

NEWS AT A GLANCE

■ Israeli Prime Minister Benjamin Netanyahu pledged to U.S. Secretary of State Warren Christopher that he is committed to reopening negotiations with all Arab partners, including the Palestinian Authority. Foreign Minister David Levy, meanwhile, hinted that he would meet with Palestinian leader Yasser Arafat in the near future. [Page 1]

■ The Jewish state's new defense minister, Yitzhak Mordechai, said Israel would determine how to react to possible Hezbollah violations of the ceasefire agreement in southern Lebanon. [Page 4]

■ First lady Hillary Rodham Clinton is scheduled to tour the Auschwitz-Birkenau complex in Poland as part of her 11-day visit next month to Central and Eastern Europe. She also plans to visit Krakow and Warsaw.

■ Nearly two-thirds of Americans are reportedly concerned that this summer's Olympic Games in Atlanta could be a target for terrorists, a just-published survey said. One researcher said Americans' long memory of the massacre of 11 Israeli athletes during the 1972 Munich Olympics was one reason for raised fears.

■ Poland's Cabinet reportedly debated a new plan to preserve the Auschwitz-Birkenau death complex as a place of remembrance. One of the controversies that sparked the discussion is the construction of a shopping complex across the street from the camp, where nearly 2 million people, most of them Jews, were murdered.

■ The world's last daily Yiddish newspaper, *Unzer Wort* (Our World), is reportedly scheduled to close at the end of the month. Staff members said the paper, based in Paris, fell victim to rising costs.

■ Iran has reportedly warned Israel against using a military accord with Turkey to strike Tehran, saying that it would retaliate if attacked. A military cooperation agreement between Israel and Turkey allows each country to use the other's air space for pilot training.

NEWS ANALYSIS**Premier plunges into diplomacy but his direction not yet clear***By David Landau*

JERUSALEM (JTA) — Israel's new government has plunged into Middle East diplomacy, pledging to the United States that it seeks to reopen negotiations with all its Arab partners, including the Palestinian Authority.

But Prime Minister Benjamin Netanyahu declined this week, after meeting here with U.S. Secretary of State Warren Christopher, to set a date for a meeting between himself and Palestinian Authority leader Yasser Arafat.

The meeting with Christopher came on the heels of a major Arab summit that had generated widespread international concern about the future of the peace process.

It also came as Netanyahu continued to cobble together a meaningful ministerial portfolio for Likud hard-line veteran Ariel Sharon.

A month after Netanyahu's election, the direction of the new government regarding the peace process remains unclear.

One school of thought sees the new prime minister as more pragmatic than his hard-line campaign rhetoric indicated.

The other view, taking the government's tough policy guidelines on the peace process at face value, forecasts a period of tension with Israel's closest ally, the United States.

Although both Netanyahu and Christopher spoke to reporters in fairly upbeat tones after their 90-minute session Tuesday, informed sources said their meeting had not been all that smooth.

Netanyahu is understood to have underscored Israel's concerns about Syria's ongoing support for terrorist organizations.

"The achievement of peace is contingent on security," Netanyahu said in his public remarks. "Terrorism is incompatible with the advance to peace."

Christopher, in his remarks, pointedly attempted to accommodate Netanyahu's position, noting that "peace without security is not possible."

But he made a point of adding that the opposite is also true.

'An authority without a leader?'

Netanyahu gave no explicit commitment regarding Israel's redeployment from most of Hebron, saying that he was still "studying" that issue.

Hebron is widely seen as the first test of the new government's commitment to the peace accords with the Palestinians.

To reporters, Netanyahu only restated his willingness "to consider" meeting with Arafat if the security of the Jewish state required it.

But he indicated that low-level contacts with the Palestinians would be stepped up in the coming days.

However, Foreign Minister David Levy hinted that he would soon meet the Palestinian leader.

"We have already said we will speak to the [Palestinian] Authority and will negotiate with them," Levy told reporters Tuesday after meeting with Christopher.

Asked whether he would meet Arafat, he said, "Do you know of an authority without a leader?"

Tuesday's talks with the secretary were intended as a preparatory session for Netanyahu's visit to Washington next month.

Netanyahu's aides indicated that the prime minister would be more concrete and specific about the peace process when he meets with President Clinton on July 9.

The Christopher visit had been touted as being limited to establishing a working relationship with the new Israeli leader, and not one in which political positions would be covered in depth.

