

Napster cuts deal with industry giant to end legal woes

BY SETH SUTEL
ASSOCIATED PRESS

NEW YORK — In a deal that could rescue Napster from legal limbo, Bertelsmann said Tuesday it was teaming with the Internet music-swapping service to develop a new membership-based distribution system that would guarantee payments to artists.

The German media giant will drop its lawsuit against Napster, make its music catalog available and gain the right to buy a stake in Napster. In the meantime, Bertelsmann will loan Napster money to help develop the subscription service.

The move marks a sharp break with other members of the music industry, which, along with Bertelsmann, sued Napster for copyright infringement, trying to shut down the free service on which millions trade bootleg recordings.

Through labels such as Arista, RCA and Ariola, Bertelsmann sells records by performers such as Britney Spears, Whitney Houston, Kenny G and Carlos Santana.

The recording industry has struggled to find a formula for music distribution that protects royalties.

In a joint statement, Bertelsmann and Napster said they would "seek support from others in the music industry to establish Napster as a widely accepted membership-based service and invite them to participate actively in this process."

Bertelsmann owns BMG. The other major music companies are Sony, Universal, Warner and EMI. It was not immediately known whether any of the others would follow suit.

Bertelsmann chairman Thomas Middelhoff said Napster has "pointed the way for a new direction for music

distribution, and we believe it will form the basis of important and exciting new business models for the future of the music industry."

Bertelsmann, which also owns book and magazine publishers as well as a major broadcasting network in Europe, has been ramping up its push into the online world. It owns a major stake in Barnes & Noble.com, all of CDNow, and numerous other Web sites.

Napster chief executive Hank Barry called the deal the "right next step" for the company. Barry had said recently the company was thinking about charging monthly membership fees to users.

Napster has taken off since being founded last year by then-college freshman Shawn Fanning, snarling college computer networks and sparking public debate over whether intellectual property can be protected in the dawning Digital Age. The company is awaiting a federal appeals court ruling on whether it can continue operating pending trial in a suit filed by the recording industry.

Several other online music sites, led by MP3.com, have embraced such subscription models. None of them use the wildly popular peer-to-peer file-swapping method employed by Napster.

MP3.com was also sued by recording companies for copyright infringement, but has settled with all but Universal.

Whether fee-based Internet music delivery services will be viable remains to be seen. A number of software programs freely distributed on the Internet, such as Gnutella and Freenet, allow users to swap bootleg music without the need for a central server clearing-house of the type Napster provides.

crucial to the Democrats. Jimmy Carter in 1976 was the last president elected without winning California, and before that, it was John F. Kennedy in 1960.

The governor tried to identify himself with Reagan, who went from the Sacramento state house to the White House, on the experience question and by likening his proposed across-the-board tax cut to Reagan's of 1981.

Sen. John McCain, who as a primary rival had himself questioned Bush's readiness, called the Democratic challenge to the governor's experience "the latest sort of desperation tactic."

"I promise you, I know, that this man is fully prepared," McCain said.

Bush was seeking votes in San Jose before flying north to Portland and then on to Seattle.

CAMPAIGN

from page 5

man was running for president. But those kind of folks forget that when you're a governor, you have to lead."

Bush's performance wasn't all seriousness, though. He joked about his tendency to miff lines and mispronounce names. "Too bad all the world leaders aren't named Al Smith," Bush said.

When Leno put on a Bush Halloween mask, the governor said, "That's scary," then donned a Gore mask. "This is more scary," he said.

Bush told his California crowds he will upset Gore in the state, which is

Relatives of EgyptAir crash victims congregate for one-year anniversary

BY DAVID RISING
ASSOCIATED PRESS

NEWPORT, R.I. — Relatives of the 217 victims of the crash of EgyptAir Flight 990 gathered Tuesday, the first anniversary of the disaster, to dedicate a memorial whose rough-hewn sides symbolize their pain.

The granite memorial stands in a seaside park in the city where families went a year ago after the Boeing 767 plunged into the Atlantic off the Massachusetts island of Nantucket.

More than 500 relatives, friends and dignitaries attended the memorial service, which began about an hour late as buses brought people to Brenton Point State Park.

Some mourners held flowers and some cried as a chill wind whipped the tent shielding them.

