



NEWS AT A GLANCE

■ **The Senate Foreign Relations Committee approved the nomination of Martin Indyk to become the next U.S. ambassador to Israel.** If the full Senate confirms Indyk, the Australian-born 43-year-old would become the first Jew to serve in the post. [Page 2]

■ **The U.N. Security Council debated the issue of Israeli settlements in the West Bank at the behest of the Palestine Liberation Organization.** Israeli Ambassador Gad Ya'acobi attacked the PLO for raising the issue, calling the move "incompatible with its signed commitments vis-a-vis Israel." The PLO's U.N. observer, Nasser al-Kidwa, said "any settlement activity in the occupied Palestinian territory, including Jerusalem," was a violation of the Declaration of Principles signed by the PLO and Israel in 1993.

■ **Israel and Syria resumed negotiations in Washington.** The meetings between Itamar Rabinovich, Israel's ambassador to the United States, and his Syrian counterpart, Walid Muallem, could lay the groundwork for a breakthrough in the peace talks when Secretary of State Warren Christopher visits the Middle East next week, State Department officials said.

■ **Lithuanian President Algirdas Brazauskas said he was ashamed of his country's participation in the murder of Jews during World War II.** Lithuania's role during the war and its recent dealings with former Nazi criminals cast a shadow on the president's historic three-day trip to Israel. [Page 3]

■ **Muslim fundamentalists, chanting slogans such as "Kill the Jews" and "Death to America," marched to the Israeli Embassy in Cape Town to protest the killing of their co-religionists in various parts of the world, including "Palestine" and Bosnia.** [Page 3]

■ **A dramatic decline on the Tel Aviv Stock Exchange created panic among Israeli investors.** The drop spilled over to the country's provident funds and savings funds, eroding the savings of hundreds of thousands of ordinary people who do not play the market and believed that their nest eggs were safe. [Page 4]

YIVO unpacks treasure-trove of documents lost since World War II

By Larry Yudelson

NEW YORK, Feb. 28 (JTA) — On the third day of unpacking the "attic" of Eastern European Jewry, archivists at the YIVO Institute for Jewish Research were still finding surprises.

They found a letter from Albert Einstein, a poster for what might have been the Vilna premiere of "The Dybbuk" in 1921, an invitation to the Lubavitcher rebbe's wedding and a pink 1937 ticket to the women's section of the Vilna Great Synagogue.

And that was just in the first six of the 35 boxes of YIVO's original archives that arrived here last week from what is now Vilnius, Lithuania.

The crates are crammed with letters, minutes, student newspapers, children's notebooks, photographs and posters documenting Jewish life and culture in Eastern Europe before the Holocaust. All told, the trove contains at least 50,000 pieces of paper.

"These are all mirrors of a vanished world," said Alan Nadler, YIVO's director of research.

When the Germans occupied Vilna in 1941, they shipped most of the YIVO archives to Frankfurt. These made their way to New York after the war, where they became the core of YIVO's current holdings.

But the archives that remained in Vilna, where YIVO had been founded in 1925, disappeared for the duration of the Cold War.

They were discovered three years ago, crumpled into crates piled in the basement of a Catholic church confiscated by the Lithuanian Central State Archives.

Now, every page has been flattened, placed in an envelope, numbered in pencil and stamped in red with the Lithuanian archive's seal.

But the Lithuanians regarded the documents as national treasures and refused to return them to YIVO. After years of negotiations, the Lithuanian archive permitted the shipment here of 35 boxes out of a total of 200. But the archive is demanding that these be returned before more are shipped.

"We are still negotiating," Nadler said.

Every envelope reveals a cross section of Eastern European Jewish life and "shows the breadth of the world that they inhabited," Nadler said.

A trip back through time

As YIVO Associate Archivist Fuma Mohrer carefully leafs page by page through the contents of an envelope, she jumps back and forth in time. What she finds is:

- A Yiddish flyer urging aid to orphans from World War I.
- Handwritten scraps, apparently recording arrests in the Vilna ghetto after the Nazi occupation in 1941.
- Minutes from a YIVO board meeting.
- Eight pages from a mimeographed school newspaper, with Hebrew articles heralding the imminent founding of The Hebrew University in Jerusalem and making fun of the faculty in the Purim spirit ("We apologize if, God forbid, we offend anyone"). There is also a Yiddish article on how to start a newspaper.

