



NEWS AT A GLANCE

■ High-level negotiations between Israelis and Palestinians are not expected to resume until after the U.S. elections. Dennis Ross, U.S. special Middle East envoy, told reporters that the gaps on a Hebron deal are bridgeable.

■ Swiss railway officials turned Jews over to the Gestapo and, after the war, allowed known Nazis to come to Switzerland, according to just-released documents from the U.S. National Archives. Meanwhile, the Swiss ambassador to the United States cautioned against "hasty conclusions." [Page 3]

■ The Hungarian Foreign Ministry confirmed that it made a secret deal with Switzerland to transfer assets of Holocaust victims to Hungary in 1973. [Page 3]

■ Some 8,000 works of art looted from Austrian Jews by the Nazis brought in about \$14.6 million — more than four times earlier estimates — from an auction in Vienna. The highest item was a 17th-century still life by Abraham Mignon, which was sold to a London Jewish art dealer for nearly \$1.2 million.

■ Jewish groups lauded N.Y. Gov. George Pataki for signing legislation that will aid some survivors of the Holocaust. The measure amends N.Y. state law to exclude monies received from German and Austrian governments as Holocaust reparations from the calculation of income for such programs as Home Relief and Medicaid.

■ The U.S. consul general in Jerusalem paid a condolence call to the family of a Palestinian boy who died this week after allegedly being struck by a security guard from a Jewish settlement. The Israeli organization Victims of Arab terror protested, saying that the U.S. official had never made such calls to the families of Jewish victims of terrorism.

■ The Knesset passed a preliminary reading of the 1997 state budget after intensive behind-the-scenes negotiations. The reading was viewed as a vote of confidence in the government of Prime Minister Benjamin Netanyahu. [Page 2]

BEFORE THE VOTE IS COUNTED

Christian Coalition zeroes in on local races — and the future

By Daniel Kurtzman

WASHINGTON (JTA) — Ralph Reed, the Christian Coalition's executive director, has said that in advancing his agenda he "would rather have a thousand school board members and 2,000 state legislators than a single president."

In recent years, the conservative Christian lobby has sought to achieve political power by building its movement from the ground up, a strategy that has become increasingly apparent in the closing days of 1996 election.

It is a strategy that worries many American Jews who oppose the group's conservative social agenda and fear its grass-roots strength.

The Christian Coalition has all but abandoned Republican presidential nominee Bob Dole — it considers him too moderate — and is now directing most of its campaign resources toward retaining the Republican majorities in Congress and electing state and local candidates who support its agenda.

To that end, the Christian Coalition is spending \$10 million to print and distribute 46 million voter guides to 120,000 churches on Sunday, two days before Election Day. It is also airing informational radio ads and is planning to mobilize more than 100,000 volunteers to get out the conservative Christian vote.

Even if the unprecedented drive makes no impact at the presidential level and fails to provide enough support for embattled GOP lawmakers across the country, most political analysts say it would be a serious mistake to write off the religious right.

The conservative Christians who make up the religious right political movement, analysts say, remain one of the most influential voting blocs in the country — and perhaps the most influential voice inside the Republican Party.

"In race after race after race, they nominated their candidate for Congress, for Senate, for state legislature," Mark Mellman, a Democratic pollster, said of this year's election cycle. "That's real power in the political process, and we ignore that power at our peril."

As Reed himself said last week at the National Press Club: "Religious conservatives have crossed the threshold of legitimacy and gained the place at the table they have sought for so many years."

"Whether one means them well or ill, they are indisputably going to be a permanent fixture on the American political landscape."

For many in the Jewish community, this reality has prompted considerable apprehension.

The Christian Coalition has advanced an agenda in recent years that has often come into direct conflict with positions supported by the bulk of the organized Jewish community. The group, which claims a membership of 1.7 million, has consistently pushed for constitutional amendments to ban abortion and allow for prayer in public schools. Loss of congressional control to the Democrats would almost certainly kill its agenda, which is why the Christian Coalition is working hard to help the GOP retain its majorities.

'A threat to our nation'

Most Jewish organizations, barred from partisan activity because of their non-profit tax-exempt status, have been limited in their ability to combat the Christian Coalition.

But some groups have been seeking to counter some of the religious right's influence by distributing voter education materials and holding candidate forums across the country.

