



NEWS AT A GLANCE

■ **The New York State Supreme Court upheld the legality of the Kiryas Joel Village School District, allowing the Satmar Chasidic community to continue running its own public school for disabled children. Created by the state Legislature in 1989, the district was ruled unconstitutional by the U.S. Supreme Court last July. In response, the N.Y. Legislature quickly passed a new statute enabling villages to form their own school districts if certain conditions are met. The court ruled in response to a challenge by Louis Grumet, the original plaintiff in the case.**

■ **The financial scandal plaguing Israel's ruling Labor Party intensified as reports surfaced naming senior party members alleged to have siphoned off funds belonging to the Histadrut labor federation for use in their 1992 election campaigns. In addition, a group of eight young Labor Party leaders called for an overthrow of the current party leadership. [Page 2]**

■ **Speaker of the House Newt Gingrich (R-Ga.) threw his weight behind total debt relief for Jordan. His remarks came as the full House prepared to debate the House Appropriations Committee's recommendation that debt relief for Jordan be slashed from \$275 million to \$50 million. Israeli Prime Minister Yitzhak Rabin and Jewish groups had expressed alarm at the proposed cuts. [Page 2]**

■ **Israel's trade deficit doubled last year, from \$1.37 billion in 1993 to \$2.76 billion in 1994, the Central Bureau of Statistics announced. The import of goods and services expanded by some \$3.6 billion. The significant worsening of the balance was said to have been due to the large increase in purchases of consumer products by Israelis.**

■ **The foreign ministers of Israel, Egypt and Jordan and a senior Palestinian official concluded a meeting in Amman that focused on the issue of Palestinians displaced during the 1967 Six-Day War. Though no decisions were reached, the parties agreed to continue negotiations every three weeks. Meetings at the ministerial level would be held every two to three months. [Page 4]**

Christians' Jerusalem remarks dismay Israelis, Jewish groups

By Matthew Dorf and Jennifer Batog

WASHINGTON, March 8 (JTA) — A recent statement by eight prominent Christian leaders urging President Clinton to pressure Israel to limit its presence in Jerusalem has prompted sharp criticism from Israeli leaders and Jewish activists.

Jewish groups, including the Conference of Presidents of Major American Jewish Organizations, the American Jewish Committee, the Anti-Defamation League and the Union of American Hebrew Congregations, immediately fired off statements denouncing the Christian leaders' words.

And in Jerusalem, Mayor Ehud Olmert swiftly responded, reiterating Israel's position that Jerusalem is the "sole capital of the state of Israel and the Jewish people."

Asserting that the "future of Jerusalem is open to peaceful negotiations," the Christian leaders asked the president to use his influence "to prevent this issue from being settled by force of events or the creation of facts on the ground."

"If issues centering on Jerusalem are not dealt with openly and directly by all affected parties, they have the potential to derail the peace process," the statement said.

The church leaders criticized Israel's assertion that Jerusalem will remain the "eternal and undivided capital of Israel." They further accused Israel of violating international law by expanding Jewish settlements in Jerusalem.

The statement also accused Clinton of "failing to recognize and support Palestinian rights and interests in Jerusalem."

Echoing the sentiments expressed by several Jewish organizations, Avi Granot, counselor for interreligious affairs at the Israeli Embassy in Washington, said, "We felt offended that there was no process of consultation."

"Our partners in a dialogue took a position without considering the validity of these statements," Granot said.

'We are deeply disappointed and saddened'

Granot pointed out that the status of Jerusalem is slated for negotiations between the Palestinians and Israel beginning as early as 1996. He said the embassy will look for an opportunity to meet with the church leaders.

The Jewish organizations struck an angry tone in their statements, expressing "shock," "disappointment" and "dismay."

They emphasized that Jerusalem is Israel's capital, admonished the Christian leaders for not consulting the Jewish community about the statement and said it could be detrimental to the peace process.

"The statement includes assertions that are based on inaccurate assumptions and misinformation," said Lester Pollack, chairman of the Conference of Presidents, and Malcolm Hoenlein, its executive vice chairman. "It advocates a biased, one-sided position that distorts reality and does a disservice to the current Middle East peace process."

The Anti-Defamation League agreed. A statement issued by David Strassler, ADL national chairman, and Abraham Foxman, ADL national director, said: "We are deeply disappointed and saddened that after so many years of Christian-Jewish dialogue, church leaders failed to reach out to the Jewish community on the sensitive issue of Jerusalem and chose instead to issue a public statement condemning Israeli policies in the Holy City."