• A page from a pre-Passover sermon.

And many pages — some handwritten, some printed, some mimeographed — whose meaning and significance will only be revealed after careful examination and research.

The task of properly sorting, cataloging and microfilming these 35 boxes is expected to take a year. YIVO plans to exhibit selections from the archives.

"This will considerably enrich our knowledge of the history of the time," Mohrer said.

She points to three large pages, copies of a form that recorded the contributions made by tens of thousands of Jews toward a new Torah scroll after the death of Rabbi Israel Meir HaCohen, the beloved Chofetz Chaim, in 1933.

Each page records which letters in the scroll the inhabitants of a specific shtetl purchased.

"We already have lots of these," said Mohrer. "But if you take all

of them, you have a great portrait of a certain strata of Jewish life."

Early on, Nadler found an eyewitness account of the 1919 pogrom in the Ukrainian town of Uman-Doubava, recording the names of the 187 people killed. First among them was the shtetl's octogenarian rabbi, the father of the famed Hebrew writer Micha Josef Berdyczewski.

Nadler holds up another document. "This is a handwritten eyewitness account of a pogrom in Rasova. Do you know where Rasova is? I haven't any idea," he said.

Among the papers are materials that the Vilna YIVO collected from overseas. From Palestine, a bright Hebrew poster urges Jews to eat "Hebrew watermelon." From New York, a 1914 Yiddish flyer announces a general membership meeting for the Hebrew Bakers Union Local 100.

Despite the "chaos and shambles" of the archives today, as Nadler put it, the papers reflected the work of a decade-and-a-half of determined research before the onslaught of the Holocaust.

A network of amateur "collectors" scoured through the Eastern European countryside, finding records and information from vanishing shtetls.

"What motivated these people was a sense Jewish life was changing," said Nadler. "Folklore was vanishing. Dialects, especially in the hinterlands [were also disappearing]. Jews were undergoing a very rapid urbanization and life in shtetls and farms was disappearing."

"It was also their own leave-taking that was involved," added Mohrer. It was "not just because that world was disappearing but because they were leaving it."

If anything, this commitment to preserving the past only strengthened during the war.

A rescue effort 'for the future'

Rachela Melezin worked during the Holocaust in the YIVO building in Vilna, sorting out the YIVO and other Jewish materials for the Nazis.

As some documents were shipped off to form the basis of a Nazi institute in Frankfurt, Melezin and her colleagues tried to save what they could, smuggling papers back home at night into the ghetto, hiding them underground.

"We thought we could do something for the future," said Melezin, who now lives in Teaneck, N.J.

Melezin risked her life to save manuscripts because, she said, "I didn't believe at that time that my head belonged to me."

Zelig Kalmanovitch, who had edited the YIVO journal before working with Melezin in sorting books for the Nazis, used to reassure her.

"Kalmanovitch always said, 'Don't worry, after the war you'll get everything back,'" she recalled.

In 1943, the ghetto was liquidated and the YIVO building was closed.

Only 5 percent of Lithuanian Jewry survived the war.

Because of that fate, the many materials from children and schools take on a particularly poignant air.

There is a geometry notebook, with Yiddish notes underneath a graph of $4x+2y=33$ and $3x+5y=20$. Penciled sketches of Bunsen burners illustrate science notes. A child's stick-figure coloring of "my tottie" (my father) lies alongside a latke recipe.

A letter from New York to someone in Vilna, dated Oct. 21, 1940, stated: "Conditions with regard to procuring visas have not changed."

Yet despite the destruction, Nadler noted that the continuity between the YIVO archives of half a century ago and the organization's work today.

He found a hand-drawn certificate presented to

Tsemakh Shabad on his 60th birthday. Shabad was a founder of YIVO, an active member of the Central Yiddish School Organization and a member of the Polish Senate.

A year ago, YIVO marked what would have been his 130th birthday with a one-day conference in New York.

The boxes also contained a booklet of stamps with Yiddish and Polish lettering and a bold, art deco design. The stamps were to promote YIVO's building fund for its Vilna building.