A sample sermon contained in the organized Jewish community's voter registration and education guide spells out Jewish trepidation about the religious right in no uncertain terms. "The religious right is a threat to our nation, to the Jewish community and to our fundamental liberties," the sermon states. It goes on to say that "the leaders of the religious right are peddlers of coercion who, if given the chance, will launch a radical assault on pluralism, civil rights and religious freedom."

Some Jewish Democrats are directly taking on the Christian Coalition. The National Jewish Democratic Council has encouraged its members to get involved in campaigns across the country to help elect Democrats and defeat

Republican candidates "who are supported by the radical right," said Ira Forman, the group's executive director.

In addition, the NJDC is contributing more than \$250,000 to that end through its independent political action committee.

Jewish Republicans say Jewish characterizations of the Christian Coalition simply reflect Democratic scare tactics and are intended to drive a wedge between the Republican Party and the Jewish community.

Matt Brooks, executive director of the Republican-aligned National Jewish Coalition, said Jewish Democrats are guilty of "fear-mongering" in their attempt to portray the Christian Coalition and its constituency as inimical to Jewish interests.

"It's not in the Jewish community's interests to focus on what separates us," Brooks said. It is more important, he said, "to find ways we can cooperate."

Cooperation so far has been difficult to achieve, particularly when there remain such acute differences on issues involving the separation of church and state.

Regardless of whether candidates backed by the religious right win in 1996, the group's effectiveness in grass-roots organizing and influencing local races is likely to leave a mark on the future.

Candidates backed by the religious right "are gaining political experience and name recognition which will enable them to be more effective candidates for higher office later on," said William Martin, professor of sociology at Rice University and author of "With God on Our Side: The Rise of the Religious Right in America."

This success has left many Jewish political activists all the more determined to work to counter the religious right as a political force.

"These folks believe that time and history are on their side and that they inevitably will be able to impose their agenda on America," the NJDC's Forman said.

"They'll be back in '98, 2000 and 2004," he said. "They're a huge force in American politics, and we are going to be a force against them." □

Voter guides abound in effort to counter Christian Coalition

By Daniel Kurtzman

WASHINGTON (JTA) — Religious Americans, hoping to defuse the influence of the Christian Coalition in next week's election, are competing with the conservative Christian lobby at their own electoral game.

The Interfaith Alliance, which claims a membership of 40,000 people from a diversity of faith communities, is distributing 5 million voter guides in state and local races across the country where candidates supported by the coalition are bidding for office. The effort comes as a direct answer to the Christian Coalition's plans to distribute 46 million voter guides to 120,000 churches on Sunday, two days prior to the election.

The Interfaith Alliance formed in 1994 after the Republican takeover of Congress to provide "an alternative faith-based voice" and "to make sure it was clear that [Christian Coalition founder] Pat Robertson didn't speak for all religious people," said Jill Hanauer, executive director of the Washington-based group.

A number of rabbis and Jewish activists are involved in the group's leadership.

Hanauer said the alliance is attempting to counteract the Christian Coalition while simultaneously trying to restore civility to political discourse and advance an alternative agenda that helps families.

"The Christian Coalition's agenda is still a wolves' agenda in sheep's clothes," she said.

The Christian Coalition's executive director, Ralph

Reed, has "tried to put a family-friendly face on an extreme agenda that is absolutely anti-family and really threatens some of the fundamental tenets of our society, such as the separation of church and state."

The Christian Coalition would not respond directly to the charges, but welcomed the political activity of other religious groups.

"It's a good thing that they are energized and that they're out there and we wish them the very best doing the same thing that we are, and that is encouraging people of faith to get involved in the political process," said Monica Hildebrandt, spokeswoman for the coalition.

She said efforts to counteract the Christian Coalition appear to stem from a misperception that the group is partisan.

That, in fact, is the contention of the Federal Election Commission, which filed a lawsuit in July accusing the coalition of using voter guides, mailings and telephone banks in the past several elections to promote illegally the election of particular Republican candidates.

Federal law prohibits non-profit organizations such as the Christian Coalition from engaging in partisan political activity. The Christian Coalition has called the lawsuit "totally baseless" and "frivolous."

Hanauer said the Interfaith Alliance's voter guides comply with federal law because they "objectively" present candidates' positions on various issues, using their own language.

The National Jewish Democratic Council, meanwhile, is distributing its own voter guides in a handful of races to help defeat candidates supported by the Christian Coalition. Officials of NJDC, which is bound by the same laws as the Christian Coalition, maintain that its guides are non-partisan because they present candidates' positions without editorial comment.

