

**NEWS AT A GLANCE**

■ **Melvin Salberg, a prominent attorney and former chairman of the Anti-Defamation League, was nominated to become the next chairman of the Conference of Presidents of Major American Jewish Organizations. [Page 1]**

■ **Israelis and Palestinians braced themselves for a potentially explosive confrontation as bulldozers broke ground for the controversial Jewish neighborhood of Har Homa in southeastern Jerusalem. Palestinian protesters engaged in shoving matches with Israeli soldiers at the site, and in Bethlehem, Palestinian teen-agers burned tires, blocked roads with trash containers and taunted Israeli soldiers. [Page 2]**

■ **Palestinians angrily denied Israeli media reports that Yasser Arafat had given the nod to Palestinian opposition groups to renew violent attacks against Israel. Earlier, it was reported that Netanyahu had been told that Arafat had given the go-ahead for the use of violence in response to Har Homa. [Page 2]**

■ **Russian Jews praised President Boris Yeltsin for giving Russia's stalled market reforms a boost with the appointment of several reform-minded liberals to key posts. [Page 4]**

■ **Swiss right-winger Christoph Blocher reportedly vowed to lead a voter uprising against the government's plans to create a humanitarian fund by selling off part of the nation's gold reserves. Blocher also accused the Swiss Cabinet of bowing to extortion.**

■ **Argentina marked the fifth anniversary of the bombing of the Israeli Embassy in Buenos Aires. Ruben Beraja, leader of the Argentine Jewish community, criticized the government for not committing to an investigation of the explosion that killed 29 people and wounded more than 200 on March 17, 1992.**

■ **Israeli and Jordanian officials agreed to build a park in memory of the seven Israeli schoolgirls killed by a Jordanian soldier. The joint committee decided that the families of the girls would participate in the planning of the park.**

**And the winner is ...  
Conference nominates new chair**

*By Cynthia Mann*

NEW YORK (JTA) — After months of anticipation and speculation, the nomination is in for the next chairman of the Conference of Presidents of Major American Jewish Organizations.

It is Melvin Salberg, a prominent attorney and former chairman of the Anti-Defamation League.

Several members of the umbrella organization expressed surprise at the news, but welcomed it.

They cited Salberg as a fair and moderate man who can bring people together at a juncture of tension and fragmentation in the Jewish world.

"It is a victory for moderation at a time of polarization," said Abraham Foxman, the national director of the ADL, who worked closely with Salberg in recent years. "He is both a leader and a mediator."

"It's a very wise choice," agreed Betty Ehrenberg, director of international affairs and community relations for the Orthodox Union.

"Mel seems to be someone who can really build a consensus" given his "balanced political views," she said. "He has been outgoing and open with everyone in the conference."

The decision by the nominating committee was unanimous, according to Lester Pollack, its chairman, and is expected to be ratified in the coming weeks through an election by the full conference, which has more than 50 member-organizations.

The race to succeed Leon Levy, whose term expires in June, has been closely watched.

Speculation was rife for a time that the post would go to Ronald Lauder, the cosmetics heir and new president of the Jewish National Fund.

While not widely known among the grass roots, the organization is seen as the central address for Jewish affairs by governments around the world, including the United States.

The chairmanship, thus, holds glamour and prestige.

Meetings are routine with heads of state in exotic places, from Qatar to Uzbekistan, whose government hosted the conference earlier this month.

But the job is also filled with pressure.

The chairman's mandate is to find consensus on divisive issues at a time when the Jewish community is highly fragmented, particularly over the politics of the Middle East peace process.

Reached at the conference's New York headquarters moments before the formal announcement Tuesday, Salberg reflected on his mandate.

"In the days ahead, the unity and comity among the constituent agencies of the conference will be essential to the mission, and that is, to give support to Israel in its pursuit of peace and security," he said.

**Seasoned labor negotiator, effective conciliator**

Salberg, a senior partner in the New York law firm of Anderson, Kill, Olick & Oshinsky, is a seasoned labor negotiator and, by many accounts, will be a low-key, but effective conciliator.

He led efforts to defend the ADL when it faced charges in California a few years ago that the activities it employed to monitor organizations violated privacy laws.

The case was settled out of court, with the ADL admitting no wrongdoing.