At the same time, Christopher told reporters accompanying him to Israel that he hoped that Netanyahu would carry out the Hebron redeployment.

At the news conference, he said, "We must build for a better future to preserve and implement the agreements with the Palestinians and with Jordan, and pursue future agreements with Lebanon and Syria."

Christopher later held talks with Shimon Peres and Ehud Barak, who

The new Israeli Cabinet

Portfolio	Minister	Party
Prime Minister	Benjamin Netanyahu	Likud
Foreign Affairs	David Levy	Gesher
Defense	Yitzhak Mordechai	Likud
Finance	Dan Meridor	Likud
Justice	Ya'acov Ne'eman	Independent
Interior	Eli Suissa	Shas
Public Security	Avigdor Kahalani	The Third Way
Housing*	Benjamin Netanyahu	Likud
Religious Affairs*	Benjamin Netanyahu	Likud
Education and Culture	Zevulun Hammer	Natl. Religious Pty.
Agriculture, Environment	Rafael Eitan	Tsomet
Tourism	Moshe Katsav	Likud
Science	Ze'ev "Benny" Begin	Likud
Absorption	Yuli Edelstein	Yisrael Ba'Aliyah
Health	Tzachi Hanegbi	Likud
Transport, Energy	Yitzhak Levy	Natl. Religious Pty.
Communications	Limor Livnat	Likud
Industry and Trade	Natan Sharansky	Yisrael Ba'Aliyah
Labor, Social Affairs	Eliyahu Yishai	Shas

* Prime Minister Benjamin Netanyahu is retaining these positions for now. Shas and the National Religious Party will most likely share the Religious Affairs Ministry position on a rotating basis. The Housing Ministry will be run by Deputy Minister Meir Porush, leader of United Torah Judaism, which will not accept a Cabinet seat for ideological reasons. Discussions continue regarding the creation of a new Cabinet post, minister of infrastructure, to be filled by Knesset member Ariel Sharon of Likud.

became opposition leaders after the Labor Party's defeat in the May elections.

After talks with President Ezer Weizman, Christopher was scheduled to fly to Cairo on Wednesday to meet with Egyptian President Hosni Mubarak and Arafat.

The pragmatic school of thought on Netanyahu predicts some hard but productive bargaining in the Oval Office next month.

They believe that Netanyahu has resolved to honor Israel's commitment, negotiated by the former government of Peres, to redeploy its forces from most of Hebron, leaving them in the area of Jewish settlement.

The pragmatists believe that negotiations will reopen soon with the Palestinian Authority on the permanent status of the West Bank and Gaza Strip. Those talks, which will deal with Jerusalem, the Palestinian entity, Israeli settlements and refugees, were formally launched in early May, but substantive discussions have yet to begin.

In contrast to the pragmatists, other observers here spoke this week of signs that the new Israeli government's tougher policies on the peace process — opposition to a Palestinian state and to an Israeli withdrawal from the Golan Heights — would lead to less harmonious U.S.-Israeli relations.

Barak, the former Labor foreign minister, spoke of "a journey back into the past," referring to the confrontational period in the early 1990s between Likud Prime Minister Yitzhak Shamir and U.S. President Bush.

As a further sign of the uncertainty of the new government, Netanyahu sparred indirectly with his foreign minister over the future of the Golan.

Levy sounded a conciliatory note in a weekend television interview that Israel could show some flexibility on the Golan in talks with Syria.

But Netanyahu's spokesman quickly sought to distance the prime minister from Levy's remarks, saying that only statements made by the prime minister reflect Israeli policy.

Meanwhile, Palestinians have been expressing a growing anxiety over the dearth of contact between their leadership and the new Israeli government.

Apart from two phone conversations between Netanyahu's foreign policy aide, Dore Gold, and Arafat's deputy, Mahmoud Abbas, also known as Abu-Mazen, there has been no real diplomatic contact since the new government took office last week.

But the Palestinians were bolstered by last week-end's Arab summit in Cairo, convened to consider the Arab world's response to the change of government in Israel.

Palestinian Minister Sa'eb Erakat, in an interview with the Israeli daily Ha'aretz, maintained that the summit had been an important success for peacemaking because for the first time almost all the Arab world had united around the peace process with Israel.

The 21 Arab leaders — only Iraq was not invited — attending the summit joined in a closing statement that warned Israel not to deviate from the land-for-peace principle that was the basis for the 1991 peace conference in Madrid.

