



NEWS AT A GLANCE

■ A U.S. appeals court threw a case involving the American Israel Public Affairs Committee back to the Federal Election Commission. The outcome will determine whether AIPAC should be subject to restrictive federal campaign finance laws. [Page 3]

■ President Nixon wanted the Internal Revenue Service to audit wealthy Jewish contributors to the Democratic Party. For some, the revelation from recently released tapes confirms the view that Nixon was anti-Semitic. [Page 3]

■ Switzerland's Parliament cleared the way for a federal decree that will start a sweeping study of Swiss financial dealings with Nazi Germany and the fate of Jewish wealth in Swiss banks. The decree is expected to be passed by Friday.

■ The chief rabbi of Bratislava, the capital of Slovakia, was beaten by skinheads outside the site of a former synagogue. Chanukah was to be celebrated the next day at the site.

■ The Israeli army refused to confirm a Time magazine report that Palestinian security officials are trying to obtain missiles. [Page 2]

■ Israeli police arrested six residents from the Arab Israeli town of Umm el-Fahm in the Galilee after they were accused of transferring funds to the families of terrorists. Meanwhile, seven residents of the Ramallah area were arrested on suspicion of belonging to Hamas, Palestinian sources said.

■ Iran is sending arms to the fundamentalist Hezbollah movement in Syria, an Israeli intelligence official was quoted as saying. The arms are flown to Damascus and then transported by truck to Hezbollah fighters in Lebanon. [Page 2]

■ Jordan announced that it would send a diplomat to Israel to push for a conclusion of the agreement of the Israeli redeployment from most of Hebron. The envoy was also expected to try to persuade Israel to cancel plans to build in Jewish settlements in the West Bank.

NEWS ANALYSIS

Labor, Likud gaps narrow on talks with Palestinians

By David Landau

JERUSALEM (JTA) — Six months after a bitter election contest, the Labor and Likud parties may not be all that far apart on how to approach the final-status talks with the Palestinians.

The talks, slated to be completed by May 1999, will address the thorniest issues confronting the two sides, including the status of Jerusalem, Israeli settlements, Palestinian statehood and Palestinian refugees.

Resumption of the final-status talks, which opened ceremonially several weeks before Israel's May elections, is expected after an agreement is reached on the redeployment of Israeli forces in Hebron.

Anticipating that a Hebron agreement is near, Prime Minister Benjamin Netanyahu told his Cabinet last Friday that they would soon begin discussing Israel's positions in the final-status negotiations.

When that time comes, the Cabinet may well be discussing a series of proposals worked out jointly by representatives of the governing Likud and opposition Labor.

Knesset member Yossi Beilin, who recently announced his own candidacy for the Labor leadership, and Likud Knesset faction Chairman Michael Eitan have been heading up talks with a view to mapping out areas of agreement between the two parties.

Beilin said during a visit to Washington last week that he expected an agreement to be finalized in the next four to six weeks.

Political observers in Israel who believe that there is the possibility of forging common ground between the two major parties cite the imminent redeployment from most of Hebron as a watershed.

Once that goes through, they say, Likud will have irretrievably compromised its key doctrine of a "Greater Israel."

Beyond Hebron, they continue, the question then becomes one of how much West Bank land Israel should keep.

This is the very same question that Labor itself has been grappling with ever since the 1967 Six-Day War.

Therefore, according to this viewpoint, there has been a dramatic narrowing of the gap between the two parties on the core issue.

This perspective was recently given public support by Tourism Minister Moshe Katsav, who declared that the two parties could reach agreement over the West Bank with relative ease.

Room for accord between Likud and Labor

On the issue of settlements, for example, there could be room for accord between Israel's two main parties — given the Likud's new readiness to give up parts of the West Bank.

Beilin, aided by the team that secretly negotiated the original Israeli-Palestinian accords in Oslo, reached in 1995 an informal but detailed accord with the Palestine Liberation Organization's No. 2 man, Mahmoud Abbas, also known as Abu-Mazen, on a permanent-status agreement.

Israel was to withdraw from most of the West Bank, but annex areas close to the pre-1967 border that contain many of the settlements and most of the settlers. Settlements in more outlying areas would either be dismantled, relocated into the retained settlement blocs close to the border or remain under Palestinian rule.