National Transportation Safety Board Chairman James Hall arrived early and spoke with family members before speaking at the ceremony. Rhode Island Gov. Lincoln Almond ordered all state flags flown at half-staff for the day.

In Egypt, independent religious ceremonies also were held Tuesday to mourn those killed when the plane crashed about an hour after taking off from New York en route to Cairo.

There has been no final determination of the crash's cause, but there

has been speculation that co-pilot Ganeel El-Batouty deliberately crashed the plane. Egyptians have vehemently rejected that possibility, instead favoring theories that a missile or mechanical failure were to blame.

The granite monument is roughly hewn on three of its four sides, symbolizing the families' difficult journey since the crash.

An inscription in gold lettering on a black background reads: "In loving memory of the 217 family members and friends lost on EgyptAir Flight 990. ... May God's eternal light shine upon them."

The final phrase, "They are not gone from us," is inscribed in French, Arabic and English.

On the ground before the monument are 217 bricks etched with the names of those who died.

"There's nothing beautiful about it," said Jack Afonso of Riverside Stone Co., who created the monument. "This is to commemorate the dead." Beyond the monument is a panoramic view of the ocean, the sound of the waves lapping against the rocks a few hundred feet away.

Five coffins of the unidentified remains recovered from the crash site have already been buried in the Island Cemetery. A sixth was to be buried Tuesday in a private service for the families.

New Zealand scientist proposes new theory on mad cow disease

BY EMMA ROSS
ASSOCIATED PRESS

LONDON — A veterinary scientist has proposed a new theory for the origin of mad cow disease, saying he believes it likely came from a wild animal commonly found outside Britain that was chopped up for cattle feed in England.

Roger Morris, a professor of animal health at Massey University in New Zealand, has spent years investigating about a half-dozen credible theories of how British dairy cattle could have contracted the disease, blamed for the deaths of 81 people so far.

Until now, scrapie, a brain-wasting disease found in sheep, has been the prime suspect because of its similarities to bovine spongiform encephalopathy, or BSE. But Morris said his research indicates it is less likely the outbreak was caused by cows being fed scrapie-infected sheep.

Morris said he is investigating a list of about 15 suspected wild animals, but would not specify them until his research is published in a scientific research

journal sometime next year.

"There are a range of wildlife species I see as potential sources, but I've not yet come to a conclusion on which species it's most likely to be," he said in an interview this week.

Dr. Hugh Pennington of Aberdeen University in Scotland, who has researched the disease, said Morris' theory was just one of a number of credible theories of the origins of the outbreak. Pesticides and bacteria have been ruled out as the cause.

Experts say while pinpointing the origins of mad cow will not help the British control the human form of the illness, variant Creutzfeldt Jacob disease, it is important for heading off future outbreaks elsewhere around the world.

An independent committee commissioned by the British government published a report Thursday that also downgraded the idea that mad cow disease originated from scrapie. But that group reached a different conclusion, questioned by some experts, which says a genetic mutation in a single cow was responsi-

Western Europe continues to be hit by storm system

BY CHRIS FONTAINE
ASSOCIATED PRESS

LONDON — A storm system raging across Western Europe continued to wreak havoc in the air and sea Tuesday, bringing down an Italian military helicopter and sinking an Italian cargo ship loaded with chemicals.

Storm-related deaths rose to at least 15, with six confirmed dead in the helicopter crash and one Danish rescue worker drowned while trying to help the crew of a German cargo ship caught in a North Sea storm.

Eight people, four in France, three in Britain and one in Ireland, were killed by the storm Monday, mostly in traffic accidents involving fallen trees.

A second ship, the Italian tanker Ievoli Sun, founded Tuesday off the northwest coast of France, a day after its crew members were rescued from the stricken vessel.

The boat was carrying 6,000 metric tons of styrene, isopropyl and methyl ethyl ketone. Environmental groups warned that the chemicals, especially styrene, could cause serious ecological problems if they leak from the ship and get blown toward the French coast.

Styrene, used in the manufacture of plastics, is highly toxic and causes cancer in laboratory animals.

"There is a potential for a serious marine pollution incident here," said Paul Johnson, a Greenpeace International scientist based at Exeter University in southwest England.

In Italy, a military police helicopter crashed off a Tuscan island overnight, killing at least six of the officers aboard.

