



## NEWS AT A GLANCE

■ **Palestinian Authority leader Yasser Arafat ended a two-day visit to Washington by refusing to complete the process of amending the Palestinian Covenant until Israel adopts a constitution.** Members of Congress called on Arafat to submit changes to the covenant. [Page 2]

■ **Israeli Prime Minister Benjamin Netanyahu rejected threats from 17 coalition members who said they would withdraw their support of the government unless he refused to redeploy troops from areas in the West Bank that are now under sole Israeli authority.** [Page 1]

■ **A top U.S. law firm decided to advise a Swiss bank accused of having a role in helping the Nazi regime profit during World War II.** Cravath, Swaine & Moore, one of whose senior partners is Robert Rifkind, president of the American Jewish Committee, agreed to give the bank "strategic advice." [Page 3]

■ **Israeli Prime Minister Benjamin Netanyahu offended many American Jewish leaders by calling it "stupid and irresponsible" to bring the issue of religious pluralism to Israel's Supreme Court.** In a speech to the Conference of Presidents of Major American Jewish Organizations, Netanyahu appeared to blame non-Orthodox groups for "complicating" the issue of conversions.

■ **The International Association of Jewish Lawyers and Jurists urged Congress to tie U.S. aid to Lithuania to its effectiveness in bringing Nazi criminals there to justice.** The association pointed to the case of Aleksandras Lileikis, who fled to Lithuania after an American judge stripped him of his U.S. citizenship.

■ **Israel's Supreme Court granted the government 90 days to show "just cause" why women who wish to pray at the Western Wall cannot do so as a group.** [Page 4]

■ **Jewish groups hailed the failure of the balanced budget amendment in the U.S. Senate.** They argued the measure would lead to cuts in foreign aid as well as in welfare and other social programs.

## NEWS ANALYSIS

### Netanyahu besieged by criticism over Har Homa and troop pullbacks

By David Landau

JERUSALEM (JTA) — The decision to build at Har Homa has brought pressures on Prime Minister Benjamin Netanyahu from abroad without giving him the political plaudits he had hoped for at home.

President Clinton, with Palestinian Authority leader Yasser Arafat at his side Monday in the Oval Office, criticized the decision as detrimental to the peace process.

At the same time, critics within Netanyahu's Likud Party, while supporting him on Har Homa, have nevertheless continued to attack the prime minister for what they view as his soft-line peace policy.

"If I'm worried, everyone should be worried," National Infrastructure Minister Ariel Sharon — a regular Netanyahu critic — told reporters Monday. Referring to the first of three redeployments in rural areas of the West Bank slated to take place in the coming days, Sharon accused Netanyahu of preparing to hand over strategically vital land in the West Bank to the Palestinians.

On Tuesday, Housing Ministry surveyors were supposed to begin work at Har Homa, in southeastern Jerusalem, where a new Jewish neighborhood will be constructed.

But at the last moment, the Prime Minister's Office ordered the surveying work to be postponed. "The reasons are technical and legal," said Netanyahu spokesman Shai Bazak. Other sources said legal constraints required a 15-day period between the formal approval of the project, which came last week at a meeting of the Ministerial Committee on Jerusalem, and the beginning of work.

The delay triggered a welling up of suspicion among coalition hardliners that the criticisms from Clinton and other world leaders would cause Netanyahu to back down.

The National Religious Party warned Netanyahu that it would balk at reported plans to cede some 9 percent of the West Bank to the Palestinians as the first of the three further redeployments called for in the Israeli-Palestinian accords. The plan was recently reaffirmed by the Netanyahu government in the Hebron agreement.

### Warnings from 17 Knesset members

Warnings were also voiced Tuesday by 17 members of the governing coalition, who said they would withhold parliamentary support for the government if Netanyahu turned over any portions of the West Bank now designated as "Area C," lands under full Israeli control.

The 17 Knesset members also are demanding that any further redeployments be tied to the Palestinians' upholding of their signed commitments in the existing Israeli-Palestinian accords.

The Cabinet was scheduled to meet later this week to discuss the extent of the first redeployment, which was slated to take place Friday. It now may begin by Sunday, according to some reports. If Israel indeed cedes 9 percent of the West Bank in the first pullback, this would signify greater generosity on Israel's part than had earlier been intended.

Government officials have said in the past that the extent of the first redeployment would be "symbolic" — that is, not particularly generous.

