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## **TOP NEWS IN BRIEF**

### Cabinet approves Jerusalem plan

Israel's Cabinet approved a plan that would extend Jerusalem's administrative authority over eight West Bank settlements. Netanyahu labeled as "absurd" American objections to the plan, which would also annex several western suburbs within Israel's pre-1967 borders to the municipality. [Page 1]

### Israel looking into peace vote

Israeli Prime Minister Benjamin Netanyahu asked a fellow Cabinet minister to begin researching high-tech ways to hold a referendum on a further Israeli redeployment from the West Bank. The investigation by Communications Minister Limor Livnat is reportedly aimed at finding a way in which Israelis could vote by telephone or by mail. Palestinian Authority officials have criticized a possible referendum on the redeployment as a delaying tactic.

### **Boycott expected at Swiss talks**

Jewish officials are expected to baycott this week's negotiations with Swiss banks after the banks made a \$600 million dollar after to settle Holocoust-era claims. The banks, after months of silence, also said they would not consider "unfounded and excessive" demands by the World Jewish Congress and lawyers for Holocaust victims and said the Jewish side was putting the negotiating process at risk.

### Survivors get new agreement

Some 7,500 Holocaust survivors will receive additional compensation from Germany as a result of a new agreement. The agreement, which will affect, among others, survivors who spent more than six months in concentration camps and forced labor camps in Austria, Hungary and Ukraine, will cost Germany an estimated \$40 million per year.

#### Israeli buses pull posters

Israel's two largest bus lines removed posters calling for a draft of yeshiva students from their buses following the threat of a baycott from the fervently Orthodox community.

The campaign posters read, "One People — One Draft. We Are All Jews, Even the Haredim." In response to the removal of the posters, left-wing and religious pluralism activists called for a boycott of Dan and Egged buses.

### **NEWS ANALYSIS**

## Plan to expand Jerusalem spurs international criticism

By Naomi Segal

JERUSALEM (JTA) — Israel's decision to expand its capital city has prompted a new international dispute over the status of Jerusalem.

The Palestinian Authority, as well as the United States and Israel's closest allies in the Arab world, criticized the move as a provocative act that could deal another blow to the long-stalled peace process.

But a primary motivation for the move — to boost Jerusalem's economy — has nothing to do with the peace process, say Israeli officials, who sought this week to make a distinction between economic and political issues regarding Jerusalem.

"I'm afraid to say there has been a deliberate campaign to try to distort our decision," Israeli Prime Minister Benjamin Netanyahu told a news conference Sunday. The Cabinet's decision "has no political implications whatsoever either in Jerusalem or outside of Jerusalem."

The premier's remarks followed the Cabinet's decision Sunday to create an umbrella municipality for the greater Jerusalem area, which would include such communities as Givat Ze'ev and Ma'aleh Adumim, which are in the West Bank.

The proposal, drawn up by a government committee in a bid to strengthen the economic development of the capital, also includes annexation of land and suburban communities west of the capital within Israel proper. This fact has sparked sharp opposition from Jewish residents of those areas.

According to the Cabinet decision, eight main points were addressed in the plan:

- Widening the city's jurisdiction, to annex outlying communities west of the capital. Following sharp protests from residents of Mevasseret Zion, a suburb of Jerusalem, the community was excluded from the plan.
- Creation of an umbrella, or "super-municipality," that would provide services for additional communities, including some located in the West Bank, in such areas as planning and building.
  - Encouraging development of a high-tech area to create jobs.
- Offering housing benefits to reduce the current gap in prices between housing in Jerusalem and lower-cost areas outside the city.
  - Improving train service between Jerusalem and Tel Aviv.
  - · Integrating a mass transit system of light rail and buses.
  - Development of a major road system surrounding the city.
  - Speeding up implementation of neighborhood renewal projects.

Netanyahu, who was joined at his news conference by Jerusalem Mayor Ehud Olmert, said the purpose of the plan was to streamline services already provided to outlying communities and to give Jerusalem greater control over areas west of the capital. They said the plan's inducements for housing, jobs and transportation would benefit both Jewish and Arab residents of the city.