A guide distributed in Pennsylvania states that incumbent Republican Rep. Jon Fox has received a 100 percent 1996 Christian Coalition rating, while his challenger, Democrat Joe Hoeffel, has denounced what he called the Christian Coalition's "intolerance."

In addition, the organized Jewish community has distributed voter registration and education materials to help raise awareness about the Christian Coalition's agenda and to generate political involvement.

The community, through a sample sermon it distributed, has also suggested that rabbis speak out about the threat posed by the religious right.

Other religiously based organizations, including Muslim groups and an alliance of black churches, have launched their own voter registration drives that come partly as a response to the political activity of the Christian Coalition. □

1997 budget passes first hurdle

By Naomi Segal

JERUSALEM (JTA) — After tortuous debate and intensive behind-the-scenes negotiations, the Knesset this week passed a preliminary reading of the 1997 state budget.

The approximately \$64 billion budget includes some \$1.6 billion in cuts that were approved by the government in July. Many of the budget's parliamentary critics, including members of the governing coalition, had threatened to vote against the budget, saying that the cuts would hurt the poorer segments of Israeli society.

Wednesday's preliminary reading was viewed as a vote of confidence in government policies.

The initial resistance to the budget voiced by coalition members had been an embarrassment for Prime Minister Benjamin Netanyahu. □

Swiss official speaks out as new evidence emerges

By Daniel Kurtzman

WASHINGTON (JTA) — Responding to intensifying attacks about his nation's wartime dealings with Nazi Germany, Switzerland's top diplomat here is admonishing U.S. government officials, Jewish groups and the news media to "avoid the trap of hasty conclusions."

The appeal came as new evidence emerged that Swiss railway officials turned Jews over to the Gestapo and after the war, allowed known Nazis to come to Switzerland.

Switzerland has found itself besieged in recent weeks by growing international pressure to determine the nature of its relationship with Nazi Germany, the fate of assets belonging to Holocaust victims deposited in Swiss bank accounts and the whereabouts of looted Nazi gold purchased by Swiss banks.

Switzerland's ambassador to the United States, Carlo Jagmetti, speaking at a packed news conference Wednesday at the Swiss Embassy here, conceded that Swiss banks made "some real mistakes" in the way they handled claims involving Holocaust survivors.

But he said a rush to judgment should be avoided until the facts become known. "Accusations should not be made before records have been carefully analyzed, and sinister motives should not be attributed to measures taken out of genuine concern," Jagmetti said. "Two untruths will never add up to the truth."

The appeal seemed to bewilder officials of the World Jewish Congress. "I don't think that when you're speaking 51 years after this event, any conclusion right or wrong can be termed hasty," said Elan Steinberg, executive director of the WJC, whose researchers have been sifting through thousands of recently declassified documents in the U.S. National Archives.

'Victims of injustice'

"For half a century, Holocaust survivors, and indeed the Jewish people as a whole, have been victim of terrible injustice," Steinberg added. "Even if all conclusions were arrived at tomorrow, it would be too late."

The Swiss Parliament is now in the process of establishing a commission to investigate the fate of all assets that reached Switzerland as a result of Nazi rule.

The Swiss Bankers Association and the WJC also have agreed to have former U.S. Federal Reserve Chairman Paul Volcker lead an investigation that will determine the value of dormant Swiss bank accounts belonging to Holocaust victims.

Jagmetti took issue with reports that Switzerland's investigation into its wartime past would take five years before any findings could be delivered. He said the commission examining bank and government records is expected to "produce early results."

Even as Jagmetti sought to defuse the controversy swirling around Switzerland, a newly declassified document uncovered by the WJC and obtained by the Jewish Telegraphic Agency added new contours to the emerging portrait of Nazi-Swiss collaboration.

An October 1945 internal American government memorandum from the State Department to the American legation in Bern states that during the war, Swiss railway police helped identify Jews, German deserters and other "politically persecuted persons" attempting to escape Nazi Germany and turned them over to the Gestapo.

Moreover, the Swiss rail authorities — who are identified by name and whose pro-Nazi activities are described in the memorandum — allowed Nazis to gain entrance to Switzerland after the war, the document states.

"The revelations become more shocking and grotesque," Steinberg said.