A search was under way Tuesday to find two other people aboard, including a prisoner being transported from the island of Capraia to Leghorn, on the Tuscan coast.

The helicopter crashed just after takeoff, in a violent storm.

"I didn't hear any explosion beforehand," port official Maurizio Capomandirolo told the ANSA news service. "Only a sort of crash when it ended in the water."

Off the west coast of Denmark, a rescue worker fell overboard and drowned and another was seriously injured while trying to help the crew of the German cargo ship Faros.

The eight-man crew gathered in a lifeboat, but it capsized. All eight eventually climbed aboard a rescue dinghy from the Danish ship.

Fierce storms had barreled across western Europe on Monday, grounding flights, cutting power to thousands of homes, stranding ferry passengers and snarling road and rail traffic.

The aftermath of severe gusts and heavy rain continued to plague Britain on Tuesday with train services delayed, roads closed and river flood warnings remaining in force.

Nearly 30 rivers in southwest England were at risk of severe flooding, officials said.

Most of the country's transportation system was expected to be back to normal by midmorning. Railtrack, the private company that operates Britain's rail network, said about 1,000 trees had been cleared from lines in southern England alone.

Israel attacks Arafat's headquarters as retaliation for killings of 2 Israelis

No casualties reported in latest round of violence

BY SERGEI
SHARGORODSKY
ASSOCIATED PRESS

JERUSALEM — Israeli helicopter gunships rocketed command centers of Palestinian leader Yasser Arafat's movement in the West Bank and Gaza Strip overnight in retaliation for the slayings of two Israelis, presumably by Palestinians.

In the wake of the tough response, Israeli Prime Minister Ehud Barak worked Tuesday to build a political alliance with the ultra-Orthodox Shas party, while prospects faded for a partnership with the hawkish Likud faction.

For several weeks, Barak had sought to bring Likud leader Ariel Sharon into his crumbling minority government. Contacts broke down Monday night, after the prime minister refused to grant Likud a veto right over future peace talks.

An angry Sharon said Barak could no

longer be trusted.

"Apparently, he is not fit to lead the country," said Sharon, whose Sept. 28 visit to a contested Jerusalem shrine was cited by the Palestinians as a trigger for Israeli-Palestinian fighting.

Since that day, 143 people, the vast majority Palestinians, have been killed in gun battles and rock-throwing clashes.

Israel unleashed its helicopter gunships late Monday, in retaliation for a deadly shooting attack on an Israeli security guard in an Arab area of Jerusalem, and the stabbing death of an Israeli resident of the city's Jewish neighborhood of Gilo.

Arafat said the helicopter raids would not shake the resolve of young Palestinian activists, "these children who throw the stones to defend Jerusalem, the Muslims and the holy places."

In Nablus, the largest West Bank town, Palestinians shot in the air as they heard the roar of helicopter engines, but failed to prevent the gunships from sending two missiles into the Fatah office in the city.

Israeli machine gun fire also damaged the temple and offices of the biblical

"There are a range of wildlife species I see as potential sources, but I've not yet come to a conclusion on which species it's most likely to be."

Roger Morris

Professor of Animal Health, Massey University

ble.

"I rank that low. The genetic mutation theory is even less likely than scrapie. There's no evidence for it at all," Morris said.

Morris said he theorizes that a wild animal carrying a version of BSE specific to its own species somehow arrived in Britain, was captured and its brain and organs ended up in a batch of feed given to about 1,000 dairy cows in the southwest of England between 1975 and 1977.

About half of the cows then became infected, he said, adding that the infected cattle ended up in other parts of the country before being recycled as cattle feed in 1981, spreading the disease.

BSE has an incubation period of about

five years. The first cases of mad cow disease were identified in Britain in 1986. Scientists believe humans caught the disease by eating processed food containing the infected brains and organs.

Scrapie, BSE and variant Creutzfeldt Jacob disease are all types of illnesses known as transmissible spongiform encephalopathies. They are all fatal and result in a mass of sponge-like holes in the brain.

Scrapie was the only other similar disease known to infect farm animals, and waste from slaughtered sheep was used in cattle feed, so scientists focused on investigating a link between the two diseases.

