

NEWS AT A GLANCE

■ Israeli and Palestinian negotiators resumed efforts to reach an agreement on the redeployment of Israeli forces in Hebron. The contacts came after Israeli Prime Minister Benjamin Netanyahu and Palestinian Authority leader Yasser Arafat spoke by telephone in an effort to defuse escalating tensions. [Page 1]

■ President Clinton said settlements in the West Bank "absolutely" are an obstacle to peace. At a news conference, he also referred to the Israeli-Palestinian agreement to deal with settlements in the final-status talks. Nothing "should be done which would, in effect, be seen as preempting the outcome of something they've already agreed should be part of the final negotiations." [Page 2]

■ David Bar-Illan, the media adviser for Israeli Prime Minister Benjamin Netanyahu, rejected a letter from former top U.S. officials to the Israeli premier that urges the Jewish state to halt expanding settlements in the territories. [Page 2]

■ An Israeli soldier wounded in the 1995 suicide bombing at Beit Lid Junction died of his injuries. The death of Cpl. Asaf Ben Or, 20, of Kiryat Bialik, brought to 22 the number of people killed in the attack.

■ Hungarian prosecutors banned Adolf Hitler's "Mein Kampf" in response to Jewish groups that said the book violates individual rights. According to a 1986 media law written by the Communist government, anything that violates personal rights can be outlawed.

■ The Swiss National Bank said it no longer held any gold bars from Adolf Hitler's Reichsbank. The bank, under fire for buying Nazi German bullion during World War II, also rejected calls for an immediate Swiss payment to Holocaust survivors. [Page 3]

■ A wave of neo-Nazi violence in the German states of Brandenburg and Bavaria left 10 people injured. Right-wing extremists set on fire a hostel for asylum-seekers in the Bavarian town of Neuburg, among other incidents. [Page 4]

NEWS ANALYSIS**Israel's settlement policy overshadows peace process**

By David Landau

JERUSALEM (JTA) — Prime Minister Benjamin Netanyahu is facing a difficult balancing act.

Now, after his Cabinet agreed on a new pro-settlement policy, he is seeking to persuade an anxious world that the policy will not mean new or bigger settlements. At the same time, the premier is seeking to persuade the settlers themselves that the new policy will be more than mere words.

Netanyahu also faces members of his coalition, who are not united behind the settlement policy, and an opposition railing against the policy as endangering the entire peace process.

Beyond that, the United States and other countries have pressed Israel not to embark on a new settlement drive, warning that it would bury the peace process under a surge of new Palestinian protests and violence.

Even President Clinton this week criticized Israel for taking steps that could pre-empt the outcome of further Israeli-Palestinian negotiations.

One unexpected byproduct of the controversy surrounding Israel's latest move on settlements, however, was the resumption of the stalled talks on redeploying Israeli forces from most of Hebron.

A Netanyahu adviser, Israeli lawyer Yitzhak Molcho, met with Palestinian official Saeb Erekat Monday night in Jerusalem, the first time that the two sides had met in more than 10 days.

The meeting came after Netanyahu told Palestinian Authority leader Yasser Arafat in a telephone conversation Sunday night that the new policy did not mean expanding settlements or confiscating Palestinian land.

The Cabinet agreed to the new policy last Friday, 36 hours after terrorists belonging to the Damascus-based Popular Front for the Liberation of Palestine opened fire on a settler family from Beit El that had been traveling on a West Bank road.

Ita Tzur, 42, and her son, Ephraim, 12, were killed in the attack, which also wounded the father, Yoel, and four daughters.

Settlement leaders immediately demanded what they termed "a fitting Zionist response" — in the form of building 1,000 new homes near Beit El. Some demanded that a new settlement be founded at once on the precise site of the attack. Only in this way, said Pinchas Wallerstein, chairman of the settlers' Yesha Council, would the Palestinians be deterred from such acts.

According to settlement sources who spoke to the pro-settler newspaper Hatzofeh, the organ of the National Religious Party, Netanyahu indicated to the settlement leaders Dec. 11, immediately after the shooting, that he sympathized with their demands and would go along with them. But in the hours that followed, according to these and other sources, Defense Minister Yitzhak Mordechai and Foreign Minister David Levy, backed by top defense and security aides, dissuaded the prime minister from taking any drastic action.

