



## NEWS AT A GLANCE

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■ U.S. Secretary of State Madeleine Albright briefed Jewish and Arab American representatives separately on U.S. efforts to revive the peace process. She told delegates from the Conference of Presidents of Major American Jewish Organizations that despite critical comments on Har Homa, the United States' "commitment to Israel is without parallel." [Page 3]

■ The United Jewish Appeal pledged to be more aggressive in supporting worthy projects in Israel of all religious streams through earmarked-giving by donors. The pledge was made at a meeting of leaders of the Jewish community's central fund-raising establishment and the three major religious streams, who agreed the conflict over religious pluralism in Israel should not be permitted to harm the central fund-raising campaign.

■ Israel's attorney general ruled that four Palestinian offices in eastern Jerusalem should be closed because of alleged links to the Palestinian Authority. Public Security Minister Avigdor Kahalani sought the attorney general's opinion before taking any action.

■ Protective measures have been taken for the Swiss bank guard who was fired after bringing wartime documents that were to be shredded to the Jewish community. Christoph Meili apparently has been receiving death threats.

■ Italy marked the 53rd anniversary of the Nazi massacre of 335 men and boys at the Ardeatine Caves south of Rome. The anniversary came three days after former SS Capt. Erich Priebke, awaiting retrial for his role in the 1944 massacre, was moved from jail to house arrest in a Catholic monastery.

## NEWS ANALYSIS

### Seeking to salvage peace, eyes turn to Washington — or unity rule

By David Landau

JERUSALEM (JTA) — With the Middle East peace process in its deepest crisis since the Israeli-Palestinian peace accords were signed in 1993, all eyes are turning toward Washington to see whether the Clinton administration will be able to salvage it.

President Clinton dispatched top Middle East envoy Dennis Ross to the region Wednesday to try to bring Israeli Prime Minister Benjamin Netanyahu and Palestinian Authority leader Yasser Arafat back to negotiations.

At the same time, a widespread sense of Israeli unease in the wake of last week's suicide bombing at a cafe in Tel Aviv is prompting renewed speculation that a government of national unity is just around the corner.

The horror and anguish at last Friday's outrage is, of course, universal in Israel.

Nevertheless, beneath the surface, much of the criticism is focused on the Netanyahu government.

Opinion polls show that while a large majority of Israelis support the right, in principle, to build at Har Homa, only a slight majority believe that the government's decision to exercise that right at this time was justified and wise.

Since construction of the new housing project in eastern Jerusalem began last week, Israeli-Palestinian tensions have escalated, culminating in last week's bombing, which killed three Israelis and wounded dozens of others.

This week, Palestinians in some parts of the West Bank took to the streets in violent demonstrations reminiscent of the worst days of the Palestinian uprising from 1987 to 1993.

In conversations with ordinary Israelis, one hears — after the bitter condemnations of the bombing and of Palestinian Authority leader Yasser Arafat's failure to prevent it — expressions of doubt as to the government's handling of the peace process.

Whether a national unity government could save the embattled peace process is unclear.

But Yediot Achronot, Israel's largest circulation newspaper, went as far as to offer its readers Tuesday an artist's version of a unity Cabinet.

The portrait included six Likud ministers, six Laborites and six representing the small parties — Shas, the National Religious Party, Yisrael Ba'Aliyah and The Third Way.

### Series of private meetings reported

The paper said Netanyahu planned to translate this drawing into a real-life photograph within two weeks — just as soon as the ongoing police inquiry into the short-lived appointment of Roni Bar-On as attorney general reaches its conclusion, provided that this conclusion does not spell political demise for Netanyahu.

Yediot and other Israeli media have closely chronicled a series of private meetings over recent days between Netanyahu and Labor Party leader Shimon Peres.

They link those meetings to visits Netanyahu made this week to Shas' spiritual mentor, Rabbi Ovadia Yosef, and to a leading NRP rabbi, Avraham Shapira.

He also met with the popular Jerusalem kabbalist, Rabbi Yitzhak Kadourie.

The prime minister's aides maintain that the idea of a national unity government was not raised in any of these meetings.

But few political pundits believe them. Nor do some of Netanyahu's Likud followers.

The minister of health, Yehoshua Matza, one of the prime minister's most loyal supporters, confirmed Tuesday that the idea of setting up a unity government was indeed under serious consideration.

