growing Orthodox population will help ensure that they do even better in the next elections in four years. □

## **House passes foreign aid bill with current levels to Israel**

*By Matthew Dorf*

WASHINGTON (JTA) — A record number of Republicans and Democrats in the House of Representatives joined forces this week to approve an \$11.9 billion foreign aid bill that maintains Israel's current \$3 billion in assistance.

The measure, which passed 366-57 on Tuesday, also includes \$2.1 billion for Egypt and \$590 million to the republics of the former Soviet Union, including Russia.

The measure also allows the president to send an additional \$75 million of aid to the Palestinian Authority if it complies with its commitments to Israel. And the measure, expected to pass the Senate in the coming weeks, includes \$30 million for F-16 fighter jets for Jordan.

Secretary of State Warren Christopher told King Hussein at a meeting Tuesday that a planned shipment of older model F-16s is in the final stages.

The State Department notified Congress of the proposed transfer as a formality. Israeli crews are expected to upgrade the planes for the Jordanian Royal Air Force.

The foreign aid measure allocates \$10 million in economic assistance for Jordan and \$25 million to pay off the Hashemite kingdom's remaining debts to the United States. Hussein, in the United States to attend his son's graduation, met with Christopher and Secretary of Defense William Perry on Tuesday.

A White House meeting with President Clinton to discuss the prospects for Middle East peace in the wake of the Israeli elections is scheduled for Thursday.

Although the foreign aid bill maintains current aid levels to the Middle East, many activists are uncomfortable that Israel and Egypt combined amount to more than 45 percent of the total U.S. aid package.

The bill, which is \$450 million less than the current aid package, was received with mixed reaction from some in the Jewish community who had worked to prevent cuts in the package.

The measure provides no economic development aid to African states, which last year received about \$740 million.

The American Israel Public Affairs Committee, whose primary lobbying goal is to secure passage of the foreign aid bill, welcomed the broad support the measure received in spite of the budget-cutting atmosphere on Capitol Hill.

### **'Reaffirmation of the commitment to Israel'**

"The message this vote sends is that despite calls for a reduced U.S. leadership role in the global arena, the House of Representatives has rejected that notion," an AIPAC spokesperson said, adding that the vote "is a reaffirmation of the commitment to Israel of the U.S. House" in the wake of the Israeli election.

The bill includes many pro-Israel provisions, including early disbursement procedures that guarantee that the Jewish state receives its money before the end of October.

Israel would also receive \$80 million for refugee resettlement and \$50 million for anti-terrorism equipment delivered after a spate of terror attacks rocked the Jewish state earlier this year.

The Senate is expected to add "earmarks" for the aid to Israel and Egypt to mandate that the president send the amount approved by Congress.

Otherwise, the White House could shuffle funds to other countries.

President Clinton, who had requested an additional \$1 billion in the foreign aid package, is expected to sign the bill if it clears the Senate with no major changes. □

## IDF chief of staff charges Hezbollah broke cease-fire

By Naomi Segal

JERUSALEM (JTA) — The Israel Defense Force chief of staff has charged that Hezbollah broke the terms of the cease-fire in southern Lebanon and warned that Israel may strike at Lebanese villages in an effort to root out the Shi'ite gunmen.

Lt. Gen. Amnon Shahak issued the warning a day after five Israeli army soldiers were killed and eight wounded, three of them seriously, in a Hezbollah ambush Monday in the central sector of the southern Lebanon security zone.

The death toll was the highest since the United States brokered a cease-fire in late April to end the cross-border fighting between Israel and Hezbollah.

As part of the cease-fire agreement, Israel and Hezbollah were to stop launching attacks from or upon civilian areas in either Lebanon or Israel.

Shahak charged that Hezbollah gunmen had launched Monday's ambush from a civilian area and warned that Israel would "operate against Hezbollah terrorists wherever they are, including the villages."

The cease-fire accord also called for the formation of a five-nation committee to monitor the fragile truce, but despite several meetings, the group has so far failed to agree on how it would operate.

Although some members of his Cabinet authorized Prime Minister Shimon Peres to take military action against Hezbollah, it seemed unlikely that a response would be initiated before the new government takes power.

Prime Minister-elect Benjamin Netanyahu said Tuesday that he would take action against Hezbollah after he assumes office, but gave no specifics.

The head of the research department in army intelligence, Brig. Gen. Ya'acov Amidror, told the Knesset's Foreign Affairs and Defense Committee on Tuesday that since the cease-fire was reached, Hezbollah had carried out more than 30 attacks on Israeli soldiers in the security zone, adding that 10 of those incidents involved detonations of roadside bombs.