Warnings of possible violence

According to leaked reports from top-level consultations, the head of the Shin Bet domestic security service, Ami Ayalon, warned that the Palestinian territories would explode into violence if Palestinians saw that Israel was embarking on new settlement building instead of concluding negotiations on redeploying Israeli forces from most of Hebron.

As a compromise, the Cabinet agreed to grant the settlements special tax breaks and other financial benefits similar to those given by the government to development towns in Israel and communities on the northern border.

The benefits had been rescinded in 1992 by then-Prime Minister Yitzhak Rabin.

Only one Cabinet member, Public Security Minister Avigdor Kahalani of the Third Way Party, opposed last Friday's decision to restore the subsidies. He argued that a new impetus to settlement activity would condemn Israel and the Palestinians to live locked in their deadly embrace forever.

Levy agreed with the majority vote, but he later declared that his Geshar Party would support implementation of the subsidies only if the

development towns and poor urban areas did not suffer as a result.

Deputy Finance Minister David Magen of Geshar publicly criticized the Cabinet decision as "mixed up" and not properly thought out.

Settler leaders, while welcoming the Cabinet decision, continued to indicate privately that they had been assured that there would also be more settlement construction, including in Beit El.

Among the opposition, Labor leader Shimon Peres condemned the Cabinet decision as a triumph for the terrorists, adding that it inevitably weakened the peace process and its advocates on the Palestinian side.

Knesset member Yossi Beilin, a contender for the future Labor leadership, poured scorn on the Cabinet decision. He claimed that the government had quickly informed key capitals abroad that the decision was "only declarative" and would not in fact result in new settlement activity.

The government, for its part, confirmed that Levy had instructed embassies abroad to explain to their host governments that the Cabinet decision was in concert with the Israeli government's commitment to the peace process.

These same foreign governments, of course, received very different messages from the Palestinians. Arafat warned over the weekend that the decision was tantamount to a declaration of war on the peace process.

Clinton, E.U. criticize Cabinet decision

There were warnings — both from the Palestinians and from Israeli experts — of a new outbreak of popular violence far worse than the Palestinian rioting that erupted in late September. The Clinton administration publicly voiced its concern about the Cabinet move, as did the leadership of the European Union.

Behind the scenes, U.S. diplomacy swung into high gear in an urgent effort to bring about some relaxation in the ominous buildup of Israeli-Palestinian tensions.

U.S. officials told Jerusalem in straightforward terms that there was no way Arafat could or would sign the Hebron accord in the shadow of new settlement activity.

"Netanyahu can't have it both ways," the Israeli daily Ha'aretz quoted Washington sources as saying. "He can't continue the Oslo process and at the same time expand the settlements."

Clinton, referring to settlements, said Monday that nothing "should be done which would, in effect, be seen as pre-empting the outcome of something they've already agreed should be part of the final negotiations." He was referring to the Israeli-Palestinian agreement to deal with settlements in the final-status talks.

The Clinton administration's comments, public and private, were reinforced by a letter sent by eight former senior U.S. diplomats to Netanyahu over the weekend — and published Monday — urging Israel not to embark on a new settlement effort.

The signatories included three former secretaries of state — James Baker, Cyrus Vance and Lawrence Eagleburger — and five other former U.S. officials, including Zbigniew Brzezinski and Brent Scowcroft, former national security advisers.

David Bar-Illan, a senior aide to Netanyahu, rejected the letter, saying that the signatories had always been confrontational with Israel.

Three other former secretaries — George Shultz, Alexander Haig and Henry Kissinger — refused to join in the letter.

"Israel's real friends not only refused to sign this letter but are expressing their support for our policies all the time," Bar-Illan told Israel Radio.

Meanwhile, American mediation efforts led to a

meeting Sunday evening in the Gaza Strip between Arafat and two of Netanyahu's close aides, Danny Naveh, the Cabinet secretary, and Molcho.

Immediately after that conversation, Netanyahu and Arafat spoke directly by telephone and committed to a new effort to conclude the Hebron agreement. Arafat expressed his deep regret over the Tzur murders, and Netanyahu voiced his own regret at the mistaken fatal shooting of a Palestinian worker by a Gaza settler over the weekend.

Just the same, the overall picture remains unclear — and is still fraught with explosive tension. □

Book: CIA sought Iraqi help in capturing Arab terrorist

By Daniel Kurtzman

WASHINGTON (JTA) — Two senior CIA officers secretly traveled in 1986 to Baghdad in hopes of persuading Iraq to turn over the Palestinian terrorist who orchestrated the Achille Lauro hijacking, according to the memoirs of a former CIA officer.