Matza said the two major parties could reach a common platform in advance of the final-status negotiations with the Palestinians, assuming that

the current crisis is resolved and that the peace negotiations resume.

He said Likud and Labor could agree on several issues: the unity of Jerusalem, continued Israeli control of the Jordan Valley, retention of the Jewish settlements and opposition to the creation of a Palestinian state.

In Labor circles, however, there seems to be — at least for now — much less enthusiasm for the unity scenario.

At a stormy meeting of Labor's Knesset faction Monday, only two members supported the idea, while Peres came under a barrage of criticism from members opposed to the party serving under Netanyahu.

"We can't keep saying that Netanyahu is incapable and stupid — and then not translate those opinions into political action," said Avraham Shochat, the former finance minister.

"The Likud are just using us," warned Ori Orr, the former chairman of the Knesset Foreign Affairs and Defense Committee.

As the Knesset on Tuesday debated two no-confidence motions — the motions later failed — Yossi Sarid, of the left-wing Meretz Party, blamed the prime minister for the deterioration in the political and security situations.

For his part, Peres insisted that no unity proposal had been made, and noted that in any event, Labor would want to await the outcome of the Bar-On investigation.

He agreed with his critics that it would be far better to defeat Netanyahu than to join him.

But given the situation under the new election law, that is not an option that might soon be available to the party.

Under the old system, a government could fall with a no-confidence motion and a new government could be created with the backing of a Knesset majority.

### **'I don't want to defeat the peace process'**

Under the new election system, initiated just last year, the entire Knesset would have to stand for new elections, making it less likely that Knesset members would want to bring down the government.

"Above all, I don't want to defeat the peace process," said Peres, a key architect of the agreements with the Palestinians, known collectively as the Oslo accords.

"What I am doing is looking for ways to save it."

In the meantime, however, many are looking to Washington to do the saving.

Reports from Washington and Jerusalem this week said Secretary of State Madeleine Albright might visit the region herself in the near future.

But for the time being, Ross, the U.S. envoy to the Middle East, traveled to the region midweek to seek an end to the violence and try to bring the parties back to the negotiating table.

Ross was scheduled to meet with Arafat in Rabat, Morocco, on Wednesday night. Arafat, after dodging contact with Clinton administration officials while traveling in Asia, finally accepted a phone call from Albright on Tuesday night and agreed to meet with Ross.

A high-profile intervention by Washington would demonstrate that the second Clinton administration, with new faces in some of its key policy-making slots, is not turning its back on Middle East peacemaking, as some Israelis and Palestinians had feared — and as some hard-liners on both sides perhaps secretly hoped.

American reactions to the current crisis have been characterized thus far by a certain amount of zig-zagging.

Officials in Washington at first denied Israel's claim, based on intelligence information, that Arafat had

effectively given a green light to the fundamentalist Hamas to resume its terrorism.

After Friday's suicide bomb blast, however, U.S. officials publicly backtracked somewhat, demanding that Arafat make clear his opposition to violence.

But the U.S. government's response was indicative of how much international opinion toward Israel has changed.

The worldwide popularity enjoyed by the Labor-led government a year ago is not shared by Netanyahu's government today, despite its brief spell in the sun immediately after the signing of the Hebron deal in January.

The brutal attack in Tel Aviv on the eve of Purim did not generate anything like the outpouring of international sympathy that followed the spate of Hamas suicide bombings in Jerusalem and Tel Aviv that occurred exactly one year ago.

While foreign governments have been unanimous in decrying the ghastly act of violence itself, many overseas politicians add, in their public comments, the warning that Israeli "settlement-building" in eastern Jerusalem is virtually certain to prejudice the entire peace process and trigger more violence by Palestinian extremists. □

### **South Africa paper apologizes for anti-Jewish correspondence**

*By Suzanne Belling*

JOHANNESBURG (JTA) — A prominent South African newspaper has expressed regret for the publication of a series of falsified letters designed to foment anti-Jewish feeling.

The newspaper The Star made the admission after the intervention of the South African Jewish Board of Deputies.

The paper, which says it has been the target of a hoax, has been running letters on the Israeli-Arab conflict from a person with a Jewish-sounding name.