More recently, he was legal counsel to the Jewish National Fund, where revelations surfaced last year of problems in accounting and spending practices. He also serves as JNF's chairman of the International Arid Lands Consortium and Forest Service Programs.

Salberg also was elected this week to be president of the American Zionist Movement.

Seymour Reich, AZM outgoing president and a former conference president, said Salberg would be an asset to the conference for his "stability" and "ability to bring people together." He pointed out that Salberg "held a steady course" and was "patient and calm" during the ADL's legal troubles and that the "ADL came out on top."

He also said Salberg is pragmatic rather than dogmatic. He said "he

will support the government of Israel and be firm in his dealings with Washington."

"But when he thinks that the Netanyahu government is going astray, I have no doubt he will tell the prime minister, one on one," Reich said.

Gail Pressberg, representing Americans for Peace Now on the left, said it was a "very good" decision and that she considered Salberg very supportive of the peace process.

"I would put him on the spectrum where [Yitzhak] Rabin was," she said. She also called him "fair," saying that he would "care about the processes and decision-making procedures of the conference."

On the other side of the political spectrum, Morton Klein, president of the Zionist Organization of America, has been critical of the nominating process, saying that it is not open enough.

In response to the selection, Klein said, "American Jewry expects the new chairman to strongly defend Jerusalem and expose [Yasser] Arafat's continuing belligerent and anti-peace behavior."

"I have confidence that Mel Salberg can provide the needed leadership on these issues."

The conference sees its role as the champion of Israel and of Jewish interests.

According to an ADL profile, Salberg comes from an observant Jewish family where that impulse comes naturally.

His parents grew up in Poland and lived in Warsaw after World War I before immigrating to the United States in 1920.

His mother's entire family perished in the Warsaw Ghetto during the Holocaust.

"A safe and secure American Jewry," he said in the 1990 profile, "is a bulwark for the security of Jews in other parts of the world, including Israel."

Phil Baum, the executive director of the American Jewish Congress, agreed.

"He has the capacity to bring various factions and points of view together," Baum said. "He's willing to look at all sides without having any prejudgments" and "he is not a contentious person."

Said Pollack: "Given his experience in areas of concern to the conference, we deemed him to be the best consensus builder." □

## **Israel, Palestinians at brink as Har Homa building begins**

*By David Landau and Naomi Segal*

JERUSALEM (JTA) — The Israeli-Palestinian peace process was teetering on the brink of its gravest crisis yet as Israeli bulldozers began work this week at Har Homa.

For Prime Minister Benjamin Netanyahu, the decision to begin work on a new Jewish neighborhood in southeastern Jerusalem was a test of the credibility of his government.

The Israeli move came Tuesday amid mounting Arab anger and worldwide opposition to the plan to build 6,500 housing units on the rocky hill. Diplomats this week were toiling to forestall any outbreak of violence and to put the Israeli-Palestinian peace process back on course.

As he has done repeatedly in recent days, the premier defended his Har Homa decision, after the Cabinet voted unanimously last Friday to give the project the go-ahead.

"There is never a good time to build in Jerusalem, because there is always opposition," Netanyahu told reporters accompanying him on a visit to the Negev, soon after the work began at Har Homa.

"When they say, 'Wait for better timing,' they mean, 'Don't build, not ever.' We intended to build, we promised to build and we are building."

In Washington, U.S. Secretary of State Madeleine Albright reiterated President Clinton's recent statements indicating that he would have preferred if Israel did not proceed with the Har Homa project.

"I think that the Israelis understand the difficulties that we see with their going forward," she told reporters.

"We would very much want to see a return" to negotiations, which she described as the "only time that there has been progress in the Middle East."

Meanwhile, both Israelis and Palestinians prepared for a potentially explosive confrontation.

When construction began Tuesday, Palestinian protesters engaged in shoving matches with Israeli soldiers at the site, but there were no serious outbreaks of violence.

In the West Bank town of Bethlehem, Palestinian teen-agers burned tires, blocked roads with trash containers and taunted Israeli soldiers.

Earlier in the day, the premier convened key ministers and security chiefs to assess the possibility of a violent Palestinian reaction.

Officials warned after the meeting that Israel would hold Palestinian Authority leader Yasser Arafat "personally responsible" for any violence or terrorism.

The Palestinians, for their part, angrily denied Israeli media reports that Arafat had given the nod to Palestinian opposition groups to renew violent attacks against Israel.