Deputy Defense Minister Ori Orr told Army Radio that the hostilities would only be ended with a political solution. □

## Study: Despite rise in racism, anti-Semitism is on the decline

By Deborah Leipziger

LONDON (JTA) — Anti-Semitism is on the wane in many countries around the world at a time when racism and xenophobia directed against other groups is rising, according to a study of anti-Semitic trends released this week.

The study, published by the American Jewish Committee and the London-based Institute for Jewish Policy Research, pointed to a number of trends explaining the decrease in anti-Semitism, including the Middle East peace process and new laws in Europe that criminalize Holocaust denial.

But the concurrent rise in racism and xenophobia directed against other groups should still be a matter of concern to Jews, said Tony Lerman, the institute's director and editor of the report.

"Although anti-Semitic violence is only a tiny fraction of racist violence in general, the striking feature of this report is the worsening racist climate in many countries — and this in itself is very disturbing," he said.

"Surprisingly, the latest racist upsurge has not led to an increase in anti-Semitism," he said. But he ques-

tioned whether the two trends would run in separate directions over the long term.

The fifth annual "Anti-Semitism World Report 1996," which assesses the racial climate of 61 countries and which was released this week in London and New York, found a lessening of European anti-Semitism of the late 1980s and early part of this decade.

But it pointed to a negative trend in the United States, noting a breakdown there of the taboo on expressions of anti-Semitism.

"For decades, this taboo was in place," the report said. "In recent years, however, the taboo has begun to wear thin, exposing Jews to expressions of hostility that were unlikely to come to the surface at an earlier period."

"Jewish leaders find it much more difficult at present to find allies in the general community for the struggle against anti-Semitism," the report added.

"It is a telling sign of where things now stand in intergroup relations in the [United States] that Jews are routinely challenged to 'prove' that Louis Farrakhan is an anti-Semite" despite the numerous times the Nation of Islam leader called Jews "bloodsuckers" and stated that German Jews funded Hitler.

The report found a decrease of anti-Semitism in such countries as Great Britain, Germany and South Africa.

But it noted a rise in anti-Semitic incidents and sentiments in Australia, where such incidents increased by 7 percent during the previous year, as well as in Belgium, Sweden and Turkey.

The report pointed to the success of the Islamist Welfare Party in Turkey's general elections in December as being of particular concern to the local Jewish community.

In Russia, the report found, attitudes tended to be more anti-Zionist than anti-Semitic. A poll released by the American Jewish Committee in April found that most Russians have low levels of hostility against Jews.

A second study released this week, conducted by researchers at Tel Aviv University, found that anti-Semitic violence had shown a general decrease worldwide during the past year. But it pointed to an increase in anti-Semitic rhetoric in a number of countries.

On the Internet, 25 sites were found during the first four months of 1996 that were disseminating anti-Semitic information, the study said.

Dina Porat, who worked on the Tel Aviv study, attributed at least part of the increase to liberal laws in some countries regarding freedom of expression, which created an environment in which anti-Semitic and racist groups could distribute their propaganda. □

(JTA correspondent Naomi Segal in Jerusalem contributed to this report.)

## Olmert may face fraud charges

By Naomi Segal

JERUSALEM (JTA) — Jerusalem Mayor Ehud Olmert may face fraud charges stemming from Israel's 1988 election campaign, when he served as treasurer of the Likud Party.

Olmert is suspected of creating false receipts during the 1988 campaign, a spokeswoman for the Justice Ministry said Monday, adding that Attorney General Michael Ben-Yair has decided to prosecute.

Two other Likud members who worked with Olmert will also be charged, the spokeswoman said.

A close ally of Prime Minister-elect Benjamin Netanyahu, Olmert is thought to be a potential Cabinet member in the incoming government. A spokesman for Olmert said the mayor would not issue a response until he received additional information about the case. □

**Palestinian legislators urge Arabs to freeze ties to Israel***By Naomi Segal*

JERUSALEM (JTA) — Two Palestinian Council members are urging Arab states to freeze their normalization of ties with Israel.

Hanan Ashrawi and Haider Abdel Shafi said Arab leaders convening in Cairo later this month should suspend any further development of ties with the Jewish state until Israel recognizes the Palestinian right to an independent state.

Prime Minister-elect Benjamin Netanyahu has said he will continue the peace negotiations with the Palestinians, but that he opposes an independent state.

Egyptian Foreign Minister Amre Moussa said Monday that he expected 20 Arab leaders, including Egyptian President Hosni Mubarak, to attend an Arab summit in Cairo that is set to open June 21. It would be the first full Arab summit in six years.

The 20 leaders represent all Arab League members, except Iraq — because of objections from Gulf states — and Somalia, which has no recognized government.