This informal agreement was concluded just days before Prime Minister Yitzhak Rabin was assassinated in November, after which the plan was effectively shelved.

It remains, however, the only agreed-upon basis for a permanent settlement.

It is predicated on two conditions that would presumably be difficult for many in the Likud to swallow:

- It calls for full Palestinian statehood in the Gaza Strip and the West Bank. The Likud is committed, at least for now, to oppose Palestinian statehood.

Nevertheless, some observers point to Netanyahu's recent comparisons of Andorra and Puerto Rico to the potential makeup of a future

Palestinian entity. This, they say, proves that he is pragmatic enough to accept that the permanent-status talks must satisfy in some measure the Palestinians' demand for sovereignty while assuring Israel's security.

• The annexation of the settlement bloc was to be set off, in the Beilin-Abbas agreement, by Israel's ceding some of its sovereign soil alongside the Gaza Strip to the Palestinians.

Here, too, some observers say that the Likud of today is much more pragmatic than in the past — and much more pragmatic than some of its current coalition partners. A land-for-land deal enabling Israel to hold onto the major settlements could yet find supporters in Netanyahu's camp.

If there is indeed ease in forging a consensus on talks with the Palestinians, what keeps Labor and Likud apart, according to Katsav, is the Golan Heights.

Other politicians and political observers, however, maintain that there is much flexibility in Netanyahu's ostensibly hard-line position on the Golan.

They cite a recent flurry of diplomatic messages from Jerusalem to Damascus, all to the effect that the Netanyahu government is ready to resume the long-stalled talks with Syria — though not necessarily from the position at which the previous Labor government broke them off in March.

Labor, according to the Syrians — and according to the Likud — was ready to trade all the Golan for a full peace with Damascus. The Likud is not ready to do so. But neither is it clinging to the "peace-for-peace" position, opposing territorial compromise, originally put forward by the government of Prime Minister Yitzhak Shamir when the talks with Syria began in 1991.

In contrast to these essentially optimistic assessments, there are many political pundits here who dismiss such views as pie-in-the-sky.

They maintain that Netanyahu's call for resuming permanent-status negotiations immediately after a Hebron redeployment are intended only to avoid the further West Bank redeployments called for in the Interim Agreement.

These observers maintain that Netanyahu believes that he can effectively halt the peace process after the Hebron redeployment and let the Palestinian entity crystallize in its current condition: a series of autonomous municipal enclaves surrounded by Israeli troops.

Implied threat to hard-liners

The Labor-Likud discussions on final-status talks come against a backdrop of ongoing speculation regarding the prospects of forming a national unity government.

This speculation has been encouraged by key figures in both parties, though there are also vigorous opponents of the idea in both camps.

Netanyahu's own sentiments are unclear.

Some observers see the Likud's ongoing flirtation with Labor as designed to soften any recalcitrance among hard-liners within the current governing coalition.

The talks with Labor carry an implied threat to the hard-liners: If you do not shape up, we can dump you and make common cause with Labor leader Shimon Peres.

The other reading is that Netanyahu wants to achieve maximum consensus among his partners as a way of strengthening his hand in subsequent talks with Labor.

He would then retain the option of keeping some or all his partners in an expanded unity government.

Peres, for his part, does not conceal his desire to join a unity government.

He has officially announced that he will not run for re-election as Labor leader when the party holds leadership elections in June. But by unspoken agreement, Peres has until September to be part of a unity government. □

Magazine says Palestinians seeking missiles; no IDF comment

By Naomi Segal

JERUSALEM (JTA) — The spokesman for the Israel Defense Force would not confirm a report published this week that Palestinian security officials are trying to obtain anti-tank and anti-aircraft missiles in preparation for a renewed confrontation with Israel.

The report, published in Time magazine, cited Israeli intelligence officials as saying that the Palestinians are attempting to beef up their arsenals in the wake of the riots that erupted in September, when Israel deployed tanks and helicopters.

The missiles would give the Palestinians a stronger response should more fighting break out with Israel, according to Time.

The Palestinians are forbidden to have missiles under the terms of the Oslo accords.

The IDF spokesman, while refusing to comment on Israeli intelligence assessments, would say only that the army was prepared to handle any threat to Israeli soldiers and civilians.

Palestinian security officials denied that the self-rule authority was smuggling weapons.

