

NEWS AT A GLANCE

■ **Israeli Prime Minister Benjamin Netanyahu came to Washington for talks aimed at jump-starting the Israeli-Palestinian negotiations. Senior Palestinian officials said the self-rule authority would resume political contacts with Israel on the condition that it freezes all settlement activity. [Page 2]**

■ **About half of all Palestinians — 49 percent — support suicide attacks against Israel as support for peace talks with the Jewish state plummets, according to a Palestinian research center poll. The survey of 470 Palestinians from Jerusalem, Bethlehem and Hebron said only 37.5 percent opposed suicide attacks, according to the Palestinian Center for Public Opinion.**

■ **Hundreds of pro-Israel activists converged on Washington for the annual plenum of the American Israel Public Affairs Committee. At the first of three days of meetings, U.S. Ambassador to the United Nations Bill Richardson pledged "fundamental and enduring" ties with Israel regardless of the path the peace process takes.**

■ **More than 100 skinheads and neo-Nazis marched over the weekend in Zurich, shouting Nazi slogans and giving the Nazi salute. Not enough police officers were on duty to stop the demonstration, a police spokesman said.**

■ **Vandals desecrated a Jewish cemetery in southern Slovakia, damaging more than 160 headstones, Slovakian media reported. One of the headstones was daubed with a swastika.**

■ **The lower house of the Russian Parliament voted overwhelmingly to assert Russia's ownership of works of art seized from Germany during World War II. The vote overrode last month's veto by Russian President Boris Yeltsin, who is expected to try to block the measure in court if the upper house backs it. [Page 4]**

■ **Kentucky Fried Chicken opened a franchise in the Gaza Strip. Three Gazans bought the franchise through KFC regional headquarters in Cairo.**

Former U.S. official defends 1946 gold accord with Swiss

By Daniel Kurtzman

WASHINGTON (JTA) — Congressman Joseph Baldwin was outraged in the summer of 1946.

After learning the details of an agreement the U.S. government negotiated with Switzerland on the return of Nazi-looted gold, Baldwin complained in a telegram to President Truman that he was "profoundly disturbed" that the United States had settled for \$58 million when reliable estimates put the amount of gold transfers at \$300 million.

Dean Acheson, then acting secretary of state, replied to Baldwin in a July 24, 1946, letter assuring the New York Republican that "there was no reasonable evidence that Switzerland had purchased \$300 million worth of gold looted by Germany."

Documents recently unearthed from the U.S. National Archives have raised questions about what the United States knew during and immediately after World War II about the Swiss role in handling Nazi-looted gold.

The 1946 Washington Agreement between the United States and Switzerland and the broader issue of the role the United States played in tracking and recovering Nazi loot will be addressed in a report due out later this month.

"We can't shine the spotlight of history on other countries if we don't do the same" with respect to the U.S. role, Undersecretary of Commerce Stuart Eizenstat, who is compiling the report, told a recent gathering of Jewish leaders.

One document recently uncovered, a 1946 State Department report, supports Baldwin's view.

"It is definitely known that the Swiss received at least \$398 million worth of gold from Germany during the course of the war," the report states.

The "absolute minimum which is to be classified as loot," the report states, "is \$185 million," and it concludes that \$289 million "would represent a reasonable settlement."

Last month, the Swiss National Bank acknowledged that it received 1.7 million Swiss francs worth of German-looted assets during the war, which translated at the time to roughly \$400 million.

The figures detailed in the State Department report were well-known to members of the U.S. negotiating team, including Seymour Rubin, who initialed a draft of the letter Acheson sent to Baldwin.

Rubin, 82, is the only surviving senior American negotiator and he has found himself the subject of considerable attention amid renewed scrutiny of the Washington Agreement.

In addition, the former State Department lawyer made headlines recently when he said some money deposited by Holocaust victims in New York banks might have been confiscated by the U.S. government.

Critics say agreement is a sellout

Critics, including the World Jewish Congress and Senate Banking Committee Chairman Alfonse D'Amato (R-N.Y.), have denounced the 1946 agreement as a sellout.

But in an interview, Rubin defended the agreement he helped fashion half a century ago.

"The agreement accomplished what we set out to accomplish — the elimination of German influence in Switzerland," said Rubin, who was 32 when he was named deputy chief of the U.S. negotiating team.

"Nobody, including Senator D'Amato, seems to understand that back in those days, we were talking about preventing a resurgence of German influence in the neutral countries.

"That was the primary objective of these negotiations, and we accomplished that 100 percent."

While acknowledging that \$398 million worth of looted gold may well have passed through Switzerland, Rubin said that at the time of the negotiations "there was no credible evidence that all of that money remained in Switzerland."

Regardless of whether the looted gold remained in Switzerland was not supposed to be a consideration in the negotiations, according to the State

Department report. The \$58 million in gold agreed to under the 1946 settlement was turned over to the Allies and distributed through the Tripartite Gold Commission to European governments whose treasuries had been plundered by the Nazis.

When asked whether he had any regrets about signing off on Acheson's letter declaring that there was "no reasonable evidence" that Switzerland had received \$300 million worth of looted gold, Rubin said, "I suppose I should be ashamed of myself, but I ain't gonna belabor using one word rather than another word."

A WJC official said Acheson's letter to Baldwin raised "moral questions" about the way the State Department attempted to justify the settlement.

"Our issue simply remains: Did the State Department lie to the Congress and therefore to the American people? I think Dean Acheson's letter speaks for itself," the official said.

Meanwhile, Rubin, who remained active in restitution issues after leaving the State Department, has other recollections about the role the United States played in recovering World War II-era assets.

In a recent letter to Eizenstat, he said that in 1959, the U.S. government shortchanged by at least \$5.5 million Jewish groups seeking restitution. "A situation very like that in Switzerland existed in the United States," wrote Rubin, who served as the American Jewish Committee's legal representative as it worked with other Jewish groups in the 1950s to recover heirless assets that Holocaust victims had deposited in American banks.

During the war, U.S. authorities froze all German and "enemy alien" funds held in U.S. banks. "Of these, many were deposits of Jews or other persecutees seeking refuge for their funds in America, mainly in New York banks," Rubin wrote.

Swiss banks also likely transferred such funds to the "safe haven of American branches," he said.

In the 1950s, Congress passed legislation allowing release of funds where ownership could be established. About the same time, Jewish organizations examined bank records in New York and estimated that \$6 million existed in heirless assets, according to Rubin.

"Negotiations ultimately yielded only \$500,000," Rubin said. The money was turned over to the Jewish Restitution Successor Organization for distribution to Holocaust survivors and heirs of victims.

In his letter, Rubin urged Eizenstat to investigate the issue, saying, "To the best of my knowledge, there has never been a re-evaluation of this paltry amount."

Jim Desler, a spokesman for Eizenstat, said the issue would not be covered in the Eizenstat report due out later this month. The fate of heirless assets "is a useful thing to explore, but the focus of our research efforts is on tracking Nazi assets, rather than the disposal of individual assets," Desler said.

The WJC, for its part, said the issue raised by Rubin needs to be clarified and examined, but that larger questions — including the fate of billions of dollars in looted Nazi gold — continue to take precedence. □

Israel, Palestinians stand firm as U.S. tries to jump-start talks

By Naomi Segal

JERUSALEM (JTA) — As attention shifts to Washington for help in breathing life into the peace process, Israel and the Palestinian Authority are remaining firm in the stances that created the current logjam.

Before Prime Minister Benjamin Netanyahu's departure Sunday for the United States, Israeli officials said he did not intend to budge from decisions to build in all

areas of Jerusalem and to expand Jewish settlements in the West Bank.

Palestinian official Hanan Ashrawi also traveled to the United States on Sunday, carrying a message from Palestinian Authority leader Yasser Arafat that the Palestinians were willing to resume negotiations with Israel on condition that Israel freeze all construction activity.

Palestinian officials added that they expected a U.S. invitation later this week for a higher-level delegation to join Ashrawi.

For his part, Netanyahu accused Arafat of giving the green light for violent demonstrations and terrorist attacks after Israel began construction last month of the new Jewish neighborhood of Har Homa in southeastern Jerusalem.

The premier has demanded that Arafat send out a strong message against terror and violence as a precondition for resuming negotiations with the Palestinian Authority.