Aryan Nations leader files for bankruptcy to pay court verdict

Richard Butler owes \$5.8 million

BY NICHOLAS K.
GERANIOS
ASSOCIATED PRESS

COEUR D'ALENE, IDAHO — The leader of the Aryan Nations has filed for bankruptcy, days before he was to surrender his 20-acre compound to satisfy a civil rights lawsuit.

Richard Butler, 82, was vilified on the streets of Coeur d'Alene during the weekend and denied use of a hotel for a news conference. On Monday, he listed assets of about \$300,000, mostly in the land and buildings of the compound, against liabilities of more than \$5.8 million, his share of the \$6.3 million lawsuit judgment.

Under the Chapter 7 bankruptcy filing, his assets are to be liquidated to pay his debts, said Norm Gissel, the attorney who represented Victoria and Jason Keenan, who were attacked by guards outside the Aryan Nations compound.

The compound was scheduled to be turned over to the Keenans this week, but Gissel said that likely will not happen because of the filing.

"It means justice is delayed, but not denied," Gissel said.

The Keenans were chased and shot at by Aryan Nations security guards near the group's compound in 1998. Jurors ruled on Sept. 7 that Butler and his organization were negligent in selecting and overseeing the guards, who assaulted the Keenans after they had stopped to

search for a dropped wallet near the compound's entrance.

The bankruptcy filing came on the heels of Saturday's Aryan Nations parade through downtown Coeur d'Alene. The parade drew about two dozen marchers, who were shouted down by hundreds of protesters in what may have been the last hurrah of the Aryan Nations.

Directly behind the marchers were two city street-sweeping trucks.

"It was a symbolic move," Police Chief Tom Cronin said. "We swept them out of town."

After the parade, Butler tried to hold a news conference at a room he had rented in the Coeur d'Alene Inn. But hotel security and police officers blocked the door to the hotel.

It was another bitter pill for the Aryan Nations to swallow. Once ignored, if not exactly tolerated, the Aryan Nations in recent years has faced rising opposition in Idaho. Attacked by politicians, business and religious leaders, Butler and his followers have found themselves ever more isolated.

Butler held a final news conference Saturday at the compound that has been the group's headquarters since the 1970s. He has already moved out, so there was no electricity. It was dark and cold in the church.

A stained-glass window behind the pulpit, which showed the Aryan Nations' shield and swastika symbol, had been shattered by a vandal's rock.

Butler railed from his pulpit against the trial that cost him his home.

"A lot of people know it was a railroad job," Butler said. "You know it, and I know it."

"They were able to steal a man's property," Butler said.

Samaritans, followers of an offshoot of Judaism. About 600 Samaritans live in two communities, one in Israel and one in Nablus.

Samaritan leaders said Israeli troops were aware of the location of the shrine when they opened fire. "This is a sacred place and they should respect it," said temple caretaker Fathi Abu Hassan.

Col. Raanan Gissin, a spokesman for the Israeli army, said Israel fired warning shots first in order not to injure civilians.

Gunships also strafed Fatah offices in the West Bank town of El Bireh, injuring five people, witnesses said. Israeli aircraft also flew over the Gaza Strip, hitting command outposts belonging to Force 17, Arafat's elite bodyguard unit, and Fatah offices in the towns of Khan Yunis and Rafah.

Barak's chief police adviser, Danny Yatom, said the rocket attacks were intended as a warning to Fatah, whose gunmen have taken the lead in shooting attacks on Israeli targets. "We are trying to signal to the Palestinians that we know who is responsible," Yatom told Israel army radio Tuesday.

Monday night's attack was one of the

most intense in 34 days of fighting.

The Israeli military has said it is changing tactics and going on the offensive against Palestinian gunmen, deploying special units trained in guerrilla warfare.

Deputy Defense Minister Ephraim Sneh said Israeli officials "do not want to broaden and deteriorate the conflict," but instead seek to restore calm and return to the negotiating table.

"What we are doing in the battlefield right now stems from this strategic goal," he said.

Israel's chief peace negotiator, Gilead Sher, has said President Clinton has put together ideas for reviving peace talks, and that Israel was willing to consider them. Clinton spoke to Barak for half an hour by phone Monday night.

The president has invited Barak and Arafat to Washington for separate talks, though no date has been set.

One of the obstacles to a resumption of negotiations has been the political instability in Israel, exacerbated by the reconvening of Israel's parliament Monday after a three-month recess.