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83rd Year

TOP NEWS IN BRIEF

Israel cancels sale to China

Israel canceled its planned sale of an advanced airborne warning system to China.

Israeli Prime Minister Ehud Barak informed President Clinton of the decision during the Camp David summit, according to Barak's spokesman.

The plan was opposed by the United States and prompted threats from some U.S. legislators to cut aid to Israel. [Page 3]

Iran: 10 Jews may get leniency

Iran's president said 10 Iranian Jews convicted of spying for Israel may be shown leniency when the case is appealed.

"After the appeal, the situation of those condemned might be better than now," Mohammad Khatami said at the end of a three-day visit to Germany.

Times ad backs Barak

Six former chairs of the Conference of Presidents of Major American Jewish Organizations and dozens of other U.S. Jewish leaders were among the 328 people who signed a full-page ad in The New York Times supporting Israeli Prime Minister Ehud Barak's peace policies.

"The overwhelming majority of American Jews, and indeed of all Americans, support this peace initiative," the ad said of the Camp David summit.

Conviction of Shas leader upheld

Israel's Supreme Court upheld a lower court's bribery conviction of Aryeh Deri, the former political leader of the fervently Orthodox Shas Party.

But the high court reduced his jail sentence from four years to three. Deri said the ruling was "God's will," but he would "serve happily in jail," though he thought the justices had "erred." [Page 2]

Reform movement petitions court

The Reform movement in Israel is petitioning the High Court of Justice against the religious affairs minister's removal of one of its representatives from a list of candidates to the Ra'anana religious council.

By law, the religious affairs minister assembles local religious councils from three lists of candidates — one presented by the rabbinate, one by the municipality and one drawn up by himself.

NEWS ANALYSIS

Barak ties fate of a peace deal to Israeli people, not politicians

By Howard Lovy

NEW YORK (JTA) — Babe Ruth was also the strikeout king.

To him, it was all or nothing.

Ever since Ehud Barak took his turn at bat as Middle East peacemaker a little over a year ago, he, too, has been aiming for nothing short of the center field wall.

To the Israeli prime minister, this week's noise in the Knesset — the exodus of allies from his government, the no-confidence motions that nearly toppled his rule — is merely the chatter of hecklers from the opposing bleachers.

The former general says he takes his orders directly from the Israeli people, and it is them he has in mind when he sits across from his old foe Yasser Arafat at Camp David this week.

In a front-page letter that appeared in the Israeli paper Yediot Achronot this week, Barak wrote that he was traveling to Maryland as "the emissary of the citizens of Israel, in the name of each and every one of them." Barak believes he's on a mission from the people, and that sets him above what he sees as petty politics.

He appears undaunted by the loss of his majority in the Knesset after the desertion of the three coalition partners — Shas, the National Religious Party and Natan Sharansky's Yisrael Ba'Aliyah — even as it remains unclear whether the developments back home weaken his status at the negotiating table.

Senior Israeli officials sent by Barak to the United States this week to present his negotiating stance to the media laid out his "big picture" strategy.

Aside from the four categories up for negotiation at Camp David this week — boundaries, refugees, Jerusalem and security — they gave more overarching reasons why Barak believes he has the force of history and his electorate behind him.

Referendum

The fact that Barak is suffering politically at home only strengthens the prime minister's contention that he is going the extra mile for peace and is willing to risk his political life for it.

Barak firmly believes that his 56 percent majority in the last election represents a mandate from the Israeli people to pursue peace in his own way, and that approval or rejection of a peace deal should come from the Israeli electorate, not its politicians.

He just as firmly believes that if a peace deal is brought before the Israeli people in a referendum, as he has promised, he will win by a large majority, including the settler population.

Barak's people call it the "triumph of the settler movement" that there will be no wholesale movement of settlements as occurred in the Sinai after Menachem Begin signed a peace treaty with Egypt.

Without describing how exactly this would be achieved, the Israeli officials said nobody would be displaced — and that even settlements inside a Palestinian state would be given Israeli security protection.

'Existential threat'

As Barak sees it, 40,000 Palestinian police officers with AK-47s do not represent a security threat to Israel, much less a threat to Israel's existence.

However, a "nuclear Mideast" is another story.

The fall of the Soviet Union and the victory over Iraq in the 1991 Persian Gulf War, Barak believes, gave Israel a window of opportunity to make peace with its

MIDEAST FOCUS

Iran rejects U.S. court verdict

Iran rejected a U.S. court verdict holding it responsible for a terrorist bombing in Israel that killed two Americans.

The U.S. court is "not qualified to study this kind of case and the verdict is completely political," a spokesman for Iran's Foreign Ministry was quoted as saying.

"The charges against Iran are sheer lies."