The Israeli government's efforts to separate political from economic concerns surrounding Jerusalem did not mute criticism of the plan.

U.S. Secretary of State Madeleine Albright said unilateral moves linked to the final status of the city were not productive. In a conference call last Friday, Albright asked the chairman of the Conference of Presidents of Major American Jewish Organizations, Melvin Salberg, who was in Israel, to press Netanyahu to cancel the plan.

Albright, who initiated the call on four hours notice, told a dozen U.S. Jewish

### **MIDEAST FOCUS**

#### Palestinians make arrests

The Palestinian Authority arrested 35 suspected supporters of the Islamic Jihad recently, according to a news report. The arrests were motivated by an incident in which a Palestinian was killed by Israeli troops while he was planting a roadside bomb near an Israeli settlement in the Gaza Strip.

### E.U. envoy meets with Syria

The European Union's Middle East envoy met with Syria's foreign minister to discuss a withdrawal of Israeli troops from Lebanon. The talks came after Lebanon's prime minister said last week that a treaty could be reached if Israel picked up peace talks with Syria where they left off in 1996. Israel has said it would resume talks without any preconditions.

### **Achille Lauro witness killed**

A Syrian businessman who testified in the Achille Lauro hijacking case was killed in Madrid. Mustafa Nasinni was a witness in a 1995 case against the man charged with arming the hijackers who killed American Leon Klinghoffer and threw him overboard in the 1985 attack on the Italian ship.

### Arafat may delay reshuffle

Palestinian Authority Chairman Yasser Arafat may delay a reshuffle of his Cabinet until early July, according to a senior Palestinian official. Palestinian lawmakers, who gave Arafat until June 25 to reorganize his Cabinet, have been demanding that he form a new Cabinet in order to root out corruption.

#### Viagra claims an Israeli victim

A 75-year-old Israeli man died from a heart attack after taking the anti-impotence pill Viagra and having sex with his wife, according to the Israeli daily Ma'ariv. The paper quoted medical personnel who said the woman told them that her husband had suffered from heart ailments.

## Daily News Bulletin

Caryn Rosen Adelman, *President* Mark J. Joffe, *Executive Editor and Publisher* Lisa Hostein, *Editor* Kenneth Bandler, *Managing Editor* Lenore A. Silverstein, *Business Manager* 

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leaders that in an earlier call Netanyahu had denied that the plan existed. According to a participant on the call, Albright said that Netanyahu blamed the reports on "Palestinian propaganda" and promised to clarify his government's position at the news conference Sunday.

The news conference, however, did little to mollify American or Palestinian concerns.

Despite the Israeli clarifications, Palestinian officials denounced the move as a de facto annexation of areas in the West Bank and an attempt to alter the status of Jerusalem and the city's demographic balance between Jews and Arabs, in violation of the signed accords.

Netanyahu rejected the criticism, saying that the plan deliberately did not do anything to alter the political status of the city, which is slated to be resolved in final-status talks between Israel and the Palestinian Authority.

Speaking at Sunday's news conference, Netanyahu suggested that there was a deliberate effort to distort the plan's details and turn it into a "political hot potato."

Netanyahu denied that the plan represented any violation of Israeli-Palestinian accords, adding that he regretted that the Americans did not contact him before condemning the proposal.

The premier said he had discussed the details of the proposal with Albright and had sent clarifications to Israeli embassies in Europe.

The Israeli move comes as the United States is trying to achieve a breakthrough that would revive Israeli-Palestinian peace talks. At the same time, Washington has been seeking to dissuade Western European countries from backing an Arab effort to upgrade the status of the Palestine Liberation Organization at the United Nations.

Palestinian negotiator Saeb Erekat termed the Israeli Cabinet's decision a "declaration of war." Ahmed Tibi, an Israeli Arab adviser to Palestinian Authority Chairman Yasser Arafat, said it was a "slap in the face" of American efforts to end a 16-month-long deadlock in Israeli-Palestinian negotiations.

