



## NEWS AT A GLANCE

■ The Swiss president proposed a \$5 billion fund that would aid Holocaust survivors and other victims of abuse. Jewish groups and Israel welcomed the move, but it could take years to wind through the legislative process. [Page 3]

■ Congress adopted a resolution supporting displays of the Ten Commandments at U.S. government offices and courthouses. Church-state watchdogs criticized the measure, which was seen as backing for an Alabama judge engaged in a legal battle over a wood carving of the Ten Commandments in his courtroom.

■ Avis Rent-A-Car is facing claims from former employees that they were told to discriminate against Jewish customers, USA Today reported. The company has already been accused of discriminating against blacks.

■ An explosive device went off in the Jewish Community Center parking lot on Mercer Island, a suburb of Seattle. No one has claimed responsibility for the blast, but police say it was set off intentionally.

■ The U.N. Security Council began a lengthy open debate over Israel's plans to build housing in eastern Jerusalem. Palestinian leader Yasser Arafat told the U.N. diplomats that they were obligated to help save the Israeli-Palestinian peace process. Earlier, Arafat had told Jewish leaders that it was "preferable" to resolve disputes directly with Israel rather than call for third parties to intervene. [Page 4]

■ A visit by a group of American Jewish leaders to Har Homa was interrupted by two Arab Knesset members who accused Jerusalem Mayor Ehud Olmert of stealing property belonging to Palestinians.

■ Israeli Prime Minister Benjamin Netanyahu and Egyptian President Hosni Mubarak downplayed their differences after meeting in Cairo. [Page 4]

■ Israeli Premier Benjamin Netanyahu ordered the closure of four offices in eastern Jerusalem allegedly linked to the Palestinian Authority. [Page 4]

## FOCUS ON ISSUES

### Alarm sounds over conversion, but passage of measure probable

By Cynthia Mann

NEW YORK (JTA) — Israel runs a risk of dividing world Jewry if it passes legislation reinforcing exclusive Orthodox control over conversions in Israel.

American Jewish leaders sounded this alarm in a flurry of meetings last week with Israeli officials in Jerusalem.

Nonetheless, the Americans believe that unless something dramatic develops, the proposed conversion legislation is likely to pass within three to six months.

Even if it does not become law, however, it has made an impact.

Many U.S. Reform and Conservative Jews have been galvanized to re-examine their relationship to an Israel that does not recognize their Judaism as legally legitimate.

Increasingly, they have registered their frustration, confusion and protest to their local leadership in federations, synagogues and community relations councils.

One of the immediate concerns of this leadership is how that frustration may undermine the central fund-raising campaign run by the United Jewish Appeal and federations for both Israel and local needs.

Some donors already have threatened to bypass this campaign because they believe that it does not assign a high enough priority to the cause of religious pluralism in Israel.

Those visiting Jerusalem, then, were acting as emissaries. A few of them said they believe that they could continue to influence the Israeli legislative process and avert the passage of the conversion legislation. But others said the best they could hope for are stalling tactics by sympathizers in high places.

Sources say that one such sympathizer may be Prime Minister Benjamin Netanyahu, despite his pledge to his fervently Orthodox coalition partners to pass the measure, which has not yet been introduced in the Knesset.

For its part, the U.S. Orthodox establishment has made it clear that it supports the legislation.

Nonetheless, some of its representatives joined last week's select U.S. delegations from the fund-raising establishment and the religious movements whose mission was to explain to Israeli officialdom that Jewish unity hangs in the balance.

At the very same time, the flames ignited by the long-standing Orthodox monopoly over religious affairs were fanned back home by the prospect of the legislation.

### Most dramatic challenge to date

In recent days, the moderate and highly respected chancellor of the Conservative movement's Jewish Theological Seminary, Ismar Schorsch, has termed the legislation a "calamity for Israel" and a "calamity for Israel-Diaspora relations."

In light of such threats from Israel, he has proposed the most dramatic challenge to date to the Jewish community's central fund-raising establishment.

He suggested that it take \$100 million to \$150 million "off the top" of the annual national campaign to "level the playing field" and fund Conservative and Reform institutions and other Jewish outreach programs in Israel.