But they did acknowledge having at least 12 missiles that were confiscated from Islamic extremists or donated by Islamic groups.

The Time magazine report was widely covered by the Israeli media.

The Israeli daily Yediot Achronot reported that the missiles could lead to a confrontation far deadlier than the September rioting.

Fifteen Israelis and 61 Palestinians were killed in September's three days of violence.

The missiles are available not only from Islamic sources, the paper said, but could also be smuggled from Eastern Europe or from IDF bases. □

Iran, Syria beef up support to Islamic Hezbollah fighters

By Naomi Segal

JERUSALEM (JTA) — A senior Israel Defense Force officer was quoted this week as saying that Syria is increasing its cooperation with Iran in providing military assistance to the Islamic fundamentalist Hezbollah movement in Lebanon.

Citing an unnamed IDF intelligence source, the Israeli daily Ma'ariv reported this week that an "unprecedented" supply of arms has been flown from Iran into the Damascus airport.

From there, trucks transport the weapons to Hezbollah fighters in Lebanon.

Hezbollah has "control of over 90 percent of South Lebanon, including villages which were not previously run" by the Iranian-backed Shi'ite movement, the source was quoted as saying.

The arms shipments from Iran have enabled Hezbollah to "entirely rehabilitate itself" to the level of arms it possessed before the 16 days of cross-border fighting with Israel that erupted in April, the intelligence source said.

Hezbollah had recruited hundreds of villagers in southern Lebanon to provide the organization with intelligence information, the source added.

Officials in the IDF northern command have warned in recent months that Hezbollah's intelligence gathering capabilities had improved considerably and that the organization plans to escalate its attacks on Israeli soldiers operating in southern Lebanon. □

Federal appeals court questions ruling on AIPAC*By Matthew Dorf*

WASHINGTON (JTA) — In a stunning reversal, a federal appeals court has opened the question of whether the American Israel Public Affairs Committee should be subject to restrictive federal campaign finance laws.

In an 8-2 decision handed down last Friday and released Monday, the U.S. Court of Appeals for the District of Columbia ruled that the Federal Election Commission misapplied the law in a 1992 decision that found that the pro-Israel lobby did not fall under its jurisdiction.

The court "seems to be saying that AIPAC should register as a political committee," said Ian Stirton, the FEC's senior public affairs specialist.

The FEC, in response to a complaint filed in the early 1990s, found that AIPAC spent money in an effort to influence congressional elections, said Stirton, whose governmental agency monitors campaign contributions. But the FEC also ruled that this was not AIPAC's "major purpose," he said. The pro-Israel lobby, therefore, did not have to register as a political committee, Stirton added.

On appeal, a lower district court upheld the FEC ruling, as did a three-judge panel at the federal court.

But the plaintiffs pursued the case, appealing to the full panel of the U.S. Court of Appeals for the District of Columbia. The appeals court, in its ruling last week, said the "major purpose test" should not apply in this situation. With its decision, it threw the case back to the FEC.

Stirton said the FEC had many options. It can appeal the decision to the Supreme Court within 90 days, find another reason to rule that AIPAC is not a political committee or declare AIPAC a political committee.

AIPAC officials expressed optimism that in the end, the courts and the FEC would rule that they are not a political committee. "I'm convinced that if the FEC does reopen the case and get into the relevant facts and legal issues, they will come to the conclusion that we are not a political committee," said AIPAC President Melvin Dow. "The court did not decide that AIPAC is a political committee. The court did not decide that AIPAC violated election law. The court found that the FEC made a legal mistake," he said.

If AIPAC is forced to register with the FEC, the lobby would have to open its books to the FEC and the public. The FEC could also impose limits on contributions from AIPAC donors and limit spending on its political activity, officials said.

AIPAC officials vehemently deny that the lobby is involved in influencing elections and have called the complaint against it an action "by those who disagree strongly with the position AIPAC takes in regard to the U.S.-Israel relationship," Dow said.

The lawsuit was filed by James Akins, former U.S. ambassador to Saudi Arabia, and was supported by former Rep. Paul Findley (R-Ill.) and former U.S. Information Agency official Richard Curtiss. All are known for their staunch opposition to Israel. □

Tapes: Nixon targeted Jews in his anti-Democrat campaign*By Daniel Kurtzman*

WASHINGTON (JTA) — Reports that President Nixon wanted the Internal Revenue Service to audit wealthy Jewish contributors to the Democratic Party — imploring a top aide to "go after 'em like a son of a bitch" — have many Jews wincing.