"The amazing thing," said Nadler, "is that the same day this stuff arrived, we closed the purchase of our new building." □

Indyk moves a step closer to ambassador post in Israel

By Matthew Dorf

WASHINGTON, Feb. 28 (JTA) — Martin Indyk's confirmation as U.S. ambassador to Israel continued its smooth sailing this week as the Senate Foreign Relations Committee approved his nomination.

Without comment, the 10 senators present at the committee meeting Tuesday voted to send Indyk to Israel.

If the full Senate confirms Indyk, as it is expected to do as early as Thursday, the Australian born 43-year-old would become the first Jew to serve in the post.

Officials said Indyk could assume his position in the coming weeks.

Indyk, known as a staunch supporter of Israel, worked as a consultant for the pro-Israel lobby, the American Israel Public Affairs Committee, in the mid-1980s.

He now serves as President Clinton's National Security Council adviser on the Middle East. After leaving AIPAC, Indyk was instrumental in founding the Washington Institute for Near East Policy, where he worked as the think tank's founding executive director.

Indyk would succeed Ambassador Edward Djerejian, who resigned last summer after seven months to head a public policy institute at Rice University in Texas.

Indyk's nomination gained the support of the majority of the pro-Israel community. However, some groups opposed to the peace process, such as Americans for a Safe Israel, sought to derail Indyk's nomination because he crafted and supported the U.S. policy of offering American forces to serve as monitors on the Golan Heights if Israel and Syria ask for troops as part of a peace agreement.

The issue has become a contentious one on Capitol Hill. Depending on the timing of the Senate's action, Indyk could still travel with Secretary of State Warren Christopher when Christopher visits the Middle East next week. But State Department officials said that is unlikely.

Christopher plans to travel to Israel, Egypt, Jordan, Syria and Gaza and could resume shuttle visits to Jerusalem and Damascus if the need arises, a State Department official said.

Christopher's trip comes as Syria and Israel resumed negotiations in Washington this week, with meetings between Itamar Rabinovich, Israel's ambassador to the United States, and his Syrian counterpart, Walid Muallem.

The Washington meetings could lay the groundwork for a breakthrough in the peace talks when Christopher visits Damascus and Jerusalem, officials here said.

Dennis Ross, the State Department's special Middle East coordinator, participated in the meetings with Rabinovich and Muallem, a State Department official said. Vice President Al Gore also plans to visit the region next month on a separate trip. Gore is scheduled to travel to Egypt, Jordan, Israel, Oman and Saudi Arabia. □

**Admitting shame for the past,
Lithuanian leader visits Israel***By Naomi Segal*

JERUSALEM, Feb. 28 (JTA) — Lithuanian President Algirdas Brazauskas launched a historic state visit to Israel this week, saying he was ashamed of his country's participation in the murder of Jews during World War II.

Brazauskas arrived in Israel on Tuesday with a delegation of 29 businessmen and his foreign minister for a three-day trip aimed at boosting ties between the two countries.

Both Lithuania's role in the Nazi extermination of Jews, and its more recent dealing with former Nazi criminals cast a shadow on the trip.

The visit came in the wake of a controversy over Lithuania's decision not to prosecute Aleksandras Lileikis, an 87-year-old Massachusetts man whom the U.S. Justice Department is seeking to deport.

As head of the Vilnius Gestapo, Lileikis played a significant role in the death of tens of thousands of Jews, according to the Justice Department.

After initially saying they did not have enough evidence to prosecute Lileikis, Lithuanian officials announced last week that they would reopen the case.

During a visit to the Yad Vashem Holocaust Memorial here, Brazauskas told protesters that his country would prosecute Lithuanian war criminals.

But the country's rehabilitation policy remains in effect. Dozens of people convicted by the Soviet Union for collaborating with the Nazis were later pardoned by the Lithuanian government.

Ephraim Zuroff, the head of the Simon Wiesenthal Center in Jerusalem, told Israel Television that Lithuania had not brought any war criminals to trial since its independence in 1991. Lileikis would be the first.

Officials of the two countries were scheduled to discuss issues relating to cooperation in health and medical issues. The visiting leader was scheduled to meet with the Israeli prime minister and foreign minister, and to address the Knesset. □

**Muslims chant 'Kill the Jews,'
burn flags at S. Africa protest***By Suzanne Belling*

JOHANNESBURG, Feb. 28 (JTA) — Muslim fundamentalists, chanting slogans such as "Kill the Jews" and "Death to America," marched to the Israeli Embassy in Cape Town last week to protest the killing of their co-religionists in various parts of the world, including "Palestine" and Bosnia.