The letters, signed by an "Israel Melunsky" of Yeoville, a suburb of Johannesburg, apparently gave The Star a fictitious address, according to the Board of Deputies.

Using stereotypes exploited by anti-Semites over the years, the letters claimed to vindicate Jewish and Israeli "superiority" over other peoples, particularly Arabs.

One of the letters said the Jews had always been known as "the chosen people" and that there was no need to apologize for beliefs that offended others.

Another recent letter said it was only a matter of time until Israel took back "what is rightfully hers, namely Hebron and the West Bank," despite any deal struck by Israeli and Palestinian leaders.

Last month, a letter stated that it was "Jewish brains, Jewish money, Jewish intellect, Jewish enterprise and Jewish military superiority which was today keeping the world going" and that "it was the duty of the Jews to guide lesser mortals and beings."

Seymour Kopelowitz, national director of the Board of Deputies, described the letters as "attacking other religions in a most vicious and despicable fashion."

The Star printed an explanation regarding the correspondence, saying that an investigation revealed that the Yeoville address given by the correspondent did not exist.

The explanation also said the correspondence "relied on stereotypes to make its point and may well have been deliberately concocted to foment anti-Jewish reactions."

The paper said the letter was "printed in good faith, but The Star and the readers were hoaxed, and The Star regrets this." □

## Albright to Jews, Arabs: Arafat must give 'red light' to terrorists

By Matthew Dorf

WASHINGTON (JTA) — Palestinian Authority leader Yasser Arafat must rule out violence if peace talks are to continue, Secretary of State Madeleine Albright told delegates of Jewish and Arab American groups at separate State Department meetings this week.

Arafat must give the "red light" to terrorists, Albright said, according to members of the Conference of Presidents of Major American Jewish Organizations who attended the private session.

Wednesday's meeting with about 15 delegates from the umbrella Jewish group came amid heightened tensions that have all but ground Israeli-Palestinian relations to a halt. It also came as President Clinton dispatched U.S. special Middle East coordinator, Dennis Ross, to meetings with Arafat and Israeli Prime Minister Benjamin Netanyahu to help salvage the process.

Tensions over a new Jewish housing project in eastern Jerusalem escalated over the past few weeks, culminating in a suicide bomb attack last Friday at a Tel Aviv cafe, in which three Israelis were killed.

Ross traveled to the region carrying two letters from Clinton, one for Arafat and one for Netanyahu, according to a U.S. official.

The letter for Arafat "demands" the rearrest of Hamas and Islamic Jihad terrorists, whom the Palestinian Authority has released in recent months, and calls for a clear denunciation of violence, the official said.

Netanyahu's letter asks for the end of Israeli construction on Har Homa, according to the official.

Both letters suggest serious consideration of immediate final-status talks, an idea put forth by Netanyahu earlier this week and rejected by the Palestinians as a public relations stunt.

In her meeting with Jewish leaders, Albright reiterated the administration's concern about the release of Palestinian terrorists, saying "We are deeply troubled," by it, according to David Harris, executive director of the American Jewish Committee.

In fact, on the same day as the Tel Aviv attack, one of those recent releasees, Ibrahim Makadmeh, a leader of the Islamic fundamentalist Hamas, was quoted as saying at a rally, "Nothing can stop Israel except holy warriors carrying explosives on their bodies."

The AJCommittee planned to publish an ad in Friday's edition of The New York Times quoting the Hamas leader and asking Arafat: "Which will it be? Peace or Jihad?" "For everyone's sake, we pray it's peace," the ad says.

### 'Commitment is without parallel'

Meanwhile, Jewish delegates said they expressed concern to Albright about recent administration statements and actions from the administration critical of Israel's decision to build on Har Homa.

When asked whether U.S. policy has shifted, the secretary responded that the United States' "commitment to Israel is without parallel," according to Malcolm Hoenlein, executive vice chairman of the Presidents Conference. Quoting Albright, he said, "The United States stood by Israel and will continue to stand by Israel."

Directly after her meeting with Jewish leaders at the State Department, Albright met with a delegation of Arab Americans.

According to James Zogby, president of the Arab American Institute, Albright delivered a similar message on the need for Arafat to halt terrorism.