On the Israeli side, both Netanyahu and Levy warned against setting preconditions on the road to resumed negotiations. Privately, Israeli officials indicated that the Cairo summit had passed off more moderately than they had feared.

Intensive diplomatic efforts by the United States and Egypt had resulted in the watering down of draft resolutions submitted by Syria. Those resolutions wanted Arab states to cease their normalization with Israel.

In the end, this sanction was hinted at only indirectly, as a measure to which the Arabs could revert if the peace process failed to get back on track.

The summit's closing statement warned that a hard-line approach by the new Israeli government would be countered by a slowdown in the normalization of ties with Arab countries.

Back at home, Netanyahu's diplomatic prowess was being tested as he sought to overcome obstacles to bringing Sharon into his Cabinet. The new Ministry of National Infrastructure planned for Sharon would include power over roads, railways, electricity and the politically and economically important Israel Lands Authority.

But other ministers, who would be required to transfer authority over these areas, have been reluctant to relinquish jurisdiction. The minister of justice, Ya'acov Ne'eman, was shuttling between Sharon, Netanyahu and the aggrieved ministers midweek in an effort to assuage everyone and still come up with a package of powers that Sharon would agree to accept. □

Women in Green add feathers

By Naomi Segal

JERUSALEM (JTA) — Activists from the Women in Green group on Tuesday traded in their characteristic green hats for American Indian feathered headdresses.

In a demonstration prompted by U.S. Secretary of State Warren Christopher's visit to Israel, the group was protesting U.S. support of the land-for-peace principle in negotiations between Israel and the Arabs.

The activists waved signs outside the U.S. Consulate in Jerusalem that read, "We don't want Israel to become a reservation for endangered Jews."

One of the organizers, Ruth Matar, said the costumes were meant to remind Christopher of American history when he speaks to Israeli and Arab figures. "We looked at a map in the encyclopedia, and found there were more than 50 tribes, which at one time owned all of the United States," Matar told Israel Radio. "They gave land for peace, and it certainly didn't work for them." □

Jewish Agency Assembly tackles fiscal and philosophical issues

By Cynthia Mann

JERUSALEM (JTA) — The annual assembly of the Jewish Agency for Israel opened this week amid an atmosphere of fiscal crisis that some believe reflects a crossroads in Israel-Diaspora relations.

Others see the crisis as a sign that the agency, whose historical role has been Jewish rescue and resettlement, must redefine its mission.

"The expectation in Israel has been that we can stabilize the budget," said Eliyahu Dekel, a businessman from Rosh Pina and one of 400 assembly members gathered here for this week's sessions.

"Instead, all we're talking about is cutting, cutting, cutting," he said. "Even the agency workers are having a hard time because they have no confidence about what is going to happen next."

The Jewish Agency is the single largest recipient in Israel of funds raised by the annual campaign of Jewish federations and the United Jewish Appeal. The UJA contributes, through the United Israel Appeal, about \$230 million, a little less than half of the agency's \$500 million annual budget. About half of the agency budget goes toward immigration and absorption.

Strapping deficits attributed to flagging contributions from the Diaspora last year forced the agency leadership under Avraham Burg to adopt a radical austerity plan to cut \$450 million from the budget over a five-year period. Burg's recovery plan depends upon a commitment of an additional \$230 million from the Diaspora over the five years, a sum that is far from assured.

The crisis reached a climax last October when the agency decided to transfer its Youth Aliyah program to the government in an effort to save \$60 million.

Youth Aliyah, primarily a network of villages for needy and immigrant youth, was for many the agency's heart and soul, and its transfer was a big blow.

"Giving away Youth Aliyah hurt the Israeli people," said Dekel, who is a member of the assembly as a representative of the World Zionist Organization.

The WZO's legislative body, the Zionist General Council, contributes half the delegates to the assembly, which is the Jewish Agency's legislative body.

Israelis "cannot believe anymore in the stability" of the agency or the commitment of American Jews to the agency, Dekel said.

'Bad job in transmitting'

Dekel said he got involved in the first place because "I believe in the relationship with the Diaspora and the strength of the connection."

Some in the Diaspora echoed the Israeli belief that the declining overseas allocations reflect a lack of support by federations for the work of the agency.

"The federation world is drifting away from the Jewish Agency," said Bennett Aaron, a member of the agency's Board of Governors and a past president of the Jewish Federation of Greater Philadelphia.