Egypt and Jordan, the two Arab countries that have signed peace treaties with Israel, denounced the plan.

Israeli opposition members also denounced the proposal.

The Labor party accused Netanyahu of mistakenly bringing Jerusalem to the center of political debate. Labor Knesset member Hagai Merom suggested that the decision was an attempt by the premier to placate far-right members of his coalition, who have been clamoring for action on such building projects as Har Homa in southeastern Jerusalem.

Israeli-Palestinian talks broke down in March 1997, shortly after work began on a new Jewish community at Har Homa, which is located in an area that Palestinians hope will be part of their independent state.

Merom also said Netanyahu might be trying to convince right-wing members of his coalition to agree to a further redeployment of Israeli troops from the West Bank. The United States has been pressing Israel to carry out a redeployment of some 13 percent, but Netanyahu has balked at making a decision on the size of a redeployment and the National Religious Party has threatened to bring down his government if he agrees to a redeployment.

"It seems that the prime minister started to deal with the Jerusalem question in order to gain the favor of the National Religious Party and all the other right-wing representatives," said Merom, "to show that he is not giving up territories, but the opposite, he is annexing territories to the city of Jerusalem."

But Merom cautioned that a provocation such as expanding Jerusalem would block the achievement of a further redeployment.

The head of the National Religious Party faction in the Knesset, Shmaryahu Ben-Zur, welcomed the decision to strengthen Jerusalem as a "first step," and called on the government to immediately begin building on Har Homa and expanding eastwards.

Meanwhile, leaders of Jerusalem suburbs that would be brought under Jerusalem's authority condemned the decision, saying that it would undermine the lifestyle and independence the residents living there had sought.

Hundreds of residents of affected communities protested in Jerusalem on Sunday, saying that the plan to annex their suburbs would raise their taxes.

## **JEWISH WORLD**

### Pope calls for reconciliation

Pope John Paul II said seeking reconciliation with Jews is "one of the most fundamental duties of Christians in Europe." The pope made his comments in Austria in front of a group of dignitaries that included former Austrian President Kurt Waldheim, who is alleged to have been involved in war crimes while an officer in the German Army during World War II.

### Sakic makes court appearance

A lawyer for a former Croatian concentration camp commander said Dinko Sakic's trial would begin in two or three months. The lawyer made these comments after Sakic, who was extradited from Argentina last week, made an appearance at a pretrial hearing in the Croatian capital of Zagreb. From 1942 to 1944, Sakic was commandant at the Jasenovac concentration camp, where an estimated 500,000 Jews, Serbs and Gypsies were murdered.

### Romanian synagogue attacked

Vandals attacked a synagogue in a small Romanian town, according to a news report. A Jewish spokesman was quoted as saying that 14 candelabras were stolen, and benches and window panes broken.

### Skinheads arrested at World Cup

More than 20 German skinhead soccer fans were among 50 arrested after battling with French police before a World Cup soccer game, according to a news report. The dash took place before a game between Germany and Yugoslavia. Meanwhile, approximately 25 German extremists were arrested after assaulting foreigners and singing banned neo-Nazi songs at a summer solstice gathering in the German town of Detmold.

### Yves Saint Laurent taps Israeli

An Israeli was hired to be the head designer of Yves Saint Laurent's ready-to wear apparel. The Moroccan-born Alber Elbaz is slated to unveil his first collection for the famous French house in March of next year.

### Belgian museum to move

Belgian officials offered Brussels' Jewish museum a new location. The move, which is expected to occur in the year 2000, will allow space for a Holocaust display, temporary displays, a cafeteria and a bookshop.

### Tourist center to open in Jericho

An Austrian company reportedly plans to open a tourism center this fall in the West Bank town of Jericho. The complex is expected to include two or three hotels, a casino and a conference center.

# Israeli television getting ready for prime time in United States

By Leslie Katz Jewish Bulletin of Northern California

SAN FRANCISCO (JTA) — Israel junkies will soon have another fix.