According to recently released White House tapes,

Nixon urged his chief of staff, H.R. Haldeman, to "please get me the names of the Jews. You know, the big Jewish contributors to the Democrats. Could we please investigate some of the c--ks---rs? That's all," the San Francisco Examiner reported.

Robert Strauss, treasurer of the Democratic National Committee in 1971, called Nixon's comments in taped conversations from September 1971 "sickening."

"As a Jewish, politically involved Democrat, this language coming out of the mouth of a president of the United States is more than I can really comprehend," Strauss told the Examiner.

Abraham Foxman, national director of the Anti-Defamation League, said the tapes confirm that Nixon was "an anti-Semite," having "absorbed every ugly stereotype."

"This shows he was enveloped by it. It was part of his being, his worldview," Foxman said, adding that he was "troubled at how long it took to find out the extent of this illness." Foxman also expressed dismay that "there was no rebuke or challenge by any of his aides."

The ADL has honored every president since Dwight Eisenhower with its Democratic Legacy Award, with the exception of Nixon. Foxman, upon learning of Nixon's remarks, said he was "delighted we never did."

The conversations between Nixon and his top advisers are contained in more than 200 hours of tapes recently made available to researchers.

In a Sept. 8, 1971, meeting, the Examiner said, Nixon apparently urged John Ehrlichman, his domestic policy chief, to investigate Jewish contributors to 1968 Democratic presidential candidate Hubert Humphrey and to former Maine Sen. Edmund Muskie, then the front-runner for the 1972 Democratic nomination.

'The IRS is full of Jews'

"John, we have the power," Nixon said. "Are we using it to investigate contributors to Hubert Humphrey, contributors to Muskie — the Jews, you know, that are stealing in every direction?"

"Are we going after their tax returns? You know what I mean? There's a lot of gold in them thar hills. I can only hope that we are, frankly, doing a little persecuting."

In another conversation several days later with Haldeman, Nixon said, "What about the rich Jews? The IRS is full of Jews, Bob."

Haldeman suggested finding an anti-Semitic IRS agent, "a zealot who dislikes those people," to audit prominent Jews.

"Go after 'em like a son of a bitch!" Nixon replied emphatically.

No Jewish contributors were mentioned by name at any point in the conversations, and the San Francisco Examiner story said it could not determine whether any Jewish contributors were audited as a result of Nixon's directives.

Singling out political enemies for IRS audits was one of the charges cited by the House Judiciary Committee in 1974 when it called for Nixon's impeachment.

The taped conversations are not the only examples of Nixon's anti-Semitism to surface in recent years. In 1971, Nixon ordered an aide to compile a list of senior Jewish officials in the Bureau of Labor Statistics whom he suspected of running a "Jewish cabal," conspiring to hurt him by reporting inflated monthly unemployment figures.

Haldeman, in diaries published posthumously, also reported several times when Nixon's hostility toward Jews became evident. He wrote that Nixon sought to punish Jews for their lack of support by postponing delivery of U.S. jets to Israel after Jewish demonstrators disrupted a 1970 visit by French President Georges Pompidou. □

Government targets stores open on Sabbath in Tel Aviv*By Naomi Segal*

JERUSALEM (JTA) — The battle over whether so-called "blue laws" should be enforced, keeping businesses closed during the Sabbath, has taken a new turn.

On Saturday, inspectors from the Labor and Social Affairs Ministry raided snack bars and newsstands in the Tel Aviv area that were open on the Sabbath.

In an effort to prevent the ministry itself from violating the Sabbath, the inspectors carrying out the checks were Druse Arabs, not Jews.

Labor and Social Affairs Minister Eliyahu Yishai said the inspections were part of an effort to ensure fair competition.

"There are many business owners in Tel Aviv who do not want to work on the Sabbath, and they complain that because their competitors are open on the Sabbath, they have no other choice," he told the Israeli daily *Ma'ariv*.

"The auditors are doing their work throughout the country, and will continue enforcing the law," said Yishai, who is a member of the fervently Orthodox Sephardi Shas Party.