"I think we've done a bad job in transmitting to our successive leadership what our obligations are," he said. "The federations are focused on local needs," he said. "They care about Israel," but "they don't have an appreciation of the historic role" of the agency.

Michael Rukin, chairman of the Combined Jewish Philanthropies of Greater Boston, said the agency "has a historic and unique role in Jewish life, but it needs to either reinvent itself, retaining critical parts of its mission, including aliyah, or become irrelevant."

The Boston federation's president, Barry Shrage,

added, "Even if the agency were working perfectly, we still would have the question of how decisions are made to take care of certain needs in Israel" that may not be as critical as other needs or "that may more properly be the provenance of the government of Israel."

Richard Wexler, the new president of the UJA, is optimistic. He said campaign chairs he led last week on a mission through Minsk, Belarus, and Israel were "inspired" to increase their contributions to the campaign by 39 percent "because of the kind of work on the ground" being done by the American Jewish Joint Distribution Committee and the Jewish Agency. The JDC, which does international humanitarian work, is another principal recipient of overseas campaign allocations.

Despite his optimism, Wexler said, "We need continued reform and we need to find common ground in our partnership for a single message for our contributors" and "a common goal that is meeting the needs of the Jewish people."

Meanwhile, the change in the Israeli government has infiltrated the highly political world of the agency.

With the recent election of a Likud prime minister, next year's re-election of Burg, a left-wing Laborite, is no longer assured by an agency that seeks and benefits from a close relationship to the prime minister.

Also, the reported agreement by Prime Minister Benjamin Netanyahu to assign Natan Sharansky, the new minister of industry and trade, to head a ministerial committee on immigration, absorption and the Diaspora, has some in the agency worried.

Sharansky is a member of the agency's Board of Governors, but has made clear his frustration with the agency and his desire to curtail its mandate and transfer some of its responsibility for aliyah to the government.

Agency insiders say that would unravel a sacred partnership between world Jewry and Israel and is unlikely in the foreseeable future.

Coalition agreements between Netanyahu and Israel's three religious parties, which have been viewed by some as a threat to religious pluralism, also have surfaced on the assembly agenda.

'We are one people'

A resolution slated to be acted upon this week urges the government in strong language to refrain from amending or passing legislation that would "estrangle major parts of the Jewish people from their linkage to the nation, to their culture and the Jewish state."

At the opening of the assembly, Netanyahu spoke about religious pluralism but did not address the issue directly. He called for tolerance between secular and religious Jews. And, he said, "we are one people," explicitly mentioning the Orthodox, Reform and Conservative movements.

Another issue looming over the assembly is the future of the WZO, which is now independent but whose budget — roughly \$30 million — is funded by the Jewish Agency. Prior to the assembly, the WZO's Zionist General Council voted for a series of significant structural reforms.

But Burg told the assembly delegates in his keynote address that he would like to see the WZO combined with the Jewish Agency into an entity he would call "Bayit," the Hebrew word for home and an acronym for "Israel-Diaspora covenant." He has called on other world Jewish organizations to join this partnership.

All Jewish forces must be mobilized to battle the common enemy of assimilation, he said.

"We must change the Zionist world in order to ensure the Jewish future and so that our children, in 15 or 20 years, will have an organizational instrument to maintain the Israel-Diaspora dialogue," he said. □

Israel considers responses to possible truce violations

By Naomi Segal

JERUSALEM (JTA) — Israeli Defense Minister Yitzhak Mordechai said this week that Israel is considering possible responses to what may be Hezbollah violations of the U.S.-brokered cease-fire.

"There are signs of violations," Mordechai told reporters Tuesday during a visit to southern Lebanon. "We will examine them, and determine ways the IDF can react."

The cease-fire reached in April, ending the cross-border fighting between Hezbollah and the Jewish state, barred both sides from targeting civilian areas. However, it did not ban fighting altogether in the security zone.

In recent weeks, Hezbollah has detonated roadside charges and ambushed Israel Defense Force and Israel-allied South Lebanon Army soldiers in the area.

On Monday, two bombs exploded in separate incidents in the southern Lebanon security zone amid conflicting reports that four Katyusha rockets were fired in the area the same day.

A roadside charge went off near an IDF patrol in the western sector of the security zone. The second bomb went off while SLA members searched the area. No one was hurt in either attack.

A Hezbollah spokesman in Beirut reportedly said that gunmen set off two roadside bombs near Israeli soldiers in the zone.