Arafat, brushing aside the accusation, sent a letter to President Clinton over the weekend urging him to get Israel to stop building on disputed land.

Clinton has been working on a plan that American officials hope will help the two sides break the deadlock.

One of the central elements under consideration is Netanyahu's call for moving to accelerated final-status talks, rather than getting bogged down in negotiations on outstanding elements of the Israeli-Palestinian agreements.

The Palestinians have reacted cautiously to the idea, saying that they would consider it as long as Israel fulfills its commitments under the Oslo accords, as the agreements are known, including carrying out further redeployments in the West Bank, opening a safe passage between the West Bank and Gaza Strip and approving the opening of a seaport and airport in Gaza.

Reports before Netanyahu's departure indicated that Clinton would press the Israeli leader to make concessions to the Palestinians in order to rebuild an atmosphere of trust.

'Road is a long one'

U.S. officials said talks last week in Washington between Defense Minister Yitzhak Mordechai and U.S. Secretary of State Madeleine Albright were "difficult," particularly in the discussion of Israel's construction at Har Homa and in existing Jewish settlements.

In Tel Aviv, thousands of Israelis attended a peace rally Saturday night to appeal for a renewal of the peace negotiations. The event took place at the square named after Prime Minister Yitzhak Rabin, who was assassinated there Nov. 4, 1995, as he left a peace rally.

Labor Party leader Shimon Peres, who spoke at the site for the first time since the assassination, said he felt as if he was speaking "in the name of Yitzhak" as well.

Peres called for a continuation of the peace process. "The road is a long one," he said, "but we must continue on it to reach the peace of truth."

During his trip to the United States, Netanyahu is expected to meet with leaders of the Reform and Conservative movements to discuss the Knesset's decision last week to give preliminary approval to a bill that would make all conversions conducted in Israel subject to confirmation by the Orthodox Chief Rabbinate.

That decision drew sharp criticism from the Reform and Conservative movements, some of whose officials have warned that passage of the bill could drive a wedge between Israel and Diaspora Jewry. Under a compromise reached last week by the coalition parties, all further legislative action on the bill will now be frozen until "all possible avenues for compromise" with the non-Orthodox streams of Judaism have been exhausted. □

Switzerland prepares to host Zionism centennial festivities*By Fredy Rom*

BASEL (JTA) — This northwestern Swiss city at the border of France and Germany is busy preparing to host celebrations marking the 100th anniversary of a landmark event in the history of the creation of the Jewish state.

On Aug. 29-31, 1897, the first session of the Zionist Congress was held here to set out the goals of the Zionist movement in a manifesto that later became known as the Basel Program.

At that time, the 196 delegates to the congress established the World Zionist Organization to further the chief goal of the Basel Program: "The establishment of a national home for the Jewish people in Eretz Yisrael."

"In Basel, I have created the Jewish State," Theodore Herzl, the founder of political Zionism and the first president of the WZO, wrote in his diary during that first congress.

Now, with a budget of \$1 million at its disposal, the canton, or state, of Basel is acting as the official host of the commemorative events scheduled for the summer.

The budget was made available by the government and by private sponsors including the Swiss Bank Corporation, the Basel Cantonal Bank and several department stores, according to Dennis Rhein, the director of the Basel Tourist Office who is serving as project manager of the centennial celebrations. While some funding is coming from the Federation of Jewish Communities in Switzerland, little of the budget came from the Jewish Agency for Israel and none from the Israeli government, Rhein added.

The highlight of the celebrations will come Aug. 31, when Israeli and Jewish officials will join guests from all over the world to mark the anniversary in the same hall that the Basel Program was drafted 100 years ago.

Among the Israeli attendees will be Avraham Burg, chairman of the Jewish Agency, and Dan Tichon, the speaker of the Knesset.

Edgar Bronfman, president of the World Jewish Congress, is also expected to attend.

Weizman canceled plans to attend

Swiss officials are keenly aware that the celebrations will take place at a time when their country has come under a barrage of accusations — spearheaded by the WJC — that Switzerland laundered gold plundered by the Nazis during World War II and withheld the assets of Jews deposited in Swiss banks during the Holocaust.