Tel Aviv Mayor Ronnie Milo sent a sharp letter to Yishai to protest the government raid.

Milo warned the minister against trying to change the current status quo.

Last week, after an Orthodox-sponsored rally was held Dec. 6 in Tel Aviv to prevent local businesses from operating during the Sabbath, there were reports that the ministry was tripling the number of its inspectors.

The head of the labor law branch at the ministry, Ephraim Kechalon, denied that the inspections were related to the rally. "The weekend raids had nothing to do with it," he told *Ma'ariv*. "This was an audit which was planned months ago."

During their rounds, inspectors slapped citations on the baffled owners of two snack bars in Ramat Gan, a municipality adjacent to Tel Aviv.

"We have been open [on the Sabbath] for the past eight years, and we were surprised to suddenly have auditors asking us for information," said Meir Ofer, an employee at one of the businesses.

"Our kiosk serves all of Ramat Gan. If they close our business on the Sabbath, I don't know if we can stay afloat."

Ramat Gan Mayor Zvi Bar said businesses that were open on the Sabbath did so with the consent of the municipal council, as part of the religious status quo.

"In any event, the [auditors] cannot close the kiosks, only write up reports," he said.

The auditors also warned shopowners in northern Tel Aviv that the area would be a central target in coming weeks. □

Palestinian students defy closure of Hebron University*By Naomi Segal*

JERUSALEM (JTA) — Some 300 Palestinian students broke into the campus of the Hebron University this week, defying a closure order in effect since March.

The students agreed to leave the premises only after being assured that the institution would be reopened in a week, Palestinian sources said.

However, Israeli security sources said no agreement was reached and that the closure order on the university, issued after a wave of suicide bombings in Israel, would remain in effect.

At the time, Israeli officials suspected that the campus was a center for Hamas activity.

The incident came as Israeli and Palestinians remained unable to strike a final deal on the redeployment of Israeli troops in Hebron.

The two sides have been stuck on details of security arrangements in the West Bank town, where some 500 Jewish settlers and 130,000 Palestinians live.

On Monday, when the students entered the compound, paratroop units were sent to the site.

Contacts ensued between Israeli and Palestinians security officials, resulting in the dispersal of the students, on the condition that they be allowed to leave quietly with no arrests.

Student representatives said the agreement called for the resumption of classes at the university, and at the Polytechnic Institute, also in Hebron. □

Hebron spokesman freed from jail*By Naomi Segal*

JERUSALEM (JTA) — The spokesman of Hebron's Jewish community, who was arrested last Friday during clashes between settlers and Israeli border police, has been released.

Despite police protest, Noam Arnon was freed Sunday after the Ashkelon Magistrates Court said evidence submitted in the case did not prove that he had assaulted a police officer.

Police had said Arnon attacked an officer who tried to prevent him from removing a sign placed by the Islamic Trust at the Tomb of the Patriarchs.

Arnon told the court that the officer attacked him.

After Arnon's arrest, dozens of Jewish settlers confronted Israeli border police at the site. A Jewish child was lightly hurt in the disturbances. □

Search for IDF soldier widens

JERUSALEM (JTA) — The family of an Israeli soldier who has been missing for more than three months met this week with Jibril Rajoub, the head of Palestinian security forces in the West Bank.

Shlomi Edri, the brother of missing soldier Sharon Edri, said Rajoub had assured the family that Palestinian officials would continue their efforts to determine what happened. "We were given no promises, just that the contacts which have been until now will continue," Edri told Israel Radio.

"There was a good atmosphere at the meeting, but it was also disappointing, because nothing is different."

Defense Minister Yitzhak Mordechai has said the army believes that Sharon Edri is being held against his will. Edri disappeared in August after leaving an army medical clinic in central Israel.

His family has not received any word from him. Nor has any group claimed to have kidnapped or murdered him. □

IDF operating in Lebanon

JERUSALEM (JTA) — Israel Defense Force officials have disclosed details about an elite unit that has been operating anti-guerrilla missions in southern Lebanon for the past 18 months.

Senior IDF officers said the unit — code-named *egoz*, Hebrew for "nut" — was trained to respond to terrorist incidents and did not target civilians.

Maj. Gen. Amiram Levine, head of the Israeli army's northern command, said recently that the unit had killed at least 16 Hezbollah gunmen in the past year. □