The National Jewish Community Relations Advisory Council is organizing a meeting of Jewish leaders with one of the signatories, Cardinal William H. Keeler, president of the National Council of Catholic Bishops.

The meeting, being arranged at Keeler's request, is scheduled for early next week at Keeler's residence in Baltimore, according to Martin Raffel, NJCRAC's associate executive vice chairman.

The meeting will address Jewish concerns over the church leaders' statement. "We want to address our concerns with Cardinal Keeler, who has been a longstanding friend of Israel and the Jewish community," Raffel said. "We think the best way to respond is to have a dialogue."

In addition to Keeler, the Christians' statement, released Monday, was

signed by Monsignor Gerald Brown, president of the Roman Catholic Conference of Major Superiors of Men's Institutes; the Most Rev. Edmond Browning of the Episcopal Church; the Rev. Herbert Chilstrom of the Evangelical Lutheran Church in America; Kara Newell, executive director of the American Friends Service Committee; Archbishop Iakovos of the Greek Orthodox Archdiocese of North and South America; Metropolitan Philip Saliba, Antiochian Orthodox Christian Archdiocese of North America; and Robert Seiple, World Vision president. □

Financial scandal deepens as reports name some names

By Naomi Segal

JERUSALEM, March 8 (JTA) — The financial scandal surrounding Prime Minister Yitzhak Rabin's Labor Party deepened this week, as senior party members were named in allegations that they had siphoned off funds belonging to the Histadrut labor federation for use in their 1992 election campaigns.

Further waves were caused by reports that a group of eight young Labor Party leaders was calling for an overthrow of the current party leadership.

As Labor officials expressed hope that the growing scandal would not hurt their chances in the next election, police continued their investigation into the alleged embezzlement of hundreds of thousands of dollars of Histadrut funds by senior party officials.

According to Israeli news reports Wednesday, Histadrut officials have submitted the findings of an internal inquiry to the National Fraud Squad.

The report named five senior Labor and Histadrut officials in connection with suspected embezzlement, breach of trust and fraud. These included Transportation Minister Yisrael Kessar, former Histadrut Secretary-General Haim Haberfeld, Deputy Industry Minister Masha Lubelski, former Histadrut Treasurer Arthur Yisraelovitch and Knesset member Avi Yehezkel.

Israel Radio quoted Police Minister Moshe Shahal as saying that charges would be issued soon.

Kessar, a former secretary-general of Histadrut, denied the allegations against him.

Meanwhile, a group of eight Labor Knesset members met Tuesday night and reportedly called for the overthrow of the current Labor Party leadership. The group included Histadrut leader Haim Ramon, Deputy Foreign Minister Yossi Beilin and Avraham Burg, acting chairman of the Jewish Agency.

Burg told reporters after the meeting that the group felt that Rabin should be replaced. But Ramon denied that there was any plot to overthrow Rabin and his ministers.

Ramon, who bolted from the ranks of Labor when he launched his successful election bid for the Histadrut leadership last year, has reportedly been looking for a way to rejoin the party. He also is believed to have his own aspirations for the premiership.

But Ramon said Wednesday that he fully backed Rabin: "I have said it in the past, and will repeat it now. I will support the prime minister as candidate to the next prime ministership in the next election, and I will do everything to [get him] elected, regardless of which party I will be in myself."

After a meeting with Rabin on Wednesday evening, Ramon said he would ask the "group of eight" to moderate their statements during the next few days.

Labor officials acknowledged that the Histadrut scandal could have a negative impact on the party's prospects if elections were held now.

But they maintained that there was time before the June 1996 national elections to regain the voters' favor.

"No doubt about it, this affair can hurt the chances of the Labor party for the next elections," Tourism Minister Uzi Baram said.

"If the elections were to take place within a week, the picture is very clear," he said. "But we have more than 18 months, and we can improve the situation." □

Speaker Gingrich backs full debt relief for Jordan

By Matthew Dorf

WASHINGTON, March 8 (JTA) — The issue of debt relief for Jordan is not a question of if, but when, Speaker of the House Newt Gingrich (R-Ga.) said this week.

The House Appropriations Committee has come under fire from the White House, Israeli Prime Minister Yitzhak Rabin and some Jewish groups for proposing to cut debt relief for Jordan from \$275 million to \$50 million. According to the debt-relief formula, the \$275 would have erased all of Jordan's remaining debt to the United States.