Jagmetti, meanwhile, disputed recent reports that Switzerland reached a secret agreement with Poland in 1949 to hand over unclaimed wealth of Polish Holocaust victims to Swiss citizens in order to compensate them for property that was expropriated by Poland's postwar Communist regime. The agreement, which Swiss officials initially denied, was "so far from secrecy that it was discussed and approved by the Swiss Parliament, widely covered by the press and even generated diplomatic notes from the U.S. government in 1950," Jagmetti said.

New evidence also suggests that Poland was not alone in reaching postwar agreements with Switzerland to settle claims. Hungary announced Wednesday that it would publish details of a secret deal between the Hungarian and Swiss governments to transfer assets to Hungary from accounts held by Jewish Holocaust victims.

At the news conference, Jagmetti also dismissed as highly "speculative" many of the figures floating around relating to the sum total of missing Jewish wealth. He referred to a \$20 billion class action lawsuit filed earlier this month by a 66-year-old New York woman on behalf of other survivors as "pure fantasy."

Steinberg, responding to Jagmetti's remarks, said, "He should not come to hasty conclusions."

Meanwhile, the House Banking and Financial Services Committee, following the lead of the Senate Banking Committee, announced that it would hold hearings after the election to examine all issues related to Switzerland's dealings before, during and after World War II. □

Hungary confirms 1973 deal on unclaimed Swiss accounts

By Agnes Bohm

BUDAPEST (JTA) — The Hungarian Foreign Ministry has confirmed that it made a secret deal with Switzerland to transfer assets of Holocaust victims to Hungary.

Switzerland promised in 1973 to transfer \$259,000 to Hungary, which was then under Communist rule, Marta Feksz, deputy head of the Hungarian Foreign Ministry's international law department, said in an interview.

Most of the money was to come from the unclaimed accounts of Holocaust victims, various reports said. The money apparently was never given to Hungary, but distributed directly among Swiss businessmen for their Hungarian property that was nationalized after the war.

The revelations come in the wake of Switzerland's naming of two historians to examine postwar Swiss deals with Poland, Czechoslovakia, Bulgaria, Yugoslavia, Romania as well as Hungary to use Jewish assets to compensate Swiss citizens for property in those countries.

A secret pact between Poland and Switzerland has recently garnered the most attention. The deal between Poland and Switzerland apparently enabled the Swiss to use Polish Jewish assets deposited in Swiss banks for safekeeping to compensate Swiss citizens. The assets of the Polish victims of the Holocaust are believed to have gone to Swiss nationals who owned property in Poland that was nationalized by the Communist government in Poland.

Feksz said the revelations would not affect ongoing talks about restitution between Jewish leaders and the current Hungarian government. "The money of the Hungarian Jews taken and deposited in Switzerland will not be included in the talks about compensation for confiscated Jewish property in Hungary," Feksz said. Earlier this month, the Hungarian Parliament approved a government plan that will partially compensate Hungarian Jews for property confiscated during the war. □

NEWS ANALYSIS

Arafat moves to the brink in delaying Hebron accord

By Gil Sedan

JERUSALEM (JTA) — It was shortly after midnight Sunday when the top Israeli and Palestinian negotiators sat down to talk.

The officials were cheerful. There were just a few points to clear, and an agreement seemed around the corner.

But then one objection led to another, and before long it was 5 o'clock Monday morning.

The much-spoken-of summit between Prime Minister Benjamin Netanyahu and Palestinian leader Yasser Arafat that would put the finishing touches on an agreement for an Israeli redeployment in Hebron did not materialize. Within hours, Arafat was on a plane to Oslo, where almost two years ago he was awarded the Nobel Peace Prize along with Yitzhak Rabin and Shimon Peres.

After unsuccessfully cajoling Arafat to remain until an agreement was signed, U.S. Special Middle East Coordinator Dennis Ross also took his leave, saying that he was returning for consultations in Washington.

Netanyahu, left alone, summoned a news conference during which he blamed Arafat personally for stalling the talks. Arafat seemed to be snubbing a host of leaders, most significantly President Clinton, who had phoned Netanyahu and Arafat the day before and urged them to work out a deal. Egyptian President Hosni Mubarak and Jordanian King Hussein had placed similar calls to the Israeli and Palestinian leaders.

But Arafat nonetheless flew off to Europe — as if he had all the time in the world, as if it were not a prime Palestinian interest to implement the redeployment in Hebron. Israeli policy-makers were puzzled. Even Peres, opposition leader and former premier, said the details being worked out in the talks were similar to the provisions of the Interim Agreement signed last year in Washington.