Earlier, it was reported that Netanyahu had been told that Arafat had given the go-ahead for the use of violence in response to building at Har Homa, and Israel subsequently suspended efforts to coordinate a meeting between the two.

Netanyahu later said that he was always ready to meet with Arafat.

Underscoring his avowed commitment to peace, Arafat met Tuesday with Yossi Sarid, leader of the dovish Meretz Party, and with a delegation from the left-wing organization "A Whole Generation Demands Peace," which is led by Yuval Rabin, the son of slain Prime Minister Yitzhak Rabin.

Sarid said after the meeting that Arafat was disturbed by the decision to proceed with the construction, but that he was calling for restraint.

In a statement broadcast Tuesday on Voice of Palestine radio, Arafat urged Palestinians to refrain from violence. At the same time, Palestinian leaders sharply condemned the move. Palestinian Authority official Saeb Erekat accused Netanyahu of pushing the sides toward violence and of destroying the peace process.

### **Israeli security on heightened alert**

The Palestinians oppose the building, saying that it alters the status quo in Jerusalem, whose future is to be determined in the final-status talks, which were scheduled to begin this week.

Israeli security forces went on heightened alert in preparation for the start of construction.

Israeli soldiers ringed the building site to prevent any confrontations with Palestinians from nearby villages or with those gathered in protest tents near Har Homa.

Police reinforcements were stationed throughout eastern Jerusalem, and the Israel Defense Force went on heightened alert in the territories.

The Hebron and Bethlehem self-rule areas were declared closed military zones. Joint Israeli-Palestinian patrols were suspended, and Joseph's Tomb in Nablus, the sight of bloody clashes between Israeli forces and Palestinians in September, was closed. □

**NEWS ANALYSIS****U.S. policy: First avert violence, then worry about final-status talks***By Matthew Dorf*

WASHINGTON (JTA) — As the Middle East peace process once again appears endangered, the primary goal of the Clinton administration is to prevent an outbreak of violence between Israel and the Palestinians.

But facing an obstinate Israeli Prime Minister Benjamin Netanyahu and an equally recalcitrant Palestinian Authority leader Yasser Arafat, the United States has found itself, as it often does in the peace process, up against formidable odds.

Ever since Netanyahu vowed to build 6,500 Jewish homes in southeastern Jerusalem, President Clinton has spearheaded a strategy designed to bolster Arafat's standing with the Palestinians, according to administration officials.

This policy is based on the belief that such a boost would persuade Arafat to control Palestinian emotions on the ground. At the same time, Clinton hoped to rely on a reserve of good relations with Israel to pressure Netanyahu to postpone the project.

On at least one count, the United States has failed.

As the bulldozers broke ground on Har Homa on Tuesday, it became clear that the U.S. administration had not convinced Netanyahu to delay construction of the controversial Jewish housing project.

And while there were no immediate outbreaks of serious violence as construction began, both White House and State Department officials said they believed that Arafat has fueled Palestinian calls for violence.

Arafat misrepresents his power when says he cannot control Palestinian anger, one official said.

So once again, U.S. policy-makers are engaged in a delicate balancing act as they try to calm tensions between Netanyahu and Arafat.

Their goals are clear even if the path to them is not.

In the short term, U.S. mediators want to avoid violence and simply get Arafat and Netanyahu back on speaking terms.

**Fate far from certain**

The longer-term goal — bringing the two sides together to seriously begin talks on final-status issues — appears more elusive.

Those talks, which will tackle the thorny issues of Jerusalem, settlements, borders and refugees, originally had been slated to begin this week. Their fate is now far from certain.

To attain these goals, U.S. officials first wanted to gain concessions from Netanyahu.

Then the plan was to present Arafat with a package of concessions in exchange for a pledge of non-violence when the bulldozers began work at Har Homa.

Netanyahu has already offered Arafat one concession Clinton sought: personal use of the airport in Gaza.

Now U.S. officials are feverishly working with Netanyahu to present Arafat a package that includes concrete plans for opening the airport and a seaport to commercial traffic and free travel for Palestinian Authority officials.

U.S. negotiators expressed less optimism that Israel would arrange for a "safe passage" land route between Gaza and the West Bank in the immediate future, but have included that possibility in the mix.