Duane "Dewey" Clarridge, director of the CIA's counterterrorism center at the time and one of the two who made the trip, writes that he attempted to arrange for the capture of Mohammed Abul Abbas, whose terrorist group killed Leon Klinghoffer, a wheelchair-bound American Jew, during the 1985 Italian cruise ship hijacking.

Clarridge's book discloses the terms of a top-secret deal forged by then-CIA Director William Casey with President Saddam Hussein's government.

The United States was to provide Iraq with U.S. satellite intelligence information for use in its war with Iran. In exchange, the Iraqis were supposed to end their terrorist activities around the world and turn over terrorists they were harboring, such as Abbas.

Baghdad, however, never made good on the deal.

"Although we had given the Iraqis intelligence to improve their battlefield performance — particularly in the air — they were not fulfilling their end of the agreement," Clarridge writes in "A Spy for All Seasons," which details dozens of CIA operations during his 33-year career.

The CIA cleared for publication all the accounts Clarridge describes.

Under the 1986 plan, the Iraqis were to transport Abbas, who was then living in Iraq, to Yemen on one of their planes, according to Clarridge. U.S. officers were supposed to intercept and force down the plane, seizing Abbas without implicating Iraq.

But senior Iraqi officials with whom Clarridge and the other officers met in Baghdad considered the plan "insane," Clarridge writes. The CIA officials never met with Hussein.

Clarridge expresses frustration that the Iraqis "had suckered the U.S. government into a deal with no intention of fulfilling their end of the bargain."

Abbas still remains at large, 11 years after the Achille Lauro hijacking.

Susan Heller, who manages the Klinghoffer Memorial Foundation of the Anti-Defamation League, said of the disclosure: "We're heartened to know that the American government pursued the apprehension of Abul Abbas seriously in the months after the Achille Lauro attack, and we hope that their pursuit of him continues."

Klinghoffer's brutal murder at the hands of Abbas and three other Palestinian terrorists set off an international uproar that culminated with U.S. fighters forcing an Egyptian plane carrying Abbas to land in Italy.

The Italian government, however, prevented U.S. military personnel from capturing Abbas, ignored a U.S. extradition request and sent him to safety in Yugoslavia. From there, Abbas made his way to Baghdad. □

Reform lay leadership averts showdown with rabbinic body

By Tom Tugend

LOS ANGELES (JTA) — The lay leadership of the American Reform Judaism movement has avoided a potential confrontation with its rabbinic arm on the issue of intermarriage.

Some 200 trustees of the Union of American Hebrew Congregations overwhelmingly rejected a resolution that would have urged the Central Conference of American Rabbis to rescind its 23-year-old policy against officiation at interfaith weddings.

The vote on the resolution, introduced by David Belin, an honorary vice chairman of the UAHC board who is from Des Moines, was taken Saturday evening, after a day of deliberation on the issue. In a show of hands, the resolution was defeated by a margin of about 8-to-1.

In practice, while not encouraging mixed marriages, the CCAR has left the question to individuals of whether to officiate at interfaith weddings.

It is estimated that close to half of the 1,400 active Reform rabbis in the United States and Canada are willing to officiate at interfaith weddings. The vast majority of them insist on the couple's pledge to maintain a Jewish home and raise their children as Jews.

But during the debate preceding Saturday's vote, it became clear that the issue had little to do with wedding ceremonies. Some participants described the real issue as a turf battle between the Reform movement's lay and rabbinic bodies.

'Sever the balance'

"It is a sensitive situation," said Rabbi Eric Yoffie, president of the UAHC. "The tension between our major branches has impeded our work," he said, adding that if the resolution had been adopted, "it would have been a blow to our fragile unity."

The Reform movement has traditionally maintained a balance of influence between its lay congregational and rabbinic leadership, Rabbi Sheldon Zimmerman, president of Hebrew Union College-Jewish Institute of Religion, said in an interview.

The resolution, if adopted, would have been seen by the rabbis as an infringement of their autonomy and integrity, and therefore "sever the balance," said Zimmerman, also a past president of the CCAR.

"In terms of economics and power, the lay people are already in control," and passage of the resolution "would be the last straw," Zimmerman said.

Rabbis who officiate at mixed marriages were opposed to the resolution "because they don't want lay people telling them what to think," he said.