Outside the embassy last Friday, Israeli and U.S. flags were smeared with red paint. Protesters then set fire to the flags.

On Monday, the South African Jewish Board of Deputies Monday condemned "in the strongest terms" the "racial hatred and intolerance" expressed in the Muslims' chants, especially "Kill the Jews."

"We are shocked and disgusted at this naked racialism in South Africa," said Simon Jocum, chairman of the Cape Council of the board.

"This incitement to racial murder cannot be tolerated and we call on the authorities and all fair-minded people to condemn it immediately."

Jocum said the protesters' conduct had no place in South Africa and "grossly offends" the spirit of the country's new constitution: "If left unchecked, such conduct will destroy the fabric of our society and any hope for a culture of tolerance and reconciliation in a democratic non-racial South Africa." □

**Former bankers appeal
convictions to High Court***By Naomi Segal*

JERUSALEM, Feb. 28 (JTA) — Israel's High Court of Justice has begun hearing the appeals of eight former bankers who were convicted of charges relating to Israel's biggest financial scandal.

The eight men, all former heads of Israel's leading banks, were given large fines and, in some cases, prison sentences last April and May.

The punishments by the Jerusalem District Court culminated the scandal surrounding the bank share collapse of 1983.

The manipulation of bank share prices at the time spurred buying of shares until they dominated 70 percent of the market.

When the Tel Aviv Stock Market crashed in October 1983, many small investors and private businesses were devastated and billions of shekels were lost. Only the intervention of the government, which effectively nationalized the banks, prevented large-scale bankruptcies and the closing of major banks.

The affair cost Israeli taxpayers approximately \$9 billion.

Among those seeking an appeal of their sentences this week were Ernst Japhet, the former chairman of the board of Bank Leumi; Aharon Meir of Bank Mizrahi; and Rafael Racanati of Israel Discount Bank.

Japhet, who received the harshest sentence, was given an 11-month prison term and fined some \$300,000.

An attorney for two of the former bankers argued this week that their clients did not have the necessary criminal intent for a conviction.

The lawyer also said the case was one of double jeopardy.

In addition to the sentences handed down last year, he said, a government inquiry commission in 1986 had banned the defendants from any further involvement in their banks.

Arguments in the case are expected to last several weeks. □

**Rabin rejects proposal
on settlements by Peace Now***By Naomi Segal*

JERUSALEM, Feb. 28 (JTA) — Prime Minister Yitzhak Rabin has rejected a request by members of the leftist Peace Now movement to dismantle 26 Jewish settlements in the West Bank.

The Peace Now proposal called for the evacuation of 26 of the smallest and most strategically problematic Israeli settlements. The proposal would have affected about 7,000 of the more than 100,000 settlers living in the West Bank.

The group said the settlements had to be evacuated in order for Palestinian self-rule to be extended to West Bank areas.

Peace Now leader Tsali Reshef said after Monday's meeting that his group had expected Rabin to reject its proposal, but that the issue would continue to be open for discussion. He recalled that Peace Now had urged the Israeli government to open talks with the Palestine Liberation Organization long before it became acceptable, or even legal, in Israel.

Prior to the signing of the Palestinian self-rule accord in September 1993, Israel had a law preventing all contacts with the PLO. Rabin also reportedly told the group that he did not support a Palestinian state, but would agree to a Palestinian entity existing alongside Israel. □

NEWS ANALYSIS**Decline of Israeli stock market poses headache for government***By David Landau*

JERUSALEM, Feb. 28 (JTA) — With world money markets reeling in the wake of the collapse of Britain's Barings investment bank, the problems on Israel's stock exchange seem like small potatoes.

But for the government of Prime Minister Yitzhak Rabin, troubled by waning support for its peace policy, the steep and ongoing decline in Israeli share prices is posing a major headache.

By midweek, Israel's leading stock-price index, called the Mishtanim in Hebrew, stood at 146 points, about the same level it was at three years ago.

The same index topped 230 points just 10 months ago.

The drop has affected not only share prices, but has also spilled over into the country's provident funds and savings funds, eroding the savings of hundreds of thousands of ordinary people who do not play the market and believed that their nest eggs were safe.