Zogby also said the secretary of state referred to

the disputed site of construction as a "settlement," and used its Arabic name, Jabal Abu Ghena'im.

The Arab Americans presented Albright with a joint statement calling on Israel to cease construction at Har Homa and denouncing the Israeli government for relegating "the Palestinians to a take it or leave it status." The Arabs also called on the United States to step up its role from facilitator to "mediator or arbitrator." □

## Analysis of looted Nazi gold comes as U.S. readies report

By Daniel Kurtzman

WASHINGTON (JTA) — An exhaustive analysis of wartime documents shows that Nazi Germany sold about \$700 million worth of looted gold to Switzerland and other self-declared neutral nations during World War II, according to a World Jewish Congress internal memorandum.

Most of that gold — worth about \$7 billion at today's prices — found buyers in Switzerland, followed by Portugal, Spain, Sweden and Turkey. Less than 10 percent was returned after the war, the memorandum said.

The WJC estimate, which officials believe will stand up as the investigation into wartime financial transactions continues, stems from an 18-month-long examination of British and American documents found at the U.S. National Archives.

The documents have been made available to the Justice Department, one of 11 government agencies now working under the direction of Undersecretary of Commerce Stuart Eizenstat to complete a report on Switzerland's wartime dealings with Nazi Germany.

The report was originally scheduled to be released this week, but has been delayed until next month.

According to the WJC analysis, Switzerland received about \$425 million in gold looted from Holocaust victims and European central banks during Nazi Germany's march across Europe. Switzerland laundered \$100 million of that total for the Nazis, while returning about \$58 million to the Allies as part of a postwar agreement, according to the documents.

The memo said Portugal received about \$139 million in looted gold, returning between \$5 million and \$6 million after the war; Spain received as much as \$100 million, returning \$100,000; Sweden received \$23 million, returning \$8 million; and Turkey received about \$10 million, returning \$1 million.

Meanwhile, Swiss records of wartime gold movement released last week by the Swiss National Bank showed that Romania and Slovakia also bought looted gold from Hitler's Germany.

The WJC analysis also estimates that Nazi holdings included about \$60 million worth of non-monetary gold confiscated from Holocaust victims on their way to death camps. The gold, melted down into ingots by the German Reichsbank, represented as much as 10 percent of Germany's total looted hoard, according to the WJC.

Those familiar with the Eizenstat report, meanwhile, say Switzerland can expect it to contain stinging criticism of its wartime role that will put the imprimatur of the U.S. government behind allegations put forth by Jewish groups and Senate Banking Committee Chairman Alfonse D'Amato (R-N.Y.) over the course of the last year.

Addressing the Conference of Presidents of Major American Jewish Organizations on Tuesday, Eizenstat did not give specifics of the report, but said that it would be an "historian's" document, not a "political report."

He characterized it as "objective, fair and searching." He said it would be "exacting" with regard to the U.S. role as well. "We can't shine the spotlight of history on other countries if we don't do the same," he said. □

## San Francisco loses appeal to keep cross on city land

By Leslie Katz

*Jewish Bulletin of Northern California*

SAN FRANCISCO (JTA) — Jewish players in the fight to declare unconstitutional a cross on San Francisco's Mount Davidson are rejoicing over the U.S. Supreme Court's refusal to hear the city's appeal in the case.

The decision ends a seven-year legal battle over whether San Francisco can own and maintain the 103-foot structure on city-owned land.

It also sends the loud and clear message that "you can't do it," says Fred Blum, the attorney representing the American Jewish Congress, a plaintiff in the case.

What the city will do now to divest itself of the large religious symbol remains to be seen. A move is afoot to transfer the land to private hands.

Among proponents of that solution is the American Jewish Committee, which has proposed that a coalition of religious and secular groups raise money to buy the land.

That suggestion, the AJCommittee said, was spurred by the often-acrimonious debate that has occurred about the cross since 1990, when a lawsuit was brought against the city and county of San Francisco by plaintiffs who included Jews.

"Fundamentally, the intent of the AJCommittee was to see if we could possibly remove what was clearly friction, much of it aimed at Jews," said Ernest Weiner, executive director of the local AJCommittee office. "To counter that, there had to be a solution that did not in any way remove the distinction between church and state."