According to Israeli media reports, Netanyahu has offered the greater amount of land in exchange for an understanding from Arafat that the Har Homa decision would not trigger the massive wave of violence that some Palestinian leaders have threatened.

And indeed, so far at least, Palestinian and Arab outrage has not resulted in any violence on the ground. Demonstrations at the Har Homa site by neighboring Arab villagers have been small and peaceful, and a one-day strike Monday throughout the self-rule areas took place without violence.

But the relative quiet on the West Bank has not been matched in the diplomatic arena, where the Palestinians have succeeded in stirring up a wave of negative reaction to the Israeli decision.

Along with the recent criticisms from the United States, the U.N. Security Council was slated to take up the issue later this week, and Arafat

himself was expected to attend the session. French and German foreign ministers, both visiting Israel this week, were expected to voice their countries' disapproval of the decision.

Also at the Palestinians' insistence, the Islamic countries' "Jerusalem Committee," chaired by Morocco's King Hassan, scheduled a session for later this month on Har Homa.

The Palestinians and the wider Arab world regard the project as a deliberate attempt by Israel to cut off the Holy City from its last remaining territorial corridor to the Palestinian territories.

Once the complex of Jewish housing is built at Har Homa, they say, Jerusalem will be enclosed on all sides by Jewish suburbs, thwarting their own aspirations to maintain territorial contiguity with Jerusalem, part of which they want as the capital of an eventual Palestinian state.

The current Israeli government, as Netanyahu reiterated at a meeting of his Likud Central Committee on Sunday night, is flatly opposed to an independent Palestinian state altogether.

Criticism of the Har Homa project has not been voiced by all members of Israel's opposition parties. Far from being a "hard-line" policy, the Har Homa project has the support of some members of the Labor Party.

The project was first formulated in 1991 by the Likud government of Yitzhak Shamir, and had the backing of successive Labor governments. Implementation of the project, however, was postponed by the previous Labor government because of the charged political sensitivities surrounding the plan.

Support for the project still exists among some Laborites — which made for a stormy session in the party's Knesset caucus Monday, when opposition leader Shimon Peres proposed that Labor abstain in a no-confidence motion on Har Homa that had been introduced by the secular Meretz Party and by Arab Knesset members.

But Peres was defeated, and Labor decided to vote with the leftist factions against the government. Despite the support of most Laborites, the no-confidence motion was later defeated in the Knesset by a vote of 52-39.

It was at Sunday's Likud Central Committee meeting that Netanyahu hoped, and indeed planned, to score a major domestic success in the wake of the Har Homa decision. Orchestrated by the premier's aides, the session, attended by thousands of Likud faithful, was billed as a popular demonstration of support for the premier.

The premier was to begin speaking at 8 p.m. — when the hourlong prime-time news airs on both Israeli television channels. Netanyahu took the podium at that time and did not step down until 9 p.m., thereby ensuring that none of his critics was shown on television.

But the next day, this tactic backfired, triggering a wave of anger at Netanyahu from within his party.

The word "Bolshevism" echoed through the Likud this week, and any political gain that Netanyahu had hoped to make from the Har Homa decision and from the follow-up Likud rally appeared to have been outweighed by the increasingly bitter and resentful criticism voiced by his opponents. □

#### NEWS ANALYSIS

### Playing host to Yasser Arafat, U.S. engages in a balancing act

By Matthew Dorf

WASHINGTON (JTA) — Official Washington engaged in a delicate balancing act this week as Yasser Arafat's protest against Israeli construction on Har Homa fell on President Clinton's sympathetic ears.

U.S. officials wanted to show Palestinians that

Clinton views Arafat as a partner in the peace process. Clinton also wanted to use the occasion to deliver a stern criticism of Israel for its plan to build a new Jewish neighborhood in eastern Jerusalem.

But this strategy took careful planning and even sharper execution because while the United States does not confer the status of "head of state" or "head of government" on Arafat, U.S. officials wanted to make him look like one.

Arafat raced around town in a seven-car Secret Service motorcade during his two-day stay. He sat in the yellow armchair next to the president in the Oval Office. Secretary of State Madeleine Albright hosted a luncheon for him.

But because Arafat is not a head of state, according to U.S. protocol, his limousine did not bear the Palestinian flag.

U.S. officials call him "chairman" of the Palestinian Authority, not president. And the White House skipped the customary joint news conference that was afforded last month to Israeli Prime Minister Benjamin Netanyahu and will be offered in the coming weeks to Jordan's King Hussein and Egypt's President Hosni Mubarak.

Instead, members of the media had a five-minute question-and-answer session with Clinton and Arafat at the beginning of their meeting Monday.

Not only is Arafat not a head of state, he and most of his delegation, in fact, continue to be classified as terrorists under U.S. law. Without regular presidential waivers, U.S. officials cannot even meet with Arafat.

Both U.S. and Palestinian officials expressed pleasure at the relationship that developed between Clinton and Arafat. "We have decided to give this relationship — which is not a state-to-state relationship, it's a unique relationship — a higher profile," State Department spokesman Nicholas Burns said. "It makes sense for us to grow closer to the Palestinian Authority because it is a partner, a friend of the United States."

The only concrete development that appeared to come from the visit was the creation of a new U.S.-Palestinian committee to foster economic cooperation and diplomatic relations.

#### Arafat gives pledge of non-violence

Albright decided to oversee the committee personally. Exactly what kind of cooperative plans the two sides have in mind was not spelled out.

But the issue of Har Homa clearly dominated the long-planned Arafat visit.

During their hourlong Oval Office session — Arafat's second with the president — the Palestinian leader did not get the explicit condemnation he was seeking, but he did get direct criticism from the president.

During a 20-minute session alone, Clinton told Arafat that the United States would bring all its influence to delay building on Har Homa, according to a U.S. official.

At the same time, Clinton received a pledge of non-violence from Arafat if Israel goes ahead with the project, the official said.

In addition to winning support from Clinton on Har Homa, Arafat scored another symbolic victory when the president reiterated the administration's position on Jerusalem.

When asked whether the administration adhered to the congressional law recognizing Jerusalem as Israel's capital, Clinton said that because Israel and Palestinians have deferred Jerusalem to a final-status issue, the United States "cannot serve any useful purpose by saying or especially by doing anything which seems to prejudge" the issue. □

## Jewish lawyer defends decision of firm to represent Swiss bank

By Daniel Kurtzman

WASHINGTON (JTA) — The president of the American Jewish Committee is defending his law firm's decision to provide strategic advice to a Swiss bank accused of collaborating with Nazi Germany and misappropriating assets of Jewish Holocaust victims.

Robert Rifkind, a senior partner at Cravath, Swain & Moore, said his firm agreed to advise Credit Suisse to help the embattled institution come to terms with its past and right a series of historical wrongs.

"They've made it very clear to us that they are bound and determined to address this matter in an open, complete and absolutely fair manner," Rifkind said of the Swiss banking giant. "We were brought on board to help them achieve that aspiration."

Elan Steinberg, executive director of the World Jewish Congress, which has spearheaded the investigation into Switzerland's wartime role and the search for missing Jewish assets, was sharply critical of the move by Rifkind's firm.

"The reason Cravath is representing Credit Suisse is to make a buck. Any suggestion that they're doing it for any other reason is nonsense, pure baloney," Steinberg, who was not immediately available for comment, told the Associated Press.

The high-priced New York law firm — the second-most profitable in the nation according to a 1995 survey — apparently engaged in extensive soul-searching and internal debate about providing counsel to Credit Suisse.

The decision was challenged in an internal memo signed by a dozen associates.

"It seemed to me and it seemed to my partners that there was a constructive role to be played by lawyers of skill and imagination here," said Rifkind, who took particular issue with Steinberg's characterization of his firm's motives.

"I don't know what's bothering Mr. Steinberg," he said. "The World Jewish Congress has expressed its pleasure at various steps that Credit Suisse has taken over the last few weeks. Why under those circumstances they would choose to say surly things about counsel to Credit Suisse, I don't know. It seems to me pretty shabby and gratuitous."

### Helped break an impasse

Earlier this year, Credit Suisse Chairman Rainer Gut urged creation of a fund to begin compensating Holocaust survivors. The first major Swiss banking official to do so, Gut helped break an impasse between Switzerland and the international community.

The bank later joined Union Bank of Switzerland and Swiss Banking Corp. in establishing a fund of some \$70 million that now constitutes the core of Switzerland's Holocaust memorial fund.

Jewish and U.S. officials, citing wartime documents, have accused Credit Suisse of playing a leading role in purchasing looted gold, financing the Nazi war effort and turning its own profit from the Holocaust.

"Credit Suisse Zurich is the most frequent violator of the Allied Code of Conduct concerning Swiss banks," said a 1945 report by the U.S. Foreign Economic Administration.

Rabbi Abraham Cooper, associate dean of the Simon Wiesenthal Center, which is assisting Holocaust survivors in a class action lawsuit against Credit Suisse and other banks, said the bank has a right to be "appropriately defended."

Apparently referring to the law firm's Jewish partners and associates, Cooper said, "I guess that's what you have Yom Kippur for."

He emphasized, however, that attention should not be centered on the firm. "Nothing should be done to take the focus off the culprits," Cooper said. "The culprits are the banks. We're not interested in who their lawyers are. It's now March 1997. They still have the money." □

## Swiss officials seek to end D'Amato's critical statements

By Fredy Rom

ZURICH (JTA) — A two-sentence statement issued by U.S. Sen. Alfonse D'Amato (R-N.Y.) regarding Switzerland's wartime role has elicited sharp condemnations from Swiss government officials.

"The world has already rendered its verdict: The Swiss were guilty. We're now debating the penalty, and the penalty should fit the crime," the chairman of the Senate Banking Committee said in a statement last week.

D'Amato issued the statement Feb. 26, after the Swiss government announced that a memorial fund for needy Holocaust survivors would be jointly administered by the World Jewish Restitution Organization.

The fund, created last month with contributions of some \$70 million from Switzerland's three largest banks, was hailed by Jewish leaders as marking a turning point in Swiss-Jewish relations.

The statement from D'Amato, who spearheaded a congressional quest to determine the whereabouts of assets deposited by Holocaust victims in Swiss banks during the war years, struck Swiss leaders as ill-timed and counterproductive.

Swiss Foreign Minister Flavio Cotti, who last week negotiated how funds would be disbursed from the fund with Israel Singer, secretary general of the World Jewish Congress and chairman of executive committee of the WJRO, said this week that he would seek to have D'Amato stop his attacks on Switzerland and its people.

Switzerland's largest daily newspaper Blick reacted with a story headlined, "D'Amato, That's Enough. Not All the Swiss are Criminals."

Rolf Bloch, president of the Federation of Jewish Communities in Switzerland, told reporters that he was "shocked" by the senator's statement, adding that he would seek to have the WJC use its influence to get D'Amato to moderate his tone in the future.

Special Ambassador Thomas Borer, who is coordinating Switzerland's response to all issues surrounding its wartime financial role, spoke Sunday with Singer in an effort to stop D'Amato's attacks on Switzerland, according to a spokeswoman in Borer's office.

In New York, Singer denied in an interview that Borer had asked him to try to get D'Amato to soften his statements about the Swiss.

Singer, who described D'Amato as "one of the most important players" in recent efforts to get the Swiss to confront their wartime past, said Swiss government officials were wrong to criticize D'Amato, adding that the senator "has an obligation to serve his constituents."

Just the same, Singer said he had briefed D'Amato on his negotiations last week with Swiss officials and was optimistic that D'Amato's future comments would reflect any positive news from Switzerland.

"He's aware of what happened last week and took note of it," said Singer. "I'm sure he'll be responsive in kind to every positive development that emerges from Switzerland." □

(JTA foreign editor Mitchell Danow contributed to this report.)

**Israeli court orders government to resolve Women of the Wall case***By Michele Chabin*

JERUSALEM (JTA) — In an apparent bid to resolve the Women of the Wall issue once and for all, Israel's Supreme Court has granted the government 90 days to show "just cause" why women who wish to pray at the Western Wall cannot do so as a group.

The court ruling Tuesday denied a government request for a 60-day postponement to give Elyakim Rubinstein, the newly appointed attorney general, an opportunity to acquaint himself with the long-standing court case.

The Women of the Wall, an Orthodox-led group of about 50 women across the religious spectrum, petitioned the court eight years ago for the right to pray aloud at the Western Wall.

Representatives of the group were clearly pleased by the court's refusal to grant the government yet another extension. Anat Hoffman, a vocal member of the group, said, "We are happy because once and for all the government will have to show good cause why it has consistently silenced women's prayer at Judaism's holiest site."

"If the reason is the violence that ensues when women pray at the Wall, then it's the bullies who must be dealt with," she added, referring to the often-violent response from fervently Orthodox men to their prayers.

Hoffman dismissed the government's request for more time as a delaying tactic.

"We told the judges that we've been in court for eight years and that we cannot wait any longer. Time is passing by, and we still cannot raise our voices in prayer."