Starting in October, a new satellite channel is expected to beam 24 hours a day of Israeli programming to North American households. Viewers will be able to turn on their televisions and soak up Israeli news, sports, children's programming, documentaries, talk shows and live coverage of special events.

"It's a whole package of the best Israeli television can offer," said Shlomo Wolfhart, chief executive officer of the Israel Channel, the Kfar Saba-based company bringing the programming to North America. He and Gadi Golan, whose Israeli property development and investment company Corex Ltd. is backing the project, visited here earlier this month to meet with potential investors and promote the service.

A number of Jewish-oriented program providers currently operate in the United States, offering limited programming. Air time ranges from one to three hours weekly.

Wolfhart and Golan said surveys show a remarkably high level of interest in the idea of round-the-clock Israeli broadcasting in the United States.

North America is home to approximately 2.5 million Jewish households, about 600,000 of which are believed to have a strong interest in Israeli and Jewish affairs. To start, the new venture is targeting the 190,000 households with at least one Israeli. Initially, 90 percent of the programming will be in Hebrew, with English subtitles.

Wolfhart said his company has exclusive rights to programming with all major broadcasters in Israel, including Channel One and the Educational Channel.

But he and Golan also envision a day when original programming generated on this side of the globe will address issues of concern to American Jews, maybe even including Hebrew-language instruction. "The idea is to take a large sum of the profits and put them back into the community to produce original shows that deal with Jewish matters in the United States," said Wolfhart, who studied in the United States and managed a video production company here.

To receive the programming, North American viewers will need to purchase a home satellite dish and an encoder, a combination that will allow them to receive a wide array of additional channels offered by a direct broadcast satellite company with which the Israel Channel ultimately signs a contract.

A monthly subscription fee of \$20 to \$25 will also be required.

The programming package "will be as far away as your telephone," said Golan, whose company has invested \$300,000 in the project so far and plans to invest another \$200,000. He projects the total project cost to be \$5.5 million.

Advertising will help defray the cost. "We will air about four minutes of advertising an hour, not during the shows, just between the shows," Wolfhart said.

To start off, the programming will run in five-hour segments repeated three times a day, with shows airing just hours after their broadcast in Israel. Israeli music and radio broadcasts will fill the rest of the air time until there is more programming.

### Unpaid parking fines waived

JERUSALEM (JTA) — Israel's highest court has granted motorists a reprieve from unpaid parking tickets.

The High Court of Justice ruled last week that the municipality of Tel Aviv could not collect fines from a man who had been issued 154 tickets from 1989 to 1997. The court, in a 4-3 vote, accepted the man's argument that he could not be forced to pay accumulated fines of more than \$8,000 because a three-year statute of limitations applies to parking offenses.

Justice Dalia Dorner, who voted with the majority, chastised the Tel Aviv municipality, saying its failure to enforce payment of such fines more aggressively discriminated against those citizens who paid their penalties on time. The ruling is expected to serve as a precedent for other municipalities across the country.

# Group considers plans for preserving Auschwitz

By Julia Strongwater

NEW YORK (JTA) — A group of international experts is wrestling with the issue of how to preserve two adjacent Nazi concentration camps in Poland.

Meeting earlier this month in Bielsko-Biala, Poland, the group, which includes Jewish, Polish and UNESCO officials, discussed how to preserve the historical authenticity of Auschwitz and Birkenau without disrupting the surrounding communities.

One issue discussed in the meeting was whether to try to restore the camps back to their immediate postwar state or to leave the camps as they are. The consensus of those who attended the conference was to leave the camps as they appear now, because "we do not want the Germans to accuse us" of any misrepresentation, said Kalman Sultanik, vice chairman of the Auschwitz-Birkenau Museum Council.

The group agreed to place survivors' photographs from the camps in the Auschwitz sauna, the place where the prisoners arrived and where they were stripped of their belongings and clothes. The photographs will enable visitors to see Auschwitz and Birkenau as they were 50 years ago.

Another issue addressed by the group was a plan to create a path that would shorten the walking distance between the two camps so that Auschwitz and Birkenau, also known as Auschwitz II, would be considered as one entity.