The provident funds, known in Israel as Kupat Gemel, represent the investments of Israeli workers, with matching investments often provided by their employers, in bonds and other financial instruments.

Unlike Americans investing in pension funds, Israelis are able to withdraw from the provident funds prior to reaching retirement age.

After a lengthy Cabinet meeting Sunday, the government issued a strong statement of support for its own bonds, which form the bulk of the assets of the major provident funds.

Bond prices may continue to tumble

The Cabinet statement, coupled with intervention by the Bank of Israel, arrested the downward drift of bond prices Monday and Tuesday.

Nonetheless, thousands of small investors are believed to have sold their holdings in these funds, with many more planning similar moves in the days ahead.

Market analysts predict that if this market continues, bond prices will continue to tumble, too.

The major provident funds hold only 10 percent of their assets in stock shares. The rest are in bonds, and are therefore cushioned against all but the sharpest drops in the market.

But the latter part of 1994 saw such a drop, with some prices down by as much as 50 percent.

As a result, these funds — which had been earning an average of more than 4 percent in recent years — showed losses of more than 8 percent in 1994, causing widespread dismay.

The near-panic atmosphere currently prevailing on the Tel Aviv Stock Exchange triggered renewed calls for Finance Minister Avraham Shohat to resign.

Shohat, who was criticized for the recent fiasco surrounding a controversial capital-gains tax that was revoked just before going into effect, spent the week insisting that he has no intention of resigning because of the stock markets.

Likud leaders claimed in the Knesset on Monday that Shohat was dragging the economy into ruin.

But appearing on a television talk show later the same evening, Shohat maintained that the economy is strong.

With the country's gross national product at \$65 billion and the economy enjoying a steady growth rate, Israeli citizens ought to be enjoying a sense of national and individual prosperity, analysts say.

And indeed, many of them are. Weekend holidays in European cities are now no longer the province of the fortunate few, but a common way for middle-class professionals to spend their leisure time.

However, the boom has not meant prosperity for all.

In fact, the social gaps in Israeli society, according to experts and to official statistics, are wider than they ever have been.

Disparities in earnings and in living standards, discernible in every major city today, make it difficult to believe that Israeli society was noted for its egalitarianism just a generation ago.

Now, even those directly benefiting from the economic boom have been shaken by the downward plunge of the stock exchange.

This loss of confidence makes it all the more difficult for the government, determined to adhere to its 10-year plan to privatize government-owned industries, to dispose of its assets at good prices.

In the political arena, this lack of confidence translates ominously into a shift in voter attitudes — a point keenly felt by Rabin himself. □

Islamic countries criticize NATO dialogue on extremism*By Joseph Kopel*

BRUSSELS, Feb. 28 (JTA) — Some Islamic countries are criticizing a dialogue initiated by the North American Treaty Organization about fundamentalism in the Arab world, particularly because the countries in question were not included in the discussions.

Iran and Libya were among the nations that sharply attacked the NATO initiative, according to sources.

Stressing that the initiative was not "a crusade against Islam," NATO Secretary-General Willy Claes held separate talks last Friday with the ambassadors of Israel, Morocco, Egypt, Tunisia and Mauritania.

None of the five countries is a member of the alliance.

Earlier this month in Brussels, 16 NATO ambassadors had concluded that more attention should be paid to the instability of areas such as Northern Africa and the Middle East.

Claes said Islamic fundamentalism had emerged as perhaps the single gravest threat to the alliance and Western security since the collapse of communism in Eastern Europe.

"The purpose of this dialogue is to spread security, not find new enemies," a diplomat from NATO stated last week.

The diplomat continued: "NATO doesn't want to interfere in the internal affairs of the southern Mediterranean countries."

Claes himself tried to defuse the controversy by saying that "religious fundamentalism, whether Islamic or of other varieties, is not a concern for NATO."

After the meetings with Claes, Egyptian Ambassador Mohamed Shaaban and Mordechai Drori, Israel's ambassador to the European Union, said the issue of religious fundamentalism was not raised.

The ambassadors said discussions with Claes had to do with security and stability in the region of the Mediterranean.

Spain had introduced the idea of a dialogue, which was supported by Italy and France.

However, it was reported that Italy and Spain feared that Claes' statements about Islamic fundamentalism would increase the risk of terrorist attacks in their countries. □