A U.S. district court ruled that Iran must pay \$327 million in damages to the families of Matthew Eisenfeld and Sara Duker, two students killed in a 1996 suicide bus bombing in Jerusalem.

Israeli left and right demonstrate

Israel's left and right wings are mobilizing for their causes during the Camp David summit.

Supporters of Prime Minister Ehud Barak's peace policies held a mass vigil across from the prime minister's residence in Jerusalem, while Jewish settler activists launched a hunger strike.

State of emergency declared

Yasser Arafat's Fatah Party has declared a state of emergency in the self-rule areas to deal with possible violence if the Camp David summit ends without agreement.

"There is no plan to attack Israel or to harm Israelis, but we are preparing for self-defense," a Fatah official told Reuters.

The Israeli military has been preparing for Palestinian violence should the summit fail.

Assad to be sworn in Monday

Bashar Assad will be sworn in for a seven-year term as Syria's president on July 17.

The Syrian Parliament made the announcement after Assad won 97.29 percent of the popular vote in an election Monday in which he was the only candidate.



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neighbors. Israel cannot afford to remain bogged down in the Palestinian conflict at a time when Iran and Iraq are both threatening to develop nuclear weapons.

Barak believes that nuclear proliferation and the spread of Islamic fundamentalism across the Middle East should top Israel's concerns. As for those Palestinian police with guns, Barak's people say they have used them, for the most part, to root out terrorists.

They did not mention, however, the Palestinian riots of a couple of months ago, when those AK-47s were directed at Israeli troops.

Ending rule over another people

Israelis never wanted the burden of rule over the Palestinians — a situation they found themselves in after the conquest of eastern Jerusalem, the West Bank and Gaza Strip in the 1967 Six-Day War. Barak's view, say his advisers, is that rule over another people destroys the cohesion of society, and a society that's not cohesive is not secure.

That is a large reason why Barak believes he will win a referendum by a landslide. The Israeli people want to rid themselves of that responsibility.

Settle on external maps, Barak's handlers say, then Israel can work on its "internal maps" — including healing the rifts within its politically, ethnically and religiously fragmented society.

Barak, his government now merely a weak left-center shadow of what it once was, is gambling everything on his confidence that whatever peace deal emerges from Camp David, whatever sacrifice he will ask the Israeli people to make, they will support him because to maintain the status quo would lead to more uncertainty and bloodshed.

Another delay, another cycle of violence, another few years, and future Israeli and Palestinian leaders would sit down again and have the very same issues on the table, he believes. The goal of the elusive "end of conflict" is located in the grandstands, with the people.

Barak is pointing his bat toward the center field wall as the pitcher winds up. □

Shas supporters say decision to jail leader is discriminatory

By Naomi Segal

JERUSALEM (JTA) — Charges of anti-Sephardi discrimination were rampant in the crowd that gathered outside the Supreme Court building on Wednesday.

The court upheld a bribery conviction of Aryeh Deri, former political leader of the fervently Orthodox Shas Party, but reduced his jail sentence from four years to three.

Shas supporters initially misunderstood the revision of the lower court's verdict for a full acquittal, and broke out with cheers and shofar-blowing. This quickly changed into expressions of shock and disbelief as the actual decision became clear.

Deri, who propelled Shas to become a powerful political force representing mostly Sephardi Jews, avoided suggesting that the court decision was anti-Sephardi — a claim he has made in the past.

But activists at the courthouse demonstrated no such restraint.

Calls of "Weizman" were heard in the crowd, as activists drew parallels to prosecutors' decision not to press charges against Ezer Weizman, who resigned as president this week, over cash gifts he accepted from a millionaire friend while serving as a Knesset member and Cabinet minister.

"The only difference is that Weizman is an Ashkenazi" Jew, one activist shouted at the microphones of the radio and television journalists at the crowded court building.

Deri, a former Cabinet minister is to begin serving his sentence Aug. 13.

He said that the judges' decision was "God's will," and that he would go to jail "happily." But he added that he thought the justices had "erred."

The high court found that Deri was guilty of accepting bribes during the late 1980s and early 1990s, when he served as director general and later as head of the Interior Ministry. But in what commentators called a "technical" revision of the earlier ruling by the Jerusalem District Court, the high court said Deri was guilty of accepting \$95,000 in bribes, not \$155,000.

The justices also upheld the lower court's decision preventing Deri from serving as a Cabinet minister until 10 years after he leaves jail. □

JEWISH WORLD

WJC: Chase funneled Nazi assets

Chase Manhattan Bank helped funnel German assets back to the Nazis from France after the United States went to war against Germany, according to 1945 U.S. Treasury documents provided to Reuters by the World Jewish Congress.

The WJC said it provided the declassified documents after talks with Chase aimed at opening its wartime archives proved fruitless.

The documents also show that the bank offered to freeze both American and Jewish bank accounts during the war, the WJC said.