His call has outraged some of the custodians of that campaign, who now funnel roughly \$230 million to humanitarian causes in Israel and have long advocated for more from local federations.

Richard Wexler, UJA national chairman, termed Schorsch's proposal "reprehensible."

Wexler supports an increase in the current funding by the Jewish Agency for Israel for each of the religious streams in Israel, now about \$1 million each a year.

But he said the chancellor was "insensitive to the needs of our people

by suggesting that Jewish lives be ignored at this critical time to build up the coffers of the movements."

Countered Schorsch: "There is no self-interest or parochial concern here."

He said the UJA system, which has brought hundreds of thousands of Russian immigrants to Israel, has an obligation to address the fact that more than 100,000 are not considered Jewish under Israeli Orthodox law.

He said Reform and Conservative Judaism could help.

Otherwise, he said, "they will be battered by the religious establishment for the rest of their lives."

By all accounts, the delegates from the United States sounded a gentle but persistent alarm as they shuttled in and out of ministers' offices and Knesset committees in Jerusalem, even as their primary official business was at the Dead Sea for the meeting of the Board of Governors of the Jewish Agency.

Their message was muted because of Orthodox insistence that any discussion in which they participated not focus on legislation, but on the need to preserve Jewish unity.

But the message resonated nonetheless that this or any other legislation that delegitimizes Reform and Conservative Judaism could jeopardize the majority of U.S. Jewry's connection to and identification with Israel.

#### **'The smallest of evils'**

The nexus at nearly all of the meetings was Industry and Trade Minister Natan Sharansky, who heads a new ministerial committee on Diaspora affairs.

In an interview, he said he is committed to have his committee serve as a meaningful "address" for Israel-Diaspora concerns, beyond the immediate legislation, rather than have the two sides "debate in The New York Times."

But the challenges of his job were amply illustrated during a meeting he had called last week of his committee of ministers and some hand-picked U.S. leaders to begin a "process of dialogue."

While Netanyahu made an appearance at the meeting, Interior Minister Eli Suissa abruptly walked out, muttering threats of a government collapse.

Suissa of the fervently Orthodox Shas Party later said official contact with Reform Jews should be kept to a minimum.

For his part, Sharansky talked about the "Israeli political reality" and pledged only to try to keep whatever conversion legislation that might pass as narrow as possible.

"Keeping the status quo is the smallest of evils," he said, referring to the prospect of a further erosion of the status of non-Orthodox Judaism.

The Jewish Agency, meanwhile, has tried to position itself as a key player on behalf of a diverse world Jewry in the struggle for religious pluralism.

It recently formed the Committee on the Unity of the Jewish People.

Agency Chairman Avraham Burg talks passionately about his commitment to the principle.

But institutional self-interest clearly is at play.

As the primary Israeli recipient of funds raised by the annual campaign of the UJA and federations across the country, the vast majority of its donors are Conservative and Reform.

"It's about time for the Jewish Agency to position itself at this junction," Burg told the Board of Governors last week.

If it is not a central advocate, "we will be irrelevant to what troubles our constituencies."

The Jewish Agency "is the only international body

at which we have all Jewish people working together," he said, referring to representatives of the three main religious streams.

But the agency's broad representation itself serves as a constraint, which surfaced in a discussion on the matter by the Board of Governors. Several Orthodox members got up and said they would not countenance Burg turning the unity committee into a politicized campaign.

And they took issue with Burg's stance on the legislation.

"I don't want you to leave with the impression that the Orthodox community in the United States agrees" with the Jewish Agency position, said Dr. Mandell Ganchrow, president of the Orthodox Union.

"We believe the law should be adopted and quickly," he said. "We are united as never before."

Burg, who is Orthodox, shot back that there had been unanimous support at June's Jewish Agency Assembly for a resolution in support of Jewish unity and for the formation of the committee.

"This is what I'm committed to," the Agency chairman said.

Rabbi Eric Yoffie, president of the Reform movement's Union of American Hebrew Congregations, registered his support for the central fund-raising enterprise at platforms throughout his visit in Israel.

But at the board meetings, Yoffie sounded a warning.

"If you care about the viability of the campaign, I think [you] have to be concerned," he said.

He called on local federations to follow the lead of the Council of Jewish Federations and adopt resolutions calling on the Israeli government to refrain from enacting divisive religious legislation.

Despite the futility felt by some in preventing passage of the conversion legislation, many of the U.S. delegates felt their meetings with the Israelis helped to narrow the gaps in understanding.

"The Israeli politicians don't have a clue going in as to the impact of their actions on the Diaspora," said Dr. Conrad Giles, president of the Council of Jewish Federations.

As a result, he said, "I don't think there's any question that something good" is accomplished by "the continuing barrage" of groups showing their concern. □

#### **Four Knesset members in race to succeed Peres as Labor head**

*By Naomi Segal*

JERUSALEM (JTA) — Four Knesset members will face off in the contest to succeed former Prime Minister Shimon Peres in the leadership position of the Labor Party.

The contenders filed their applications before Sunday's deadline for those running in the party's June primaries.

They are:

- Ehud Barak, a former Israel Defense Force chief of staff who served as foreign minister in the previous Labor government;

- Yossi Beilin, an architect of the peace process with the Palestinians who served as minister without portfolio in the previous government;

- Ephraim Sneh, health minister in the previous government;

- Shlomo Ben-Ami, a professor and political newcomer who served as a former Israeli ambassador to Spain.

Peres announced last year that he would not seek another term. □

## \$5 billion Swiss proposal hailed, but legal obstacles stand in way

By Fredy Rom

ZURICH (JTA) — Jews around the world are applauding a surprise Swiss proposal for a \$5 billion humanitarian fund, but it is far from certain if and when the moneys would be distributed.

In a stunning announcement Wednesday before the Swiss Parliament, President Arnold Koller proposed that his country devote \$5 billion from its gold reserves to endow a fund to help Holocaust victims and others who have suffered.

The proposal is the most dramatic in a series of Swiss steps taken since a push for restitution began a few years ago. The president's proposal, coupled with recent announcements that Swiss banks and private industries would contribute to a separate fund for needy victims, marked the furthest point the European nation has gone in such restitution efforts.

Still, the fund must pass through some formidable legal hoops before it can be established. These include the need to amend two articles of the Swiss Constitution and to revise the national banking laws, said Swiss officials.

The proposal could also face a national referendum, which many fear would not pass a public hearing. All told, the process could take at least two years.

Nonetheless, the president's proposal was welcomed by several Jewish groups, including the World Jewish Congress, which has spearheaded Jewish efforts to determine the whereabouts of assets deposited by Holocaust victims in Swiss banks during the war years and to investigate Switzerland's wartime dealings with the Nazis.

"We hail President Koller's announcement as representing a victory for the Jewish and Swiss peoples," said WJC President Edgar Bronfman. In a statement issued Wednesday, Bronfman referred to the Swiss contribution to "this historic endeavor" to make "moral and material restitution to those who suffered under Nazi persecution."

In Israel, Jewish Agency for Israel Chairman Avraham Burg, who has been closely involved in restitution efforts, called the move a step in the right direction.

Rolf Bloch, president of the Federation of Jewish Communities in Switzerland, also welcomed Koller's proposal. "Why should we not do something bigger than originally planned?" he said. But he cautioned that the road ahead was long and certain to provoke painful emotions.

### Fund expected to increase

Recognizing that the establishment of such a fund could take at least two years, the Swiss National Bank announced that it was contributing \$70 million to an already-created Holocaust memorial fund for needy survivors and their heirs.

That fund was established last month with an initial infusion of some \$70 million from Switzerland's three largest banks — Credit Suisse, Swiss Bank Corporation and the Union Bank of Switzerland.

The announcement by the Swiss National Bank, which is the equivalent of the U.S. Federal Reserve, was accompanied by statements from several Swiss industrial firms that they would fulfill an earlier pledge to contribute some \$50 million to the memorial fund.

As a result of these developments, the memorial fund is expected to increase in value from about \$70 million to nearly \$200 million.

Also Wednesday, a group of independent historians met for the first time to probe Switzerland's profitable transactions with the Nazis.

In his speech Wednesday before the Swiss Parlia-

ment, Koller said the newly endowed "Swiss Foundation for Solidarity" would use proceeds from the sale of Swiss gold reserves to help people inside and outside Switzerland.

By managing "gold stocks made available for public purposes," the fund could generate proceeds of hundreds of millions of dollars a year, Koller said. The money would help "victims of poverty and catastrophes, of genocide and other severe breaches of human rights, such as, of course, victims of the Holocaust," he added.

Koller, who holds the country's rotating presidency until the end of the year, acknowledged that his country had been stung by evidence about the victims' bank accounts and that the nation had profited in its financial dealings with Nazi Germany. Koller said Switzerland had been tainted by the impression that it "profited and enriched itself thanks to the war and that for the past 50 years, Swiss banks have been trying to hold on to the assets of Holocaust victims."

Koller, who also serves as his country's justice minister, asked his audience to question "to what extent all Swiss citizens managed to satisfy the high moral demands during the war" and "to admit the dark sides of that difficult period."

Koller also said that because the fund would be based on gold reserves, it would not make use of taxpayer money — a concern raised by conservative politicians in the ongoing debate over compensating Holocaust victims.

Nonetheless, right-wing politician Christoph Blocher, who has fiercely opposed the use of public funds for Holocaust victims, said the federal council "had lost its head."

Koller said the fund would "reinforce Switzerland's humanitarian tradition and prove our gratefulness for having been spared during two world wars."

Koller's speech came in stark contrast to remarks made by his predecessor, Jean-Pascal Delamuraz, who in the course of an interview in late December dismissed Jewish calls for compensation to Holocaust victims as "extortion and blackmail." Delamuraz later apologized in the face of an international outcry.

### Out-of-court settlement?

In another development Wednesday, the chairman of Credit Suisse, Rainer Gut, said he was willing to seek an out-of-court settlement to resolve pending legal actions by several groups claiming that the bank misappropriated assets of Jewish Holocaust victims.

Gut would not provide details, but said he would not exclude the option of a cash settlement.

Earlier this year, Gut was the first major Swiss banking official to urge creation of a fund to begin compensating Holocaust survivors, thereby helping to break an impasse between Switzerland and the international community.

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.

Word emerged earlier this week that Credit Suisse had hired a top U.S. law firm, Cravath, Swain & Moore, to help the embattled bank come to terms with its past and right a series of historical wrongs.

While soul-searching apparently preceded the law firm's decision to get involved, Robert Rifkind, a senior partner at the law firm who also serves as president of the American Jewish Committee, defended his firm's decision to advise Credit Suisse. "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." □

**Arafat says one thing to U.S. Jews, another to United Nations diplomats***By Cynthia Mann*

NEW YORK (JTA) — An American Jewish group told Palestinian Authority leader Yasser Arafat this week that it was counterproductive to call in third parties in the dispute over planned Israeli construction in eastern Jerusalem.

Arafat, in turn, conceded that it was "preferable" to engage directly with Israel in such disputes.

But a few hours later, he told members of the United Nations Security Council that the diplomats are obligated to help save the Israeli-Palestinian peace process, which he says is being threatened by building plans for Har Homa.

The Security Council then began a debate on Har Homa that was expected to last more than a day.

Israel's decision last week to build some 6,500 housing units at the vacant hill of Har Homa in southeastern Jerusalem has sparked a new conflict with the Palestinians.

The Palestinians are staunchly opposed to the project and claim that it is a violation of the accords with Israel.

The exchange with the Palestinian leader came during a meeting Wednesday of about 10 members of the Conference of Presidents of Major American Jewish Organizations.

The meeting with Arafat lasted for about an hour and focused on the importance of building public confidence in the Israeli-Palestinian peace process, said Howard Squadron, a past chairman of the conference who led the meeting.

He said the conference members stressed to Arafat that public rhetoric affects public trust in the process and urged him to focus on the progress that has been made between the parties.

According to Squadron, Arafat said he was frustrated by not having more direct access to Prime Minister Benjamin Netanyahu.

Arafat suggested that he would not have turned to the international community as readily about Har Homa had Netanyahu communicated more directly with him.

The Palestinian leader said he had "discouraged violence" over the matter and "indicated he agrees it is not the proper way to proceed" during a dispute, Squadron said.

**Protests have been peaceful**

Palestinian protests against the Har Homa project have been peaceful.

In response to questions about the Palestinian Covenant, Arafat said the Palestine National Council had already annulled 29 clauses that were inconsistent with the accords with Israel.

A group of about 50 demonstrators affiliated with the Jewish Defense Group protested the Arafat meeting, according to Rabbi Yaakov Lloyd, its head.

"We were pretty outraged at the fact that Arafat, who is really a murderer, was shaking the hands of Jews who, if he had the chance, he would murder," said Lloyd in a recorded telephone message.

A smaller gathering was organized by the Coalition for Jewish Concerns-AMCHA to protest Arafat's visit to the United Nations.

The group also intended to show support for Har Homa and the right of Jews to live in Jerusalem, according to Ronn Torossian.

Torossian is the young leadership coordinator for the group. □

**Netanyahu, Mubarak disagree on Har Homa, release of Israeli***By Naomi Segal*

JERUSALEM (JTA) — Despite their differences, the two leaders said they would seek a continuation of the peace process.

During a one-hour meeting Wednesday in Cairo, Israeli Prime Minister Benjamin Netanyahu and Egyptian President Hosni Mubarak, however, failed to reach agreement on two issues: Israel's plans to build a new Jewish neighborhood in southeastern Jerusalem and Egypt's refusal to release an Israeli accused of spying.

In comments to reporters after their session, the two downplayed their disagreements.

Netanyahu said the Egyptians were making efforts to prevent a violent Palestinian reaction to Israeli construction plans at Har Homa. "There are still differences of opinion," Netanyahu told Israeli reporters who accompanied him on the daylong trip to Egypt.

"But what has become clear since we took the [Har Homa] decision is that Egypt is clearly taking a position against any kind of violent response. It is also taking certain steps to ensure that the peace process will continue."

Mubarak said before Netanyahu's arrival that he was concerned that building at Har Homa would damage prospects for the Israeli-Palestinian final-status talks.

He reiterated this view during a joint news conference with the Israeli leader. "I'm not going to tell you that I was convinced" by Netanyahu, Mubarak told reporters. "I'm afraid this will create problems in the future."

The Egyptian leader said he would discuss Har Homa with Palestinian Authority leader Yasser Arafat, due in Cairo later this week on his way back from a trip to the United States, where he tried to drum up support against the Israeli project.

"We are not thinking of taking measures" against Israel, Mubarak said. "Our measures are to push the peace process forward on a fair basis to be a lasting peace."

Along with the Har Homa controversy, Netanyahu and Mubarak discussed Egypt's detention of an Israeli citizen on charges of spying for Israel.

Mubarak said he could not do anything to secure the release of Azam Azam, a Druse who worked in a textile factory in Cairo before Egyptian authorities accused him in December of spying.

"This case is before the court. We have no authority to exclude it from the court until it comes to an end," Mubarak said.

The Egyptian judiciary announced this week that Azam's trial would begin April 24.

Israel has denied all allegations that Azam spied for the Jewish state. □

**Business center coming to Gaza Strip***By Michele Chabin*

JERUSALEM (JTA) — A ground-breaking ceremony for the Gaza Strip's first business center took place over the weekend north of Gaza City.

The business center, which will include a luxury Marriott hotel and 150,000 square feet of office space, will be dedicated to U.S. Secretary of Commerce Ron Brown, who was killed in a plane crash last year. Brown, who believed that peace and economic growth go hand in hand, said during one of his trips to the Middle East, "This facility will signify that Gaza is open for business."

The \$100 million project is expected to employ 2,000 workers during the construction phase and will create up to 4,000 jobs once it is completed. □