With the entire House preparing to take up the bill, which also includes budget cuts for many anti-poverty programs, Gingrich declared his support for forgiving Jordan's full debt. "The whole argument now is a matter of timing," Gingrich told reporters at his daily news conference Wednesday.

"No one has any arguments, because you're not going to get the money back anyway," Gingrich said. "You're just keeping it on the books."

The speaker accused Clinton of blowing the issue out of proportion.

Clinton's press secretary, Michael McCurry, attacked the Republican-controlled Congress last week for attempting to derail the peace process.

Cutting the debt-relief package amounts to "yanking out one of the pillars of American leadership in the world," McCurry said.

Clinton had promised Jordan's King Hussein the debt-relief package last year, when Jordan agreed to sign a peace treaty with Israel.

Calling McCurry's attack "flagrantly inappropriate," Gingrich said, "I have been reassured by the White House that it will not happen again." □

Settlers withdraw petition to close down Orient House

By Naomi Segal

JERUSALEM, March 8 (JTA) — Israeli settlement leaders withdrew a petition to the High Court of Justice this week, after the government pledged to enforce legislation limiting Palestine Liberation Organization activities in Jerusalem.

The Council of Jewish Settlements in Judea, Samaria and Gaza had called on the court to force the government to close down Orient House and six other Palestinian institutions in eastern Jerusalem.

The settlers' group maintained that the institutions were acting as agencies of the Palestinian Authority in violation of both the self-rule accord between Israel and the Palestinians and a Knesset law banning such activities.

At the beginning of Wednesday's hearing, a government official said Israel intends to enforce the Knesset law and has initiated steps in that direction since the law's passage three months ago.

With this, the settlers withdrew their petition.

Meanwhile, Faisal Husseini, the top PLO official in Jerusalem, denied that any of the institutions are linked to the Palestinian Authority. He warned that closing down Orient House would end the peace process. □

Maverick Laborite brings Golan views to Capitol Hill*By Uriel Masad*

JERUSALEM, March 8 (JTA) — The latest contingent of Israelis intent on lobbying Congress and American Jewish leaders for and against government peace policies includes a maverick Labor member of Knesset who opposes withdrawal from the Golan Heights as part of any peace agreement with Syria.

Avigdor Kahalani's 12-day visit to the United States, which began this week, prompted outrage among Labor Party members, who demanded that disciplinary action be taken against him.

Kahalani, a former Israel Defense Force general, was a highly decorated hero of the Yom Kippur War who led the counterattack that blocked the Syrians' advance on the Golan Heights.

He now leads the movement against withdrawal from the Golan and chairs the Golan lobby in the Knesset. Prior to his departure for the United States, he said he intends to make the case against any withdrawal from the Golan Heights and is raising funds for The Third Way, a right-of-center movement that opposes some of the Israeli government's peace and security policies.

Prime Minister Yitzhak Rabin claimed earlier this week that Kahalani's visit is being sponsored by the right wing in Israel. Rabin also said he is glad that Kahalani is not meeting with U.S. administration officials, and that Kahalani does not represent Labor Party or Israeli government positions.

Complete alienation not affordable

Members of the Labor Knesset faction met with Rabin on Monday to discuss sanctions against Kahalani. Rabin refused to comment on the issue, but analysts suggested that Rabin was unlikely to discipline him because the prime minister, with such a slim majority in the Knesset, cannot afford complete alienation or possible defection by Kahalani.

Knesset member Nissim Zvilli, Labor Party secretary-general, said he considered Kahalani's visit to be a grave move. He also said his party, which has condemned Likud Party members for their advocacy on Capitol Hill, can hardly overlook Kahalani's tour.

Kahalani and four other Labor Knesset members were recently sanctioned by their party for their efforts to propose a private members' bill to the Knesset. The bill demanded that any decision regarding a withdrawal from the Golan Heights require by law the support of 70 Knesset members, and in the case of a national referendum, at least 50 percent of all registered voters.

Despite the sanctions by the Knesset Labor Party faction, Kahalani said he still intends to find a way to file his private members' bill.

During his U.S. tour, Kahalani is scheduled to meet with key congressional leaders, including Sen. Jesse Helms (R-N.C.), chairman of the Senate's Foreign Relations Committee, who has called negotiations with Syria "a fraud." Kahalani is also scheduled to address the National Press Club and speak at West Point Military Academy.