Church pays into slave fund

The Evangelical Church in Germany pledged \$5 million to a fund established to compensate Nazi-era slave and forced laborers.

The church said it acknowledged that German churches and church-related social agencies used forced laborers during the war for such things as cemetery upkeep.

Teens apologize for arson attack

Three German teen-agers charged with an arson attack on a synagogue in eastern Germany voiced regret for their actions.

All three, who apologized at the beginning of their trial, have admitted to participating in the attack in Erfurt last April on Hitler's birthday.

Teen program lauded

An intensive summer program in which Jewish, Catholic and Protestant teen-agers learn about community service and social justice from a religious perspective received high marks from independent evaluators.

The study by the Ford Foundation concluded that E Pluribus Unum, created in 1997 by the Washington Institute for Jewish Leadership and Values, leads to "dramatic intellectual and ethical development over a short period of time."

Filmmakers plan Shoah projects

Steven Spielberg is one of several prominent American and European filmmakers launching film projects on the Holocaust.

The creator of "Schindler's List" is employing four top Eastern European directors for a series of one-hour documentaries based on the testimonies of Holocaust survivors, according to the entertainment trade newspaper Variety.

In another Europe-based project, director Roman Polanski plans to start shooting early next year on "The Pianist," based on Polish author Wladyslaw Szpilman's best-selling memoir of survival in the Warsaw Ghetto.

BEHIND THE HEADLINES

Israel lobbyists relieved after China sale canceled

By Michael J. Jordan

NEW YORK (JTA) — Israel's cancellation of a \$250 million sale of military technology to China is being seen as an effort to soothe U.S. criticism during Middle East peace talks at Camp David.

Canceling the deal — for an early-warning radar plane system known as Phalcon — also removes a thorn in the side of pro-Israel lobbyists in Washington.

Cancellation may now facilitate passage of a foreign aid bill that earmarks nearly \$3 billion for Israel, but has come under fire in recent weeks specifically because of the Phalcon deal.

The radar deal has hampered lobbying efforts for the foreign aid, forcing American Jewish lobbyists to devote extra time and energy to quashing two recent attempts in the U.S. Congress to withhold a \$250 million slice of the foreign aid package to Israel, equal the amount of the China sale.

Heated congressional hearings over the past few weeks may have driven home the point to Israeli Prime Minister Ehud Barak and his advisers that the sale was indeed damaging relations with the United States, according to a spokesman for the leading pro-Israel lobby in Washington.

"We saw an unprecedented level of criticism aimed against Israel over the sale," said Kenneth Bricker, spokesman for the American Israel Public Affairs Committee.

"Clearly, once the Israelis were alerted to the substance of the two public hearings, I think they began to realize the gravity of the situation."

But the timing of the cancellation also coincided with the Camp David summit. Attention is beginning to focus on the financial or military commitments the United States may have to make to underpin any peace deal.

An unnamed U.S. official was quoted as describing the canceled deal as "a goodwill gesture on Barak's part."

The leading congressional critic of the proposed sale praised Israel's about-face.

"For the sake of U.S. national security interests and, in fact, the national security interests of all our allies, such as Israel, I am glad that this matter has been resolved," said Rep. Sonny Callahan (R-Ala.), chairman of the House Appropriations subcommittee on foreign operations.

Israeli leaders routinely herald their "unique relationship" with the United States.

At the same time, though, Israel boasts a burgeoning defense industry that needs new markets to keep its products innovative and profitable. Observers speculated that pressure on Barak to establish new trading partners, like China, may have been behind the deal.

The Phalcon system would have been mounted on modified Boeing 707 airplanes. The deal would have given China the option of buying three to seven more of the planes.

Observers also suggest that Barak has been so single-minded in his pursuit of peace in the Middle East, that he may have underestimated how much the China deal rankled some in the Clinton administration and U.S. Congress.

American officials have expressed concern that the sale would endanger the security of Taiwan, a U.S. ally, and could be used to track U.S. aircraft should there be a military conflict there.

In the end, burnishing the U.S.-Israeli relationship may have outweighed pressure from Israeli defense contractors.

"Israel will not do anything to harm the United States," said Barak spokesman Gadi Baltiansky.

Baltiansky said the decision was made against both "the background of the need to have intimate relations with the United States" and "the background of American objections" to the deal.

He added that Barak had "expressed sorrow" to Chinese President Jiang Zemin in a letter that formally announced the cancellation. □

At the base of the summit, Jewish activists play to media

By Neil Rubin

Baltimore Jewish Times

THURMONT, Md. (JTA) — Sitting on the porch of his 200-year-old house, Gary Megee tapped an ash from his cigarette and expressed little interest in the action down the road.

"It don't impress me too much," the Vietnam War veteran and small business owner said of the nearby Mideast peace talks. "It's just a waste of the taxpayers' money. Besides, those people over there have been fighting for thousands and thousands of years."