In January, when the controversy between Swiss and Jewish officials over the Swiss role during the war was at its most heated, Israeli President Ezer Weizman canceled his plans to attend the centennial events.

"Of course, the present discussions about Switzerland's past during the Holocaust has had some influence on the preparations" for the centennial, Rhein said.

Swiss officials have been careful to keep the celebrations separate from the controversy over Switzerland's wartime past, said Thomas Lyssy, vice president of the federation of Swiss Jewish communities.

In an effort to underscore what they describe as their warm ties to the Jewish world, Swiss officials are planning a number of cultural events keyed to the anniversary, Rhein said.

The University of Basel, for example, will sponsor an exhibit from June through September focusing on the changing face of European Jewry during the past century.

Other planned events include symposia about the Zionist ideal, a "Rock Against Hate" concert and a program of Israeli music, Rhein said.

Last week, citing security concerns, the Swiss government approved a request to mobilize several units of the Swiss army to help local police during the anniversary celebrations. It will be the first time in more than 60 years that the Swiss army will be mobilized for domestic duties.

"There are some risks not only from Middle East terrorists, but also from some neo-Nazi groups," Urs von Daeniken, the head of the Swiss federal police, said at a news conference.

"Security experts concluded that important arrangements are necessary and that the local Basel authorities could not fulfill" all precautions on their own, said Adolf Ogi, the minister of defense.

Basel will be the focus of international attention, Ogi added, "and we want to ensure that this event can take place with honor and respect." □

Birobidzhan leader solicits support to build synagogue*By Lev Krichevsky*

MOSCOW (JTA) — A top official of Birobidzhan, the Russian area also known as the Jewish Autonomous Region, has stated that his administration was committed to creating a favorable climate for the local Jewish community.

"I want our Jewish community to have a permanent rabbi and a synagogue," Nikolai Volkov, the governor of Birobidzhan, said in an interview.

Volkov said he was seeking the support of Russian Jewish businessmen to sponsor construction of a new Jewish community center in Birobidzhan that would include the region's first-ever synagogue.

The percentage of Jews emigrating from the region, whose center is the town of Birobidzhan, is one of the highest in Russia.

The area in the Russian Far East, which became a destination for Jewish immigration in 1928, was officially designated the Jewish Autonomous Region by Stalin in 1934. It was long touted by Soviet authorities as a place where Jewish life could flourish in the Soviet Union.

But since 1989, some 7,500 Jews have left Birobidzhan, with most of them heading for Israel.

The region's Jewish population is now estimated at 5,000, out of a total population of 200,000.

Volkov said such statistics should be viewed very carefully. He said that in the nearly 70 years since Jews first settled there, "it's very hard to define who is Jewish" because of the high percentage of intermarriages.

Despite the continued emigration, Volkov voiced the belief that a sizable Jewish community would continue in the region. He also said his administration was committed to creating conditions for a Jewish cultural and religious revival in the area. The town of Birobidzhan has two government-supported Jewish day schools.

Volkov added that the future of Birobidzhan's Jewish community would depend upon the region's overall economic situation, which he described as gradually improving. □

Labor platform may back right to Palestinian state*By Naomi Segal*

JERUSALEM (JTA) — The Labor Party political bureau has decided to add a clause to its platform recognizing the Palestinian right to an independent state, with certain limitations.

The bureau also said Jerusalem must remain the united capital of Israel.

The resolutions still require party approval. □

Russian lawmakers override veto on works of art seized from Nazis*By Lev Krichevsky*

MOSCOW (JTA) — The lower house of the Russian Parliament has voted overwhelmingly to assert Russia's ownership of works of art seized from Nazi Germany at the end of World War II.

The lower house, known as the Duma, voted 308-15 last Friday to override President Boris Yeltsin's veto last month of a bill that claims the seized art as Russian property.

Political observers said it was the first time that the 450-member house came up with the two-thirds vote required to override a presidential veto.

Yeltsin is expected to try to block the measure in court if the upper house of the Communist-dominated Parliament backs it.

At the end of the war, the Soviet Union dispatched special teams to collect thousands of paintings, as well as archival material that included manuscripts and photographs, from the defeated Nazis.

Some of the so-called "trophy art" belonged to Germany.

But some of the art had been looted by Hitler's troops from countries overrun by the Nazis.

The trophy art is significant to the Jewish community outside Russia because some of the looted works may originally have been taken from their Jewish owners by the Nazis.

Members of the Duma maintain that Germany does not deserve to recover the art because of the millions of casualties Russia suffered after the Nazis invaded in June 1941, flouting a non-aggression pact signed by the two countries two years earlier.

In the 900-day siege of Leningrad alone, 1 million Russians died.

'A paltry compensation for the damage'

Some Russian Jews, like most of the nation's population, view keeping the trophy art as a matter of historical justice.

"I don't think Russia should return art booty to Germany. We suffered a lot from the war, and those treasures should be viewed as a paltry compensation for the damage and sufferings," said Isaak Gelwasser, a 72, a World War II veteran.

The bill creates a complicated procedure for the return of seized art treasures, in effect making it impossible for Germany to reclaim the works.

But it also made special provision for cultural artifacts that were family souvenirs or archives, including letters and photographs, indicating that these items could be returned to their original owners or heirs "for humanitarian reasons."

The Duma's vote last Friday angered Germany, which has long sought the return of the Soviet-confiscated art.

The trophy art — consisting of about 200,000 pieces valued at some \$65 billion — has been the subject of a series of sensitive negotiations between Moscow and Bonn.

In 1990, Germany and the former Soviet Union signed a friendship treaty that included provisions for the mutual restitution of war plunder.

Yeltsin is slated to travel to Germany next week for a meeting with German Chancellor Helmut Kohl at which the two leaders are expected to discuss the trophy art.

Presidential spokesman Sergei Yastrzhembsky criticized the Duma vote.

The vote put Russia "in an extremely unfavorable position in terms of relations with Germany, the Netherlands and the number of other countries," Yastrzhembsky said.

The Federation Council, Parliament's upper house, is scheduled to discuss the bill April 16, a day before Yeltsin's meeting with Kohl.

The last time the upper house voted on the bill, it was passed by an almost unanimous vote.

If the council comes up with the requisite two-thirds majority, as experts predict, Yeltsin would be required to sign the bill within a week. □

Israeli organizer of conference detained in Morocco for 9 days*By Bill Gladstone*

MARRAKECH, Morocco (JTA) — A prominent Israeli physician who was prevented from leaving Morocco for more than a week has returned home.

Daniel Weinstein, the head of obstetrics at Hadasah Hospital in Jerusalem, was a key organizer of the First World Congress on Maternal Mortality, held March 8-14 in Marrakech.

The conference drew about 1,000 doctors, midwives, nurses and students from 78 countries.

More than 100 of the conference attendees came from Israel.

Moroccan police confiscated Weinstein's passport after the conference, apparently because he was held responsible for a large bill.

Weinstein readily acknowledged that conference organizers owed some \$40,000 to \$50,000 to the conference hall and the adjoining hotel, but he maintained that the funds were held by a local conference planner.

"I'm not the one who signed the contracts, I'm not the one holding the money and I'm not the one responsible for making the payments," Weinstein said in an interview while he was awaiting the return of his passport and permission to leave the country to return to Israel.

Politics may have been part of the reason the front desk staff of his hotel obtained his passport under a ruse, then turned it over to the police three hours before he was due to fly out of the country March 16, Weinstein said.

Although delegates came to the conference from 78 countries, only 77 flags were hoisted outside the conference hall, he said. The Israeli flag was noticeably absent.

Weinstein was perturbed that none of the Moroccans involved in preliminary planning of the conference attended the event.

"Not one representative from any medical organization in Morocco was present," he said, again asserting that politics was the reason.

Weinstein expressed concern about the Moroccan absence because the problem of maternal mortality claims about 1 million women each year and is most acute in Africa.

Weinstein obtained a lawyer from within the small local Jewish community. He pleaded his case in a Moroccan courtroom March 24, and departed Morocco the next day.

"From today, I'm a free man," he said afterward. "I proved to them that I wasn't holding any money and that the local company that had denied having the money actually had it all along.

"Once the officials of this company discovered that I was planning to sue them, suddenly they found the money.

"The judge said that he couldn't remember another case where someone was accused so fast and in such an arrogant way." □