Palestinian, Israeli and American officials all agree on at least one thing — only with concessions from Netanyahu will the parties get back to the negotiating table.

Clinton's effort to boost Arafat in order to prevent

Palestinian violence began weeks ago. Sitting next to Arafat in the Oval Office, Clinton publicly criticized Netanyahu's plan for Har Homa.

The president amplified those comments at an East Room news conference a week later with Egyptian President Hosni Mubarak at his side.

Then State Department spokesmen began to call Har Homa exclusively by its Arabic name, Jabal Abu Ghenaim, in a move widely seen to bolster Palestinian claims to the disputed land. After appeals from the Israeli Embassy, U.S. officials are now using both references.

Clinton's strongest diplomatic appeal came in a letter delivered to Netanyahu last week, a letter that Netanyahu rejected on the spot, officials said.

"Prime Minister Netanyahu painted the president into a corner when he rejected Clinton's personal appeal to postpone Har Homa," said one U.S. official, expressing what appears to be a growing frustration with Israeli policy.

The effort culminated last week when the United States tried to balance its veto of a U.N. Security Council resolution condemning Israel with the decision to send Jerusalem-based Consul General Edward Abington to a Gaza conference convened by Arafat.

The decision on Gaza was met with a barrage of unusually strong criticism from members of Congress, including those from the president's party.

Republican lawmakers also weighed in against Clinton as did many Jewish groups. At least 100 lawmakers opposed the decision in letters to the president.

U.S. officials saw the meeting as a way to let Arafat "blow off steam."

In the end, it was Abington who quashed a communique condemning Israel that Arafat wanted to release. Abington caught considerable flak for this at the meeting from representatives of Russia, Japan, the European Union and Arab League.

Now that the building at Har Homa has begun, the Israelis are hoping that the Americans will work to lower Palestinian expectations. This was the message Natan Sharansky, Israel's trade and industry minister, brought to Vice President Al Gore during a Washington meeting just hours after the bulldozers broke ground. Gore's response to Sharansky was: "Israel is doing a very good job all by itself."

As the tensions over Har Homa escalate in the region, the fate of U.S. policy appears to be in Arafat's court. Two critical questions remain: Will Palestinian violence be contained and will he come back to the table?

"Right now the boycott is Arafat's," said one U.S. official. "We need to return to the table." □

**NASA helping to determine cause of helicopter crash***By Naomi Segal*

JERUSALEM (JTA) — NASA scientists are set to use a "supercomputer" to simulate February's collision of two military helicopters in northern Israel.

The panel investigating the crash, in which 73 soldiers and crew were killed, had turned to the National Aeronautics and Space Administration for assistance in determining its cause, Israeli media reported. The two helicopters were taking troops to southern Lebanon.

Two Israel Defense Force representatives have already flown to NASA laboratories in California, and will return with the results of the test, the Israeli daily Ha'aretz reported.

A similar simulation was conducted by the Israeli air force after the 1977 crash of a military helicopter in the Judean Desert. □

**Jewish politicians promoted in Russian Cabinet reshuffle***By Lev Krichevsky*

MOSCOW (JTA) — Russian Jews are praising President Boris Yeltsin for giving Russia's stalled market reforms a decided boost with the appointment of several reform-minded liberals to key posts in his new government.

"That's exactly what Yeltsin promised us" during last year's presidential campaign, said Yakov Rovner, a 54-year-old Moscow engineer.

"Yeltsin brought in young liberals and swept out those who have obviously struggled against reforms," he said of Yeltsin's dramatic reshuffling of top government posts this week.

Yeltsin's decision to appoint Boris Nemtsov, a liberal regional governor, as first deputy prime minister is seen by many as the most notable change in the Cabinet, one that may result in decisive steps to solve Russia's major social and economic ills.

Nemtsov, who is Jewish, was named one of two first deputies to Prime Minister Viktor Chernomyrdin, a position that will place him in charge of social welfare programs and a broad range of economic issues.

"This is a very good choice," Alexander Osovtsov, executive vice president of the Russian Jewish Congress, said of Nemtsov's appointment. "Nemtsov is clearly a smart and energetic politician."

Yeltsin has long viewed Nemtsov as his potential successor in the next presidential election, which will take place in the year 2000.