Of course, many others do care — even in this 5,000-person town in the mountains that is home to few Jews.

A few doors down on East Main Street, Holly's Country Florist offers a "peace process special — \$12.99 for a dozen roses" and a window sign that reads, "Bill, Ehud and Yasser, Think Peace." A sporting goods store at the town's main intersection had this in the window: "Peace for Jerusalem, Lower Gas Prices."

If it was unclear how much the town's residents cared about the summit going on at nearby Camp David, Jewish activists made up for the townspeople's lack of intensity.

Emotions were intense at Thurmont Elementary School, where world media representatives split the parking lot with summer school teachers.

Volunteers from the Apples United Church of Christ sold lunch inside, while small contingents of pro- and anti-peace summit groups peacefully occupied a corner of the parking lot.

Then the bus from New York City arrived. It brought some members of Women in Green, who casually joined their colleagues from the Baltimore chapter of the hawkish group.

But members of Kahane Chai, the radical right-wing group, also got off the bus. Instantly playing to the media, their members began chanting, "Barak is a traitor, no retreat from Jewish land."

One member almost got into a fistfight with a pro-peace demonstrator who ate a sandwich in front of a "The Majority Chose Peace" sign.

Fourteen-year-old Yaacov Freedman, a student at the Talmudical Academy in Baltimore, arrived with his mother because "Israel is our homeland and they keep giving away our land. And it's not real peace. Peace means no more murder, burning and no more terrorism."

But in contrast to the negotiations between Syria and Israel hosted earlier this year in Shepherdstown, W.Va., where opponents of the talks dominated the news coverage, this time those supporting the talks appeared to hold sway.

The Religious Action Center of Reform Judaism organized a small but spirited solidarity rally, with support from the Israel Policy Forum, Americans for Peace Now and ARZA/World Union.

Just before disembarking at the Thurmont Elementary School, rally coordinator and RAC legislative assistant Rachel Glast prepped the amateur spinmeisters about key policy points and interview etiquette.

"Please feel free to talk to the press, and please don't use any fanatical rhetoric," she said, while handing out a concise "talking points" memorandum.

As the solidarity demonstrators descended the bus steps, they were ready for action. Carrying placards with slogans such as

"American Jews support peace" and "Pro-peace, pro-Israel," the demonstrators formed a semi-circle as camera shutters clicked and television crews filmed a relatively brief media moment.

But others who supported the talks did so with reservations.

Thirty-six high school students from the Reform movement's Joseph and Betty Harlam Camp waved signs supporting the peace talks, but didn't seem enamored with the "land for peace" formula.

"We're supporting the process," said 16-year-old Lauren Schlanger, an Owings Mills High School student. "We don't support every action, but we support that the leaders have come to the U.S. to try and work out an agreement."

Back in the center for journalists, a group of Arab journalists munched on bagels with cream cheese while four children played on the floor in front of them. A nearby television offered CNN Headline News reports from the summit.

At least one group seemed pleased with the day.

Before leaving Thurmont, the RAC's legislative director, Jeff Mandell, praised the teen demonstrators as a credit to the Reform movement's youth programs and reassured all the demonstrators, "What we've done today has gone extremely well."

Called out one bus rider, "Watch the evening news!" □

(Merry Madway Eisenstadt of the Washington Jewish Week contributed to this report.)

Swiss suspend sentence of spy, ending bungled Mossad scandal

By Fredy Rom

LAUSANNE, Switzerland (JTA) — The conviction and suspended sentence of an Israeli spy appear to have ended a scandal that strained Israeli-Swiss relations.

But after the trial, a Swiss lawmaker charged that the wrong man may have been tried in the botched 1998 wiretapping.

After the Swiss Federal Court convicted a man known as Isaac Bental, the name the Mossad agent used for the trial, it suspended his one-year sentence and allowed him to leave immediately for Israel.

The defendant was one of five Mossad agents caught in 1998 as they tried to wiretap phone conversations of a man living in a Bern suburb.

The other agents were freed, but Bental was kept in custody because he had a diplomatic bag containing the tools used to install the eavesdropping gear.

During the trial, Bental admitted that each of the three charges against him was true — that he had acted illegally for a foreign country, conducted political espionage and used false foreign identification documents.

His lawyers argued that because the wiretap target was a Hezbollah member, Bental's actions were justified to try to prevent terrorist attacks against Israel.

But last Friday, the five-judge panel found him guilty of all charges. The court rejected prosecutors' demands that Bental be imprisoned for 15 months.

Israel expressed satisfaction with the sentence. But at least one Swiss lawmaker did not.

"It is possible that the wrong man was on trial," Bernhard Seiler, a member of the right-wing Popular Party, said in a leading Swiss newspaper on Sunday. □