That separation is at the heart of the high-profile case, whose plaintiffs included the AJCongress, American Civil Liberties Union, Americans United for the Separation of Church and State and private citizens of various faiths.

The Anti-Defamation League filed a friend-of-the-court brief.

Plaintiffs said the cross violates the mandate for the separation of church and state, and demanded that the city either sell the property to private owners or remove the symbol. They said the symbol's presence on taxpayer-supported property offends non-Christians.

On March 17, the Supreme Court refused to hear the city's appeal of an August ruling by the 9th Circuit Court of Appeals that deemed the cross' placement on public property unconstitutional. That ruling, which overturned a 1992 District Court ruling in favor of the city, cited the cross' lack of historical significance and the absence of other symbols nearby.

Said Margaret Crosby, staff attorney of the ACLU's Northern California chapter: "The court has once again told government that it has no business promoting the symbols of favored religions."

Earlier this year, San Francisco's Landmarks Preservation Advisory Board voted to bestow landmark status on the symbol, a move seen as a first step in efforts to keep the cross intact. That declaration must now be approved by the full San Francisco Planning Commission as well as by the board of supervisors. □

## Iran makes payment to Russia for construction of nuclear plant

By Lev Krichevsky

MOSCOW (JTA) — Iran has made a first advance payment to Moscow for the construction of a nuclear power plant in the Islamic republic, according to Russia's deputy nuclear power minister.

Since last year, Moscow has been planning and building the facility that will house a nuclear reactor at

Bandar-e Bushehr, an Iranian city on the Persian Gulf. In recent days, Iran made the first payment toward the cost of building the reactor, a move slated to begin in mid-1998.

The cost of building the entire facility has been estimated at \$800 million by Russia's Nuclear Power Ministry. Russian sales of nuclear technology to Iran have angered Israel and the United States, which say Iran intends to use the Russian technology to make nuclear weapons. Moscow has rejected the accusations, saying that the technology could only be used for civilian purposes.

During his first official visit to Russia earlier this month, Israeli Premier Benjamin Netanyahu sought to prevent Russian transfers of nuclear technology to Iran.

Russian Foreign Minister Yevgeny Primakov downplayed the significance of the move during Netanyahu's visit, saying that Russia was selling Iran "light-water reactors identical to those supplied by the United States to North Korea."

With Russia's nuclear industry facing a severe financial crisis, the country's nuclear energy minister said earlier this year that he wants to increase exports of nuclear technology. □

## Russian Jews split on taking part in trade union protests

By Lev Krichevsky

MOSCOW (JTA) — Russian Jews, like the rest of the nation's population, are divided over the call by Russian trade unions for protest activities.

Millions of workers and pensioners were expected to join in a nationwide protest Thursday to demand unpaid wages and pensions.

The protesters are complaining about backlogs in receiving billions of dollars in wages and pensions.

"In that respect, Jews are not different from the general populace," said Alexander Sakov, editor of *Shalom*, a monthly publication of the 5,000 Jews in Omsk, in western Siberia. He added, "Those who have been unpaid for months will express their protest."

The government and the private sector owe workers a total of \$9 billion. Some \$3 billion is owed in overdue pension payments.

The government has used payment delays to hold budget spending down, lower inflation and meet the terms of Russia's loan from the International Monetary Fund.

About 7 million of Russia's 45 million-strong work force were expected to go on strike, which would be the largest in post-Soviet history, analysts say.

Another 13 million were expected to participate in non-strike activities such as demonstrations.

Defense industry workers in the regions where military plants are located are among those most affected by the backlogs. Omsk, a city of 1.4 million, is one such region. In the industrial town of Orsk, in the Ural Mountains, most Jews work as engineers, doctors and teachers.

They will join their colleagues in protest action, said Nelly Fridman, a Jewish communal worker.

But Nadezhda Nosova of Yaroslavl in central Russia, a teacher and Jewish communal leader who has not been paid by her school since January, said, "I don't believe in protest actions." There is little hope that strikers and demonstrators "will recover what they are owed by such protest actions," she said.

Some Jews are concerned that street demonstrations would prompt some Communists and ultranationalists to express anti-Jewish views. Ultranationalists cannot stay away from protests, said Sakov, the editor in Omsk.

Nationalists "will be seeking to play their card" that might "find a response among workers," said one Jewish activist in Moscow. □