Nili Arad, director general of the Justice Ministry, said the government's request for a postponement was based purely on practical considerations.

Noting that Rubinstein had made a special visit to the Wall last week to assess the situation, Arad said, "We sought the postponement because we understand the importance of this very complex issue. Sometimes a speedy resolution isn't the best resolution." □

**Queen fetes Israeli leader on historic visit to England***By Deborah Leipziger*

LONDON (JTA) — Israeli President Ezer Weizman was feted by the Queen of England during a historic visit last week.

Weizman, who once served in the Royal Air Force at Cranwell, became the first Israeli head of state to make an official visit to England.

At a kosher banquet at Buckingham Palace, Queen Elizabeth II paid tribute to the "close and vital relationship" between Israel and the United Kingdom.

"Our trade links are strong and expanding," she said. "In the arts, and in the world of science and technology, ideas and experiences are exchanged. British tourists flock to your beaches and to your heritage sites. Israeli visitors throng our theaters and our shops."

The queen commended Weizman for his personal contribution to the quest for peace as "unstinting, steadfast and greatly admired by his British friends."

During his visit, the Israeli president also met with Prime Minister John Major, opposition leader Tony Blair and other British officials, as well as with members of the Jewish community. Together with the queen and visiting U.N. Secretary-General Kofi Annan, Weizman attended the unveiling of a memorial to Raoul Wallenberg, the Swedish diplomat who saved the lives of more than 20,000 Hungarian Jews during World War II.

But Weizman's visit was not without some controversy. Weizman defended Israel's decision to build a new Jewish neighborhood in southeastern Jerusalem, an action that has come under intense criticism by a Jewish member of British government, Foreign Secretary Malcolm Rifkind. The decision to build at Har Homa was announced while Weizman was in London.

In a separate development, Jewish protesters outside a Weizman news conference pressed their campaign for the release of Mordechai Vanunu, the nuclear technician jailed for selling classified material from one of Israel's nuclear plants. Vanunu was apprehended in 1986 after he leaked the information to a British newspaper. He was sentenced in 1988 to serve 18 years in prison. □

**B'nai B'rith: Le Pen allegations are 'outrageous and insulting'***By Lee Yanowitch*

PARIS (JTA) — Jewish groups are denouncing French extremist Jean-Marie Le Pen for alleging that French President Jacques Chirac is controlled by Jewish organizations.

Le Pen, leader of the right-wing National Front, was quoted as saying that Jewish organizations had paid the conservative Chirac not to make an electoral alliance with Le Pen's party.

A book to be published next week features an interview with Le Pen, in which he is quoted as saying, "Chirac is in someone's grasp. And whose? Jewish organizations and especially the notorious B'nai B'rith."

"In agreement with them, in exchange for enormous sums of money and pressure, and with exceptional international support, [Chirac] agreed to lose the presidential election in 1988 rather than make an agreement with me," Le Pen says in the book, "A President's Novel," written by Nicholas Domenach and Maurice Szafran.

Some of Chirac's conservative colleagues had tried to convince him in 1988 to make such a deal to prevent then-Socialist President Francois Mitterrand from being re-elected.

The French branch of B'nai B'rith said it refused to enter into a war of words with Le Pen who was giving "free rein to his obsessional litany through the eternal Judeo-Masonic plot." The branch said, "He tells so many stories he ends up believing them."

But in Washington, leaders of the international Jewish organization held a news conference to blast the French politician. "Le Pen's lies are outrageous and insulting," Sidney Clearfield, executive vice president of B'nai B'rith, said at the group's headquarters. "B'nai B'rith has never had a pact with Mr. Chirac or with any other politician."

"Le Pen detests B'nai B'rith because we support many causes he loathes, such as immigrants' rights, respect for other cultures and human rights for all people," Clearfield added.

The Front — which advocates expelling France's 3 million immigrants — is enjoying growing popularity in France, where last month it gained control of a fourth southern town in municipal elections. Le Pen himself won 15 percent of the vote in 1995 presidential elections.

CRIF, France's umbrella group for secular Jewish organizations, denounced "Le Pen's anti-Semitic fantasies." CRIF President Henri Hajdenberg said he wanted to see legal action taken against Le Pen, who has in the past made anti-Jewish statements though he denies accusations of racism or anti-Semitism.

Le Pen issued a statement Tuesday denying that he had made the derogatory comments attributed to him in the book. He threatened to sue the book's authors. □