Kahalani denied that his trip was being sponsored by right-wing groups. "I am not meeting with the right," he said. "My actions are meant to strengthen my own party."

Kahalani also said that he does not intend to discuss the presence of U.S. troops on the Golan Heights as part of a peace agreement between Israel and Syria because, he said, he considers it irrelevant.

According to him, other troops, such as Swedish or Norwegian troops, could be stationed there.

Meanwhile, other Israeli reserve generals have scheduled visits to the United States in a concerted effort to persuade Congress and the leadership of the American Jewish community to support the extension of U.S. financial aid to the Palestinian Authority.

Ehud Barak, former IDF chief of staff, currently on a sabbatical in Washington, is scheduled to meet with the Conference of Presidents of Major Jewish Organizations on Friday. He is reportedly hoping to persuade the group to support the continuation of U.S. aid to the Palestinian Authority, which is in Israel's interests, he says.

Other former military commanders scheduled to join the peace debate in upcoming visits to Washington are Ori Orr, chairman of the prestigious Knesset Foreign Affairs and Defense Committee; Health Minister Ephraim Sneh, who headed the civil administration in the West Bank; and Shlomo Lahat, former Likud Party member and a former mayor of Tel Aviv. □

Holocaust survivor Princz scores victory in effort to win reparations*By Jennifer Batog*

WASHINGTON, March 8 (JTA)— Holocaust survivor Hugo Princz has scored a victory in his fight to win reparations from Germany.

Last week the U.S. Court of Appeals for the District of Columbia said the 71-year-old New Jersey resident can continue his lawsuit against the three German companies he was forced to work for as a prisoner at Auschwitz.

The German government had filed papers with the appeals court here to block the suit. The court ruled last week that the government had no stake in the case and could not raise objections on the companies' part.

Princz is seeking \$200 million in damages from the three parent companies. Princz has also tried to sue the German government for reparations worth an estimated \$5.7 million. He has been denied reparations since World War II because he was technically a U.S. citizen during the Holocaust.

Princz's attorney, Bill Marks, said he was "thrilled" with the decision. Marks hopes the decision will prod Germany into settling Princz's claim for reparations. If Princz reaches an agreement with Germany, it may not be necessary to sue, he added.

In January, the Supreme Court refused to hear an appeal on a lower court ruling that Princz could not sue the German government because under U.S. law, private citizens cannot sue foreign governments.

Supporters of Princz on Capitol Hill are awaiting the outcome of meetings between German officials and Princz's attorneys before introducing a bill that would force the Germans to pay the reparations. The bill would amend the Foreign Sovereign Immunities Act to allow victims of genocide to sue foreign governments. □

Petra vandalism bristles Israel*By Naomi Segal*

JERUSALEM, March 8 (JTA) — Israeli officials have tried to smooth over the tarnished image of its citizens, after reports that a group of Israeli tourists had defaced a biblical grave site in Jordan.

Israel Television this week broadcast footage of the desecrated Tomb of Aaron, near Petra, Jordan. In the Bible, Aaron was the brother of Moses. Hebrew lettering was scrawled on the ancient stone and some antique Hebrew lettering was partially chiseled away.

Tourism Minister Uzi Baram said he had asked advisers for steps to rein in callous Israeli travelers. □

Israeli, Arab officials discuss return of displaced Palestinians*By Naomi Segal*

JERUSALEM, March 8 (JTA) — Representatives from Israel, Egypt, Jordan and the Palestine Liberation Organization convened in the Jordanian capital of Amman this week for their first meeting to discuss the return of Palestinians displaced by the 1967 Six-Day War.

Differences in Israeli and Arab expectations from the meeting were evident in how each side described the session.

The Israeli team, led by Foreign Minister Shimon Peres, called the session an "informal consultation meeting," while the Arab leaders referred to it as a formal attempt to solve the problem of displaced persons.

The Palestinians, along with Egypt and Jordan, prepared a position paper proposing a timetable for the return of displaced Palestinians to the West Bank and Gaza Strip. They said there was no dispute over the question of their right to return.

Provisions for the return of displaced Palestinians were included in both the 1978 Camp David Accords and in the Declaration of Principles signed by Israel and the Palestinians in Washington in September 1993.

During Tuesday's meeting in Amman, Palestinian chief negotiator Nabil Sha'ath called on Israel to make a goodwill gesture by allowing the immediate return to the territories of 100 Palestinian families.

