

**NEWS AT A GLANCE**

■ Sharon Edri, the Israel Defense Force soldier whose body was found after the arrest of Hamas members, was buried. Israeli Prime Minister Benjamin Netanyahu, who spoke at the funeral of the kidnapped soldier, said the Jewish state would do everything to find all his killers. [Page 3]

■ Two Israelis and a Palestinian were lightly wounded when a Palestinian woman opened fire during a security check at the Israeli-Jordanian border. Elsewhere in the West Bank, Palestinian violence continued into a fourth week as the region readied for another visit by U.S. Special Middle East Coordinator Dennis Ross. [Page 3]

■ Fervently Orthodox Jews in Israel demonstrated after the High Court of Justice ruled to keep Jerusalem's Bar Ilan Street open to traffic on Shabbat. The court also instructed the transportation minister, who has supported closing the thoroughfare on Shabbat and other holidays, to devise a solution that takes secular needs into account. [Page 3]

■ The largest insurance company in Europe pledged to look into allegations that it failed to pay claims to Holocaust victims and their heirs and signaled its willingness to settle unpaid claims out of court. The Stuttgart-based Allianz A.G. insurance group is one of several insurers named in a multibillion dollar class-action lawsuit that was filed in a court in New York. [Page 2]

■ Natan Sharansky, the former Soviet dissident who is now the Israeli minister of industry and trade, returned to his native Ukraine. He promoted economic ties with the Jewish state during meetings in the southeastern city of Donetsk.

■ Some well-known paintings displayed in British galleries were plundered by Nazis in the years leading up to World War II, British media reported. The Sunday Times reported that a list given to the Victoria and Albert Museum in London has allowed historians to identