



## NEWS AT A GLANCE

■ Israeli Prime Minister Benjamin Netanyahu held contacts aimed at keeping his coalition together. After the Cabinet's 10-7 vote to hand over 9 percent of the West Bank to the Palestinians, eight Knesset members threatened to leave the coalition. [Page 2]

■ Israel allowed four Palestinian offices in eastern Jerusalem to remain open, despite a closure order scheduled to expire Sunday night.

■ An Italian military court ordered former SS Maj. Karl Hass to stand trial for his role in the Ardeatine Caves massacre. It remains to be seen whether Hass, 84, will be tried with former Nazi SS Capt. Erich Priebke, who is to be retried for his role in the massacre.

■ Polish officials and international Jewish groups signed a declaration for implementing a long-term plan for preserving the Auschwitz-Birkenau death camps while helping the adjacent town of Oswiecim to develop.

■ Two U.S. senators asked Secretary of State Madeleine Albright to talk to Israel about the mental health of Mordechai Vanunu, an Israeli who is in prison for revealing nuclear secrets. Russell Feingold (D-Wis.) and Paul Wellstone (D-Minn.), both of whom are Jewish, were responding to a complaint from the Campaign to Free Mordechai Vanunu, which has raised concerns about Vanunu's solitary confinement in Israel.

■ An Israeli soldier was lightly wounded in clashes with the Islamic fundamentalist Hezbollah in the southern Lebanon security zone.

■ Three polls in Switzerland showed that most voters back a government plan to create a \$5 billion humanitarian fund for Holocaust victims and others. The polls showed support levels of between 50 percent and 73 percent.

■ More than 240 incidents of anti-Semitic harassment and vandalism were reported in Canada in 1996, according to B'nai Brith Canada. In 1995, 331 incidents were reported.

## PROFILE

### Zeal of JNF's new president inspired by Jewish awakening

By Cynthia Mann

NEW YORK (JTA) — Ronald Lauder is a man driven to reclaim his Jewish legacy.

The cosmetics heir and philanthropist grew up as a self-described assimilated or "three-day-a-year" Jew.

"I didn't think twice about being Jewish," he says during an interview in his 42nd-floor suite in the towering General Motors Building on Fifth Avenue.

His view from the oversized windows is a stunning cityscape that includes the Plaza Hotel, Central Park ice skaters and the Hudson River.

About 10 years ago, Lauder, now 53, underwent a metamorphosis. While he still maintains his longtime passion for mainstream cultural endeavors — he is the chairman of the board of the Museum of Modern Art in New York — he now is immersed in Jewish activity and organizational life.

One of his current missions is investigating the fate of the assets of Nazi-era Jews that were deposited in Swiss banks. To that end, he is the chairman of the International Public Committee of the World Jewish Restitution Organization.

His newest portfolio is the presidency of the Jewish National Fund of America, to which he was elected last month.

His champions at JNF clearly hope that Lauder's high profile in both the business and philanthropic worlds will restore confidence in and luster to the organization after revelations last year of fiscal and management problems.

It is also a post that qualifies him to serve in the coveted chairmanship of the Conference of Presidents of Major American Jewish Organizations. His name has surfaced in the search committee, which is expected to make a decision by mid-March.

Meanwhile, Lauder, also the treasurer of the World Jewish Congress, appears to enjoy reflecting on his transformation.

It began, he says, after he was appointed U.S. ambassador to Austria in April 1986.

In Vienna, he was deeply affected by the presidential election campaign of Kurt Waldheim and Austria's effort to begin reckoning with its role during World War II.

### Rebuilding Jewish life in Eastern Europe

He drew a lot of Austrian press criticism for failing to attend the inauguration and says he came under attack as a Jew for the first time in his life.

That experience moved the former chairman of Estee Lauder International to found the Ronald S. Lauder Foundation to rebuild the Jewish life in Eastern and Central Europe that the Holocaust virtually destroyed.

Upon his return to the United States and a failed bid as a conservative Republican to become New York City's mayor, his foundation established a network of Jewish schools, youth centers, camps and community outreach programs.

And he studies Hebrew daily. To emphasize the point, he picks up his blue notebook lying on the coffee table across from him and swings it around, displaying the Hebrew block letters and vowels he has printed on its pages. His mentors, he says, include Polish-born Rabbi Chaskel Besser, who works with him at the foundation; Elie Wiesel; U.S. Rep. Tom Lantos, a Holocaust survivor; and Israeli Prime Minister Benjamin Netanyahu, whom Lauder counts as a close friend.

"He is a man with a good heart," Besser says of Lauder. "He loves people and he has a certain historic vision to do whatever he can to oppose evil."

"Recreating Jewish life" so that Eastern Europe is "not Judenrein" is "the greatest defeat for Hitler," the Orthodox rabbi continues. "That is his dream."

Lauder's work in Eastern Europe initially found him bucking the

trends in the Jewish establishment, which had concentrated nearly exclusively on helping the elderly and trying to send everyone else to Israel. "Nobody really understood what type of Jewish community there was there," he says.

"If you didn't want to have every Jew come to Israel, you were not a Zionist," he says. "But I say you can be a Zionist without wanting every Jew to leave and that Zionism is also about what Israel stands for."

Which brings him to JNF, the quintessentially Zionist organization dedicated to reclaiming and building the land of Israel. Lauder appears uncomfortable when asked to reflect on the current meaning of Zionism, now celebrating its centennial year.

He is similarly reluctant to talk about the state of the Israel-Diaspora relationship, though strengthening that link is a cornerstone of JNF.

And he appears not to be conversant on these issues, instead calling them "very, very complicated."

"It's a minefield," he says.

Nevertheless, after a lot of back and forth, it becomes clearer how he fits JNF's mission into his worldview. The Holocaust has always left him haunted by two questions, he says. "Why did the world let this happen?" and "Why didn't Jews fight back more?"

Even now, the current dispute over restitution for the Holocaust makes it clear to him that "in many ways, we're alone and there's no one to turn to."

For Lauder, a strong Israel becomes the only answer to these unanswerables, and Israel's ecology is key to its strength. JNF, he says, is uniquely poised to contribute to solutions to pressing ecological problems, such as a severe water shortage.

He also injects geopolitics into his ecological equation. "Water knows no boundaries," he says, and common water projects are "an excellent way for Israel to meet with its Arab neighbors."

"And when you have that dialogue, it can only lead to better relationships and better understandings."

#### Opting for understatement

As far as the problems at JNF, which spurred a host of reforms, Lauder opts for understatement.

Last year's internal probe, aided by an independent partial audit, found inefficient accounting practices. It also showed that far more money than expected was spent in the United States for Zionist education and Israel programming than in Israel for tree planting and other land-reclamation projects.

"What I believe happened, and it happens in businesses, it happens all throughout life with people who own checking accounts" is that it is "very easy to go from profit to loss or to overdraw your account without realizing it, and it's not done with bad intention.

"The only mistake JNF made is," Lauder says, it "initially did not react well." It should have been more open about the issues, he says.

Some concern over his commitment to rapid reform has been raised by his decision to retain longtime Executive Vice President Samuel Cohen in his role longer than expected.

In an apparent effort to influence the outcome, Lauder seems to have sought a slowdown in the search for a replacement of Cohen. Last fall, Cohen was shifted to the post of senior executive vice president.

Meanwhile, Lauder declined to talk about JNF's spending on Zionist education, saying that he has not had a chance to check the numbers.

"However," he says, "my first priority is to get enough money to Israel from JNF to accomplish the things we set out to do. That is priority number one, two and three." □

### Scale of redeployment angers Knesset members, Palestinians

By Naomi Segal

JERUSALEM (JTA) — Prime Minister Benjamin Netanyahu is facing criticism on two fronts after his Cabinet approved the turnover of 9 percent of rural West Bank areas to the Palestinian Authority.

Palestinian officials said too little of the West Bank was being transferred to them and criticized Israel for unilaterally determining the extent of the transfer.

Meanwhile, members of Netanyahu's governing coalition said too much was being given away and issued warnings that they would topple his government.

After the Cabinet's 10-7 vote last Friday, eight Knesset members threatened to vote no-confidence in the government if Netanyahu did not change his policies.

A Knesset vote on a no-confidence motion could come later this week after Netanyahu returns from a visit to Russia.

The coalition members were angered by the inclusion of 2 percent of land defined as Area C, under sole Israeli control, as part of the first of three further redeployments from rural West Bank areas called for in the Hebron accord.

They demanded assurances from Netanyahu for some of their own key interests, including no further delays for construction projects in Jerusalem and the territories.

The coalition holds 66 seats in the 120-member Parliament; two seats are held by the far-right Moledet Party, which is not a coalition member.

Netanyahu held a series of meetings with the Knesset members Sunday, hoping to persuade them not to quit the coalition.

His only apparent success was with Deputy Education Minister Moshe Peled of the Tsomet Party. But other legislators remained unmoved.

Knesset member Michael Kleiner of the Geshet Party said he wanted to see Netanyahu act on his promises.

"It was all very nice, and he said many things that are pleasant to hear," Kleiner told Israel Radio. "But what I want to see are bulldozers. We want to see results."

If the conciliatory approach fails, Netanyahu indicated that he also was ready to play hardball. The Israeli daily Ha'aretz quoted the prime minister as saying that if he had no other choice, he would turn to the Labor Party to discuss forming a national unity government.

#### 'Absolutely nothing to talk about'

But opposition leader Shimon Peres said Labor would not join a unity government. He said the idea would not even be considered until police concluded their investigation of alleged wrongdoing among government officials in the short-lived appointment of Jerusalem attorney Roni Bar-On as attorney general earlier this year.

"Until this issue ends, there is absolutely nothing to talk about," Peres told Israel Radio.

Defense Minister Yitzhak Mordechai said Sunday that he expected implementation of the Cabinet decision on redeployment to take place later this week.

Palestinian officials conveyed their anger over the scope of the transfer during a meeting Sunday night between Foreign Minister David Levy and Mahmoud Abbas, better known as Abu-Mazen, who serves as second-in-command to Palestinian Authority leader Yasser Arafat.

Levy later told reporters that the Palestinian officials had expressed their protest and asked for time to consult with Arafat before deciding whether to accept the Israeli plan.

Abu-Mazen did not take part in Levy's news conference. □

**BEHIND THE HEADLINES****Palestinian opposition groups appear to unite behind Arafat**

By Gil Sedan

JERUSALEM (JTA) — Some militant Palestinian groups appear to be coalescing behind the person who has led the Palestinians on a path of peace with Israel.

At the initiative of Palestinian Authority leader Yasser Arafat, more than 100 representatives of various Palestinian groups, including several that have been vehemently opposed to the peace process, recently gathered in the West Bank town of Nablus for the first session of what they called a national Palestinian dialogue.

Except for the Islamic Jihad, all major opposition bodies were present.

Among those attending were representatives of Palestine Liberation Organization factions that make up the so-called Rejectionist Front because of their staunch opposition to the peace process.

Those organizations, such as the Democratic Front for the Liberation of Palestine and the Popular Front for the Liberation of Palestine, whose headquarters are in Damascus, have long been among Arafat's most strident opponents.

Representatives of the Islamic fundamentalist Hamas group, which is not part of the PLO, also were in attendance.

It was the first time since Arafat shook the hand of Israeli Prime Minister Yitzhak Rabin on the White House lawn in September 1993 that Palestinian groups, which split over the Israeli-Palestinian accords, came together for a day of discussion.

The dialogue comes as Israel and the Palestinians prepare to embark in earnest on their final-status talks, which will determine the fate of Israeli settlements, Palestinian refugees, the status of Jerusalem and the question of Palestinian sovereignty. Discussing strategy for the final-status talks was billed as one of the dialogue's aims.

**Calls for non-violent protest**

The initiative appeared to give a boost to Arafat's political stature as well as to his approach to negotiations with Israel.

The Feb. 27 meeting came a day after Israel announced its decision to go ahead with construction of a new Jewish neighborhood in southeastern Jerusalem — a move that threatened to escalate Israeli-Palestinian tensions. The Nablus gathering appeared to give endorsement to Arafat's calls for non-violent protest.

But the dialogue actually had been in the works for nearly a year.

The initiative for the dialogue was made shortly after the Islamic fundamentalist suicide bombings last February and March in Israel, when Arafat's security services launched a crackdown on Hamas terrorists operating in the West Bank and Gaza Strip.

Arafat had a vested interest in showing that he was seeking to build a Palestinian consensus for the peace process.

Plans for the dialogue received a boost after September's violence in the self-rule areas that erupted after Israel opened a new entrance to an archaeological tunnel in the Old City.

After three days of clashes, during which Palestinian police opened fire on Israeli soldiers, and 76 Israelis and Palestinians were killed, Arafat's stand in the self-rule areas was strengthened considerably.

He could afford courting his opposition.

"Arafat's rule is secure without the consent of the

opposition," said a senior Israeli intelligence source. "But it is important for him to show both locally and outwardly that Palestinians enjoy political pluralism, and that it is not a one-man show."

"In the long power struggle between Arafat and his rivals, the rivals realized that Arafat has the upper hand," the source added. "For the opposition, taking part in the national dialogue was a matter of to be or not to be."

So, they chose to be, but on Arafat's terms.

More than a year after such groups boycotted the first Palestinian elections — in which a Palestinian legislative body was selected and Arafat was chosen as head of the Palestinian Authority — the opposition appears to consider the dialogue its only chance to be part of the Palestinian establishment.

The opposition's participation lent recognition to Arafat's leadership and to the legitimacy of the Palestinian Authority.

While none of the opposition groups has yet changed its views toward Israel or the peace process, they at least seemed prepared to participate in Palestinian politics within the context of the Palestinian Authority.

Future sessions of the dialogue are expected to discuss areas such as allocating Palestinian Cabinet seats to opposition groups and consulting them on national tactics, such as when to call strikes.

The dialogue was carefully planned by Arafat and his supporters.

Salim al-Zanoun, chairman of the Palestine National Council, opened the session, and was followed by Arafat.

After his introductory remarks, Arafat politely asked the media to leave the conference hall.

"I came to work and not to chat," Arafat said.

Few details emerged about the substance of the deliberations, but the very gathering of the disparate Palestinian groups was in itself significant.

The Palestinian media, which is controlled by the Palestinian Authority, predictably described the meeting as a victory for Arafat.

At the same time, Israel appeared to welcome the initiative.

Internal rifts in the Palestinian camp have never worked to Israel's benefit.

Competing factions often have turned to terrorism in an effort to advance their respective goals.

Mohammad Dahlan, head of the Palestinian Security Service in Gaza, declared last week that there would be no Palestinian terrorism "within the next year." This was one indication that the show of Palestinian unity at the dialogue could benefit Israel, at least in terms of daily security.

Dahlan's statement to the Israeli daily Ma'ariv was viewed in Israel more as a declaration that the Palestinian Authority was in control of the situation than a guarantee that there would be no more terrorism — or confrontations between Palestinian police and the Israel Defense Force.

"If Palestinian policemen shoot at Israeli soldiers, Dahlan will say that he stood by his words," said the senior intelligence source.

"This is war, not terrorism." □

**Palestinian court sentences 3 to death**

JERUSALEM (JTA) — A Palestinian court in Gaza last week sentenced three Palestinians to death for the murder of a Palestinian security officer.

Palestinian courts have sentenced others to death. However, to date, the penalty has never been carried out. □

**Czech Jews applaud German plan to compensate survivors***By Randi Druzin*

PRAGUE (JTA) — The Czech Jewish community has applauded the German government's recent decision to give direct compensation to the victims of Nazism in Central and Eastern Europe.

About 9,000 Czech citizens, including 2,000 Jews, could receive money from the approximately \$47 million fund now being prepared by the German government.

"Survivors have been waiting over 50 years for this," Tomas Kraus, general director of the Federation of Jewish Communities, said in an interview with the Prague Post. "We're glad because this is something we have been fighting for."

The local Jewish community has been pushing for direct compensation from Germany, and Czech Holocaust survivors opposed a Czech-German reconciliation accord signed in January on the grounds that it did not include provisions to compensate Holocaust victims. That pact is intended to ease tensions rooted in Germany's wartime occupation of Czech lands and the subsequent deportation of Sudeten Germans from postwar Czechoslovakia.

The Czech Republic remains the only Central European country whose citizens have not received any direct compensation from Germany for wartime sufferings.

The money earmarked for direct compensation is separate from the approximately \$96.5 million Fund for the Future that was established under the reconciliation accord to finance projects of common interest to both countries.

The \$47 million fund is "meant for victims of the Nazi regime who suffered extraordinarily and haven't received any compensation yet," Thomas Bagger, the German press attache here, told the Prague Post. "It will be designed to catch those people who have fallen through the cracks and regulations until now."

The German government is expected to decide soon how the new fund will be administered and to begin compensating individuals next year.

Payment will be decided on a case-by-case basis and will be made during a three-year period, said Bagger.

In a related development, the Czech National Bank may reverse an earlier decision and compensate Slovak Jews for gold that was taken from them during World War II, according to Josef Weiss, director of the Association of Slovak Jewish Communities.

Weiss said the bank was discussing the issue with the Czech Ministry of Finance and that a decision could come by the end of the month.

In December, the bank claimed that it did not have the gold, which was transferred to the State Bank of Czechoslovakia in 1953, and that compensation was a matter for the Slovak government, which, according to Czech National Bank officials, obtained the gold when Czechoslovakia split into two states in 1993.

However, Slovak authorities maintained that the gold in question was kept separate from other assets, and was therefore not included in the division of former federal assets. □

**Berlin official's report finds neo-Nazis increasingly violent***By Daniel Dagan*

BONN (JTA) — Neo-Nazis operating in Berlin have become increasingly violent, according to a report by the city's top security official.

In the report, Joerg Schoenbohm said Berlin's neo-Nazis were becoming increasingly efficient at coordinating their activities, often using portable telephones and com-

puter technologies to communicate with one another. The report indicated that the neo-Nazis were moving further underground to avoid detection by the police, giving up the larger banned organizations in favor of small group meetings in members' homes.

German investigators say the former East Berlin has become the center of the country's neo-Nazi movement. From Berlin, they add, the extremists mobilize supporters across Germany.

The federal office that monitors the activities of political extremists recently warned in a report that Berlin's neo-Nazis pose a threat of terrorism to the country at large.

In his report, Schoenbohm said Berlin neo-Nazis were involved in 14 bombings during 1996, up from three in the previous year.

Neo-Nazis caused 76 serious injuries last year, up from 60 in the previous year, the report said, adding that there were 150 cases in 1996 in which extremists violated laws prohibiting the possession of arms, double the previous year's number.

The statistics he provided confirmed a trend observed by security officials in recent years.

Since Germany's unification in 1990, police have confiscated increasing amounts of arms and hate propaganda from neo-Nazi groups operating in Berlin. □

**Chicago city officials withdraw proposal to boycott Switzerland***By Todd Winer**Chicago Jewish News*

CHICAGO (JTA) — Is Switzerland the next South Africa? Two Chicago officials apparently saw similarities.

Officials Bernard Stone and Burt Natarus proposed an ordinance that would prohibit banks or institutions that conduct business with Swiss banks from doing business with the city of Chicago. It also would ban the investment or deposit of city funds into Swiss banks.

"It's the same thing done to the South Africans," Stone said, referring to a City Council ordinance, since repealed, that imposed economic sanctions against South Africa for its apartheid policy. Stone predicted "unanimous support" for the proposal among council members.

But that was before discussions with Jewish leaders, who were concerned that it might interfere with ongoing negotiations between Jewish organizations and the Swiss government and banks.

That concern was confirmed in a conversation between American Jewish Congress leaders and Stuart Eizenstat, the U.S. official who is coordinating the American investigation of Switzerland's wartime role and the fate of the Swiss bank accounts of Holocaust victims.

Joel Rubin, executive director of the AJCongress office in Chicago, asked Eizenstat what he thought of the proposed ordinance. "Very harmful" and "disadvantageous" was the reply.

In the end, Natarus and Stone, who are both Jewish, decided not to bring the proposal up for a vote. □

**Bring on the hummus!***By Naomi Segal*

JERUSALEM (JTA) — Israel, Egypt, Jordan and the Palestinian Authority are planning a regional food exhibition under the auspices of the United States.

The event is scheduled for next February in Tel Aviv.

Israeli Trade and Industry Minister Natan Sharansky said the decision to hold the exhibition was made by the "Taba Forum," created after Israel's peace accords with Jordan and the Palestinians. □