Passage of the resolution would have had a severe impact on the morale of future rabbis studying at Hebrew Union College, Zimmerman added.

During the debate on the resolution, it was noted that an increasing number of Reform congregations will not hire a rabbi who refuses to perform interfaith marriage ceremonies.

Yoffie said, "Whether a rabbi will officiate at an interfaith wedding should not be the focus of a congregation's evaluation of its rabbi. Instead, I hope our congregation's leadership will ask: 'Is the rabbi creating a warm and welcoming community? Does the rabbi reach out to unaffiliated Jews and interfaith couples?'"

At the three-day meeting, the UAHC trustees also decided to intensify Torah-centered family and adult education, double the size of youth camp programs during the next decade and move the UAHC headquarters building to another New York location, which has not been chosen.

In an interview, Yoffie talked of his intention to launch a major fund-raising drive to enlarge and intensify the Reform movement's presence in Israel. Included in such an expansion campaign would be the opening of new synagogues, modeled on the Tel Aviv facility, enlarging the network of 20 nursery schools and stepping up the training of more Israeli Reform rabbis and teachers. □

Retired doctor in Florida accused of persecuting Jews

NEW YORK (JTA) — The United States has initiated proceedings to revoke the citizenship of a Florida man accused of persecuting Jews during World War II.

Adolph Milius, 78, a retired physician from St. Petersburg Beach, Fla., is suspected of being a member of the Saugumas, the Lithuanian security police, for the Vilnius province in the summer and fall of 1941.

The responsibilities of the Vilnius Saugumas paralleled those of the Nazi Gestapo.

The Office of Special Investigations, the Nazi-hunting arm of the U.S. Justice Department, filed a complaint Dec. 10 in U.S. District Court in Tampa.

The complaint specifically alleges that Milius, also known as Adolfas Milinavicius, took part in the arrest of Jews seeking to escape the Vilnius ghetto. The complaint cites original wartime records in the Lithuanian Central State Archives.

"The Vilnius province Saugumas played a key role in the annihilation of more than 50,000 Jews in Vilnius," said Eli Rosenbaum, OSI director.

In May, the United States denaturalized Aleksandras Lileikis, former chief of the Vilnius Saugumas. He has since fled to Lithuania.

In June, Kazys Gimzauskas, former deputy chief of the Vilnius Saugumas, was stripped of his U.S. citizenship. He also has since fled to Lithuania. □

Swiss official admits bank made profit from Nazi loot

By Tamar Levy

GENEVA (JTA) — The Swiss National Bank has publicly acknowledged that it profited from its dealings with Nazi Germany.

The bank's vice president, Jean-Pierre Roth, said at a news conference last Friday that the bank's profits had totaled 20 million Swiss francs.

But Roth added, "There is nothing to indicate that gold from concentration camps was among this."

He did not deny that at least some of the gold had been stolen by Nazi Germany from the countries it occupied during the war. Roth explained that Switzerland had traded with Hitler's Germany as part of its effort to avoid Nazi occupation. Roth's comments came in the wake of a mounting campaign launched by Jewish groups for Switzerland to make early restitution to Holocaust victims or their heirs for unclaimed deposits they made in Swiss banks before and during the war.

Observers said that last Friday's admission of the profits — it was not clear whether the amount was the current or wartime value — was likely to result in further calls from Jewish groups to make the early restitution.

The groups maintain that Swiss banks are still holding billions of dollars in unclaimed assets that belonged to victims of the Holocaust.

One panel, which includes Swiss, American and Jewish officials, has been formed to determine the extent and whereabouts of these unclaimed assets. A second group, including Swiss jurists and historians, has also been formed to probe Switzerland's dealings with the Nazis. □

Neo-Nazi violence prompts pledge from German police*By Daniel Dagan*

BONN (JTA) — A recent wave of neo-Nazi violence that left 10 people injured has prompted police officials to vow they will take swift action against gatherings of right-wing extremists.

In the most severe incident, a hostel for asylum-seekers was set on fire in the town of Neuburg in the German state of Bavaria.

Most of the hostel's 66 inhabitants fled before the building burned down, but seven refugees from the former Yugoslavia were admitted to a local hospital for smoke inhalation.

In another incident, in the town of Neurupin in the state of Brandenburg, a group of neo-Nazi youths beat a Pakistani refugee.