In addition, three rockets apparently fired by Islamic fundamentalist gunmen exploded Monday in the security zone, according to pro-Israeli security sources in Lebanon. No damage or injury was reported.

But the IDF spokesman's office denied that the attack occurred.

If the rocket firings occurred, they would be the first in the zone since the cease-fire.

Israel launched its April 11-27 air, land and sea bombardment of Lebanon in response to the Hezbollah firing of Katyusha rockets into northern Israel.

Mordechai described the situation as complicated.

But he hinted that if Lebanon and Syria, which has strong influence in the area, limited Hezbollah, the sides could find common ground for negotiations. "If the Lebanese government, and those behind it, display an ability to control the activities of Hezbollah, of course, it is possible to sit down and reach an understanding." □

Deported war criminal says he seeks justice in Lithuania

By Alissa Kaplan

NEW YORK (JTA) — Aleksandras Lileikis, the former head of the Nazi-sponsored Lithuanian security police who was recently deported to Lithuania, says he returned to Lithuania to seek justice.

"If I felt guilty, I wouldn't have returned to Lithuania," Lileikis reportedly told journalists in his first public statement.

Lileikis has not been charged in Lithuania, though he is under investigation.

Lileikis, who is in his late 80s, was denaturalized last month by a U.S. federal court in Boston. He arrived June 18 in Vilnius, the city in which he had served during World War II. On May 24, he was stripped of his citizenship after the court found that his activities as head of the Lithuanian security police, known as the Saugumas, "clearly constitute" personal participation in persecution.

He was interrogated by Lithuanian authorities last week, but the questioning lasted only about two hours

because of Lileikis' apparent poor health, Lithuanian prosecutor Gintautas Starkus told journalists. Starkus said the investigation would continue in July.

According to the June 21 edition of the Vilnius newspaper Lietuvos Rytas, when asked whether the charges against him are well-founded, Lileikis said: "I didn't say they weren't well-founded, but I said that they have been inflated to the maximum. They've made a mountain out of a molehill."

Eli Rosenbaum, director of the U.S. Justice Department's Office of Special Investigations, said in a telephone interview Monday from Washington that he was surprised by Lileikis' comments. "To term the signing of death warrants for innocent civilians, including that of a 6-year-old, a 'molehill' is truly obscene," Rosenbaum said.

Rosenbaum added, "It shows that Lileikis has not changed since the war."

Lileikis immigrated to the United States in 1955 and became a citizen in 1976. From August 1941 to July 1944, he headed the Saugumas, whose officers arrested Jews who attempted to escape from the ghetto in Vilnius.

The Jews were taken to an isolated site, stripped of their clothing and gunned down in sand pits by a group of volunteers known as the "special detachment."

Some 55,000 of Vilnius' 60,000 Jews perished during the war.

Rosenbaum said Lithuania might turn to the United States for additional assistance in prosecuting Lileikis.

Rosenbaum added that in response to a request, Lithuania received documentary evidence in the Lileikis case from the United States. □

Deckert sentenced again — this time for racial incitement

By Daniel Dagan

BONN (JTA) — Gunter Deckert, a well-known German neo-Nazi, has been sentenced to prison again — this time for inciting racial discrimination and defaming the memory of Holocaust victims.

Last Friday, Deckert was sentenced in the German town of Weinheim to a prison term of one year and eight months for the publication and circulation of a book that contains anti-Jewish statements he and Holocaust denier David Irving of Britain made at an event they organized.

In April 1995, a court in Karlsruhe sentenced Deckert, the former head of the extreme right-wing National Democratic Party, to prison for two years for his role in the actual incident, during which participants ridiculed the Holocaust, denying the mass murder of Jews.

In a separate case in April of this year, a Mannheim court sentenced Deckert to a month in jail for defamatory statements about Jews.

The prosecution in the case heard in Weinheim demanded a prison term of four years and immediately announced its intent to appeal the sentence.

The defense pleaded for acquittal.

Deckert had to be removed from the court because he repeatedly protested the sentence, accusing the court of being politically motivated.

Outside the court building, some 20 supporters of Deckert's demonstrated.

In another development, five left-wing protesters and four police officers were injured and 56 persons arrested at an anti-Nazi demonstration last Friday in Hetendorf. Some 300 people demonstrated in front of a building in which more than 200 neo-Nazis from various parts of Germany met for an annual party.

Before the party began, police searched for weapons. The searches yielded a few old guns as well as knives and baseball bats. □