But Peres called for caution and "a realistic solution."

Number of displaced Palestinians disputed

"We must take care not to solve one problem by complicating others," he said in his opening statement before the gathering. Peres stressed that the Palestinian Authority must take into account socioeconomic conditions in the self-rule areas under its control and its ability to absorb a large number of Palestinians.

He called on the Palestinian leadership to seek international financial assistance in building the infrastructure needed to integrate returning Palestinians.

The actual number of Palestinians displaced by the 1976 Six-Day War has been a source of dispute.

The Palestinians have estimated the number of those displaced, as well as their offspring, at about 800,000.

Israel, which does not include descendants in its count, puts the figure closer to 200,000. Israel has pressed for a gradual return, and is believed to have offered compensation to those Palestinians who choose not to return.

Not on the agenda for the Amman meeting was the fate of the Palestinian refugees from the 1948 War of Independence. U.N. estimates put the number of refugees and their descendants at 2.7 million people. That issue is slated to be discussed in direct negotiations in 1996.

The parties in Amman agreed that a committee would meet about every three weeks to continue discussing the issue. They also agreed that meetings at the ministerial level would be held every two to three months.

Meanwhile, Jewish settlers protesting the talks in Amman staged a mock Palestinian return in Jerusalem on Tuesday.

Several dozen settlers dressed as Palestinians rented two light aircraft and landed at the Atarot Airport north of Jerusalem.

They walked off the airplane chanting slogans from the intifada, or Palestinian uprising, and offered mock praise for Palestine Liberation Organization Chairman Yasser Arafat. □

'Angel of Mostar' returns to Grozny to find remaining Jews*By Joseph Millis**The London Jewish Chronicle*

LONDON, March 8 (JTA) — Sally Becker, dubbed the "Angel of Mostar" for her past humanitarian work in the besieged Bosnian city, will return to the Chechen capital of Grozny later this month to locate dozens of missing Jews there.

The 34-year-old artist, who returned to Britain last week after a 10-day preliminary visit to the breakaway Chechen republic, will be making a return mission as a voluntary emissary of the Jewish Agency for Israel.

"The agency knows that there are between 40 and 100 people missing" from among the Jews who had reportedly fled the war-torn city of Grozny, Becker said in an interview. "When I go back, I intend to conduct a house-to-house search for them."

In December and January, the agency helped about 50 Jewish refugees who had fled advancing Russian troops emigrate from Chechnya to Israel. At the time, agency officials had estimated that some 40 Jewish families, comprising about 150 people, remained in Grozny.

Chechnya declared independence from Russia in 1991, but Russia never recognized the move. Russian troops attacked the republic this year in an attempt to reign in the rebels.

Becker said that during her efforts to help the Chechen Jews, she had met Berta-Nina Kostukova, a 57-year-old Jewish refugee from Grozny whose son and daughter-in-law are still in the Chechen capital.

"She had to move from one shelter to another after her flat was destroyed in the bombing. At one point she was very close to a tank that was destroyed," Becker said, adding, "She told me that the situation now is far worse than in the second World War. There are hardly any shelters left now and there are no air-raid warnings when the Russians attack."

She continued: "Most of the Jews are old enough to remember going through the same traumas during the war. They've lost all their possessions, but now they want to go to Israel, despite the fact that the thought of starting all over frightens them."

Becker said she had received the agency's blessing to help find the stranded Jews. When the agency's local representative tried to reach Grozny, "he was turned back by Russian troops," she said.

She added that, through the agency, she had managed to get the names and addresses of 30 people whom she was going to try to contact upon her return.

She is also determined to help the orphans — Jews and non-Jews alike — who are roaming the streets of Grozny. "I am the only person who is taking up their cause," she said. □

Horde of Chasidim attend brit milah*By Naomi Segal*

JERUSALEM, March 8 (JTA) — Hundreds of thousands of Belz Chasidim were in Jerusalem this week to celebrate the brit milah of the first grandson of the Belzer rebbe, Rabbi Yissachar Dov Rokeah.

The ceremony Monday was packed with Jews eager to share in the joyous moment. Some 3,000 Belz Chasidim flew in from abroad.

The boy's father, Aharon Mordechai, performed the brit milah himself. The baby was named after the founder of the Belz dynasty, Shalom Rokeah.

The Belz Chasidim, who flourished in Galicia, were nearly annihilated during World War II. □