The asylum-seeker was rushed to the hospital with serious injuries.

No one was arrested in the case.

In the town of Libenwalde, also in Brandenburg, neo-Nazis attacked passers-by they thought were foreigners.

Police subsequently arrested 15 people who came to a local neo-Nazi gathering.

The spate of violence has reminded observers of the wave of attacks against foreigners that reached a peak in 1992. □

German restitution case may drag on for a decade*By Daniel Dagan*

BONN (JTA) — A decade may pass before a Potsdam court is in a position to rule on the entire case of 19 Jews who seek the restitution of 850 plots of land, a judge in the case has said.

A Potsdam administrative court began last week to hear testimony in the case, which deals with land in the town of Teltow-Seehof, south of Berlin.

The chairman of the court, Wilfried Hamm, said the testimonies of a total of 2,000 to 3,000 people might be heard.

The court will first concentrate on 10 plots of the disputed land, in an effort to issue some decisions as soon as possible.

Legal experts have said the case is the largest and most complicated of its kind in postwar Germany.

The claimants or their family members sold the contested property in the 1930s, but were pressured to do so because they are Jewish.

This case differs from most other European restitution cases in the news as of late because the land was sold "voluntarily" and not confiscated by the Nazis outright.

If all the claimants win, observers said, nearly all the land in Teltow-Seehof, a small town in the state of Brandenburg, formerly East Germany, would see a change in ownership. □

Jerusalem AIDS conference marks Israeli-Arab cooperation*By Michele Chabin*

JERUSALEM (JTA) — More than 40 Israelis, Palestinians and Jordanians convened last week in Jerusalem to establish a regional task force aimed at preventing the spread of AIDS.

During the four-day conference, which was organized by the Jerusalem AIDS Project, participants discussed obstacles facing public health professionals in the

Middle East, where religion and cultural traditions play a major role in both health and education.

In the Middle East, the number of reported carriers of HIV, the virus that causes AIDS, doubled in the past two years, to 192,000, said United Nations official Johannes van Dam, a conference participant.

There are as many as 10,000 HIV carriers and 1,452 reported cases of AIDS in Israel. Palestinian officials report 28 cases of AIDS, while Jordanian health professionals say they have 32 cases.

Although van Dam attributed much of the increase to a greater willingness to report cases, he said the disease is spreading in the area at an alarming rate.

Dr. Sana Shadid, a Palestinian physician, said, "Educating the Palestinian public about AIDS is particularly difficult because people aren't really interested. They think — mistakenly — that we don't have AIDS. Our society is conservative, and people think the problem doesn't belong to them."

Despite this attitude, Shadid said, strides are being made. "This school year, for the first time, we celebrated AIDS Day," she said. "There is now more health education in the schools and at clinics."

Wsila Nusgos, a Jordanian nurse, said that "although Jordan has very few AIDS cases to date, we have to have a joint regional effort because this disease doesn't respect borders."

"The number of cases in Jordan is small, but we still must educate our students and others who travel abroad," Nusgos said.

Inon Schenker, director of the Jerusalem AIDS project, was elated by the cooperation emerging from the conference.

"A miracle is happening. People who really have been enemies are now united in the fight against HIV/AIDS," he said.

"Although we often see this virus dividing communities — straight and gay, developed and developing countries — in our workshops we've seen AIDS actually unite people from very different religious and cultural backgrounds."

The conference was funded by the Israeli Ministry of Public Affairs, the Palestinian Ministry of Health, the Dialogue Fund of Canada and private donations. □

Israel offers to move spy from jail*By Naomi Segal*

JERUSALEM (JTA) — Israel's security establishment has agreed to release a convicted spy from jail and place him under house arrest.

Marcus Klingberg, a scientist convicted of spying for the former Soviet Union, has served 13 years of an 18-year sentence.

Attorney General Michael Ben-Yair proposed that Klingberg be released from prison under certain conditions.

The conditions include that he remain in his home, the telephone be disconnected and only a small number of people be allowed to contact him.

Klingberg also would be required to fund personally a private security guard, at an annual cost of some \$100,000, who would be posted 24 hours a day outside his home.

Israeli security officials agreed to the proposal.

But Klingberg's attorney, Avigdor Feldman, described the offer as nothing more than a "cynical proposition."

Citing failing health, Klingberg has repeatedly and unsuccessfully petitioned the High Court of Justice to be allowed to spend the rest of his days at home with his family. □