The two camps are less than two miles apart, but because of the way roads between the two camps are laid out, it takes visitors about 50 minutes to walk from one to the other. The proposed shortcut would cut the walking distance in half, said Sultanik. A formal proposal is expected to be developed over the summer.

Sultanik said the estimated cost of the overall conservation and preservation program for Auschwitz-Birkenau would be \$50 million. The Ronald S. Lauder Foundation has already raised \$28 million, and is coordinating a fund-raising campaign among governments and German corporations for the remainder, he said.

In a related development, a synagogue in the town of Auschwitz that the Polish government returned to the Polish Jewish community in March will be rebuilt.

"Our goal is to recreate a permanent structure symbolizing Jewish life in a place which for too many years has only represented Jewish death," said Fred Schwartz, president of the Auschwitz Jewish Center Foundation.

The foundation, Schwartz announced last week at a New York news conference, has taken title from the Polish Jewish community to the Oswiecim Lomdei Mishnaot Synagogue and an adjoining building. The foundation plans to renovate the premises into a small synagogue and educational center.

## 2 Israeli youths suspected of killing Palestinian farmer

By Naomi Segal

JERUSALEM (JTA) — Two Israeli youths from a home for troubled children near Hebron have been detained on suspicion of killing a Palestinian on a West Bank road.

According to the police, the two youths stuck a wooden plank

out the window of their van, hitting a Palestinian farmer, Abdel Majid Abu Turki, 47, as they drove past him.

"We understand that this could have been some kind of prank, which ended tragically," said the director of Beit Haggai, the school for troubled youth attended by the two suspects. "Abu Turki worked here, he was our neighbor. As soon as we learned of the incident, we went with the youths to the police to report what happened. Here at Beit Haggai we fully condemn this incident."

Prime Minister Benjamin Netanyahu called the crime "horrific," telling reporters that "justice would be done."

The names of the two youths were not released because they are minors. Police said a third suspect, the driver of the vehicle, was released after it was concluded that he was not involved in the incident.

"I believe this was an accident, and not any sort of premeditated murder," Naftali Wurtzburger, the lawyer for the two youths, told reporters at the courthouse June 17.

Palestinians denounced the crime as a further example of Jewish settler incitement against Arabs. "This was no prank," said Ahmed Tibi, an Israeli Arab adviser to Palestinian Authority Chairman Yasser Arafat. "This was murder, directly specifically against Arabs. Abu Turki was singled out because of his Arab beard, his Arab clothing, his whole appearance as an Arab."

Aharon Domb, spokesman for the council of Jewish settlements in the West Bank and Gaza Strip, said the perpetrators of the crime "must be punished to the full extent of the law."

### Court: Israeli businessman aided Iran's weapons program

By Naomi Segal

JERUSALEM (JTA) — An Israeli court has convicted an Israeli businessman of supplying Iran with chemical weapons materials. Calling Nahum Manbar a liar and a manipulator, the court found that he had harmed state security by aiding an enemy of the Jewish state.

The judge wrote that Manbar had acted out of greed, seeking to put millions of dollars in his pocket, at the expense of Israel's security. "The accused impressed me as a fraudulent, manipulative and greedy person," the judge wrote.

The prosecutor charged that in 1990 Manbar, who faces a life sentence, made contact with the head of Iran's chemical weapons program, becoming involved in deals to provide Tehran with information, equipment and raw materials to produce chemical weapons. Manbar, for his part, described himself during the trial as a "patriot" who would not harm the security of the state. In previous remarks, he had maintained that officials in the Defense Ministry were aware of his business dealings.

Commenting on the verdict, Prime Minister Benjamin Netanyahu lashed out at Manbar, saying he hoped the court would impose a heavy sentence. He called Manbar a criminal who committed a terrible act, the likes of which he could not recall in the history of the state.

Manbar's attorney, Amnon Zichroni, in turn, accused Netanyahu of interfering with the judicial process by making such statements before sentencing was completed.

Iran denied that it had any contact with Manbar. Sentencing is scheduled for July 15.