In broad brush strokes, the negotiators agreed to a division of Hebron that would create a well-protected Jewish entity while leaving the entire city within the hands of the Arab municipality.

So, if the deal was so close, what happened?

Acceptance of armed enclave

The explanation of Dr. Ahmed Tibi, Arafat's adviser, was that the Israeli negotiators wanted to deviate from the original agreement, but that Arafat would not tolerate any deviation. He added that the Palestinian negotiators felt that the Israelis were motivated more by internal political pressures than by a desire to resolve the real problems that existed with their Palestinian counterparts. But Tibi's explanation ignored the internal pressures in Arafat's own camp. And these may explain why Arafat preferred to delay inking an agreement.

Despite all the Palestinian maneuvering, despite all the Israeli concessions that evolved in the course of the negotiations, the Hebron agreement means, above all, Palestinian acceptance of an armed Jewish enclave within what the Palestinians perceive as an Arab city.

As Ehud Ya'ari, the Arab affairs analyst at Israel Television, put it, "Once the agreement is publicized, Arafat will have a lot of explaining to do to his own people. This will be a totally different agreement than the ones in Gaza and Nablus."

Unlike the six other West Bank cities from which Israel withdrew last year under the terms of the Interim Agreement, Hebron will include a Jewish population. And among that population is the most militant portion of the Jewish settler movement. Under the agreement, some 450

settlers will continue to live among the city's 100,000 Palestinians. At the same time, Hebron is the stronghold of the Hamas movement in the West Bank; it is where the opposition to Arafat's government is most menacing.

Once the agreement is implemented, and the Palestinians wake up to find out that Israeli army is still around to guard the settlers, the disappointment may be universal — and Hamas will surely take advantage of the frustrations.

As has already happened in Gaza, Arafat may have no choice but to respond with force.

To counter those potential frustrations, Arafat must be able to demonstrate that he held out for the best possible deal, that he got concessions from the Israelis.

Israeli officials say only three issues remained to be resolved: Israel's demand for the right to pursue suspected terrorists in self-rule areas; freedom of movement for Israeli troops in Arab sections of Hebron; and whether to open a main street that links the Jewish and Arab enclaves in the volatile West Bank town.

So Arafat plays hard-to-get until the final hour, perhaps until after the U.S. elections, perhaps even later.

Arafat has proven in the past that he is a master of brinkmanship. He did so when Israeli artillery bombarded Beirut in 1982, and he did it several times in the course of the negotiations with the Rabin government. Shortly before the signing of the Declaration of Principles on the White House lawn in September 1993, Arafat held things up when he wanted to introduce some last-minute changes in the agreement.

He played similar tricks during the Cairo summit in May 1994, when he grandstanded before the eyes of the world, drawing world leaders to the side of the stage as he tried to squeeze out yet another Israeli concession. And he is now doing it again, with the help of his top negotiators, Mahmoud Abbas, Arafat's second-in-command, who is also known as Abu-Mazen, and Saeb Erekat.

It is these internal factors that help explain why Arafat is in no hurry. He knows that after Hebron come the final-status talks — the hard issues such as Jerusalem, borders, settlements — which he cannot afford to enter if he is perceived by his own people as a political weakling.

Israeli observers are amazed at the huge gamble Arafat has taken in delaying the Hebron agreement. They are amazed because they know what he knows: One major terrorist attack against Israelis could do away with whatever achievements the Palestinians have made in the talks and set the entire process back to square one.

But to survive the Hebron agreement, Arafat seems ready to gamble. □

Peace Now: Settlement is illegal

By Naomi Segal

JERUSALEM (JTA) — The Peace Now organization has charged that an illegal Jewish settlement was set up near the existing settlement of Itamar, near Nablus.

Settlers said the mobile homes at the site were set up with the approval of civil administration authorities in the territories. But civil administration officials denied this, saying that the caravans would be considered "illegal construction."

Aharon Domb, an Itamar official, said some of the mobile homes had been in place for more than two years. He said others were there for five months. Domb also said the homes were placed within the boundaries of Itamar and could not be called a new settlement.

This week, Prime Minister Benjamin Netanyahu announced his approval of the sale of 3,000 empty apartments in the territories, effectively lifting the freeze, made by the previous Labor government, on their habitation. □