Political experts view Nemtsov, 37, as a leading contender against hard-liner Alexander Lebed, the retired general and former Yeltsin aide who has been actively campaigning to win the next election.

Nemtsov's success in that election will "depend on his success as a member of the Cabinet," said Osovtsov.

Two other high-ranking Jewish politicians were affected by this week's Cabinet reshuffle. Yakov Urinson, 52, was promoted from deputy economics minister to head the ministry and to become deputy prime minister. Finance Minister Alexander Livshitz was demoted.

Nemtsov, governor of the Nizhny Novgorod region in central Russia, is known as one of the country's leading reformist politicians. During his tenure as governor, he managed to turn the region, whose industry was once devoted entirely to military production, into the nation's foremost practitioner of market reforms.

**Threw orange juice**

In the West, Nemtsov is probably best remembered for throwing a glass of orange juice on ultranationalist Vladimir Zhirinovskiy during a debate two years ago.

As first deputy premier, Nemtsov will have to deal largely with solving Russia's non-payment crisis.

The state owes its citizens more than \$9 billion in delayed wages and pensions — a situation that prompted Yeltsin to announce last week that he would institute a major government reshuffle.

As regional governor, Nemtsov was supportive of minority groups in both the region and city of Nizhny Novgorod. His support extended to local Jewish organizations, said Susanna Turayeva, an activist in Nizhny Novgorod's Jewish community.

With a population of more than 1 million, the Volga River city is one of very few in Russia where the local government regularly contributes funds for the cultural needs of local minorities.

"It is sad that he is leaving" his governor's post, said Turayeva. "He has done a lot for his city and region." □

**French banks holding wealth of Jews who died in Holocaust***By Lee Yanowitch*

PARIS (JTA) — French banks kept hundreds of millions of dollars deposited by Jewish Holocaust victims and then failed in their legal duty to hand over the funds to a special state agency, according to the French daily *Le Monde*.

The newspaper, in a full-page story based on its own investigation, said experts had estimated the total worth of the funds at a minimum of \$135 million.

The revelations showed striking similarities to a dispute between Jewish groups and Swiss banks, which have come under fire in recent months for holding onto assets deposited by Jews during the war years.

*Le Monde* said the French banks' failure to comply with the government order to turn over the funds was due to bureaucratic confusion rather than a deliberate effort to conceal the money.

CRIF, France's umbrella group for secular Jewish organizations, said in a statement that "French banks never tried to have the truth about these accounts known, nor tried to find the heirs, and didn't make the slightest gesture towards Jewish orphans whose parents were exterminated."

"The moment of truth has come," the group said, demanding an inquiry into safe-deposit boxes and life insurance policies belonging to Jewish families killed in the Holocaust.

"CRIF demands that all light be shed on this affair," it said.

In 1941, France's German occupiers froze all Jewish bank accounts and, according to *Le Monde*, French banks after the war continued to destroy automatically all records of accounts that had not been active for the past 10 years. A 1966 law required banks to hand over the money and records of such accounts to the Caisse des Depots et Consignations, a special bank for state funds, but the law went almost entirely unheeded, *Le Monde* said.

The law was reinforced in 1977, but there was little change in the banks' behavior, according to the report.

**54 miles of records**

The French Banking Association, which represents all France's commercial banks, told *Le Monde* that nothing illegal had been done and that it would try to trace the accounts.

But one bank told the paper it had 54 miles of records to plow through.

After a May 1995 fire at the troubled state bank Credit Lyonnais, 6,400 of the bank's 7,800 safe-deposit boxes were opened. It was found that many had not been touched or paid out for decades, with some of the contents predating World War II.

"Sometimes we found money, sometimes a few jewels. But mostly documents — bills, marriage contracts, property titles and many bank documents and sometimes 30-year-old check stubs," said Colette Bonenfant, who oversees the bank's safe deposit boxes. "The value of most of the documents was absurdly low compared to the amount due in back rent" for the boxes, she said.

*Le Monde*'s disclosures come in the wake of a recent government decision to launch an investigation into Jewish-owned property seized during World War II. Public attention has so far focused on apartments and some 2,000 works of art now housed in French museums.

France's state auditor accused the state museum network — in a report leaked to the media in January — of failing to try to return the works, many of which are believed to have been taken from Holocaust victims or sold at far below their market value by Jews under duress. □