Moussa said Egypt wanted the summit to take a positive approach. "We do not support taking a negative attitude unless we face negative attitudes from the other side," he reportedly said.

In the wake of Netanyahu's election victory May 29, Arab leaders have expressed deep concern that the new Israeli government would depart from pursuing a peace process based on the principle of "land for peace." □

**Costa Rica denies report on moving embassy in Israel***By Brian Harris*

SAN JOSE, Costa Rica (JTA) — Costa Rican Foreign Minister Fernando Naranjo this week dismissed a published report that his country plans to move its embassy in Israel out of Jerusalem.

"We are not thinking of changing its site," Naranjo said Monday. "It stays in Jerusalem."

Last week, U.S. News & World Report said Costa Rica would pull its embassy out of Jerusalem in hopes of securing Arab support in its attempts to obtain a seat on the U.N. Security Council.

Naranjo has been campaigning for Costa Rica to take over the rotating seat on the Security Council now held by Honduras when the seat becomes vacant at the end of the year.

Last year, despite lobbying by Costa Rican President Jose Maria Figueres, a grouping of lesser-developed nations known as the Non-Aligned Movement rejected Costa Rican membership when Arab nations objected to the presence of the Costa Rican Embassy in Jerusalem.

Naranjo said this week that he had not seen the published report, but said Costa Rica would "absolutely" not move its embassy, chuckling at the suggestion it would.

In 1982, then-Costa Rican President Luis Alberto Monge moved his country's embassy from Tel Aviv to Jerusalem, a move denounced by Arab nations, which deny Israel's claim to the city as its capital.

Costa Rica and El Salvador are the only countries that have embassies in Jerusalem. The rest maintain their embassies in Tel Aviv.

Monge's decision was influenced by the Rev. Benjamin Nunez, who served twice as Costa Rican ambassador to Israel before his death in 1994.

Nunez's son, Rodrigo Carreras, the deputy foreign minister of Costa Rica, said in an interview that the embassy in Jerusalem would stay put. "As long as I am

deputy foreign minister and Fernando Naranjo is foreign minister, the embassy will not move," he said. "There is no reason to move it."

Carreras said his country would make no decision on its embassy in Jerusalem until Israeli and Palestinian negotiators resolve the future status of Jerusalem, a decision he said would not be reached until 2005. □

**Israel to get satellite military data***By Jeremy Jones*

SYDNEY, Australia (JTA) — A satellite ground station in Australia is expected to provide military information to Israel, following new arrangements negotiated by Israel and the United States.

The Nurrungar facility, based in southern Australia, is part of the U.S. military's worldwide early warning nuclear attack network, which tracks ballistic missiles.

During the 1991 Persian Gulf War, the facility's intelligence information "played a very large part in helping to defend civilians in Israel and Saudi Arabia" from Iraqi missiles, said former Australian Foreign Minister Gareth Evans.

But some have expressed concern that Australia could be targeted by terrorists for providing Arab military information to Israel. Lindsay Murdoch, a commentator for the Age newspaper, expressed concern that Arab countries being constantly monitored would be unhappy about Australia's role. "There were fears during the Gulf War of a terrorist attack on the complex," Murdoch said.

But Ian McLachlan, a spokesman for Australia's defense minister, said the government supports all measures that help reduce conflict in the Middle East, including the use of data from Australian military facilities. □

**Labor wins student election***By Naomi Segal*

JERUSALEM (JTA) — The Labor Party has scored a landslide victory — in student union elections at the Hebrew University in Jerusalem.

The recent victory ended an eight-year run in which the Likud-affiliated party headed the student organization.

Labor-affiliated Ofek won 45 seats, while Meretz won 13, for a total of 58 places in the 88-member student senate. Meretz was Labor's coalition partner in the outgoing Israeli government.

The Likud-affiliated Gilad Aviv won 14 seats. The remaining 16 seats were taken by left-wing independents.

Campus activists attributed the turnaround to a protest vote over Likud leader Benjamin Netanyahu's victory in the national elections for prime minister.

Prime Minister Shimon Peres' office invited the winners to meet with Peres so he could convey his congratulations. □

**Israel-Jordan bus service opens***By Naomi Segal*

JERUSALEM (JTA) — Direct bus service between the Jewish state and the Hashemite kingdom got under way this week.

But a lack of publicity resulted in few paying tourists. Most passengers on the inaugural trip Sunday were officials from the Israeli Ministry of Transportation, Israel Radio said.

A route that runs between Haifa, Israel, and Amman, Jordan — via Nazareth, Israel — opened. Other routes that opened run between Tel Aviv and Amman, and the Red Sea cities of Eilat, Israel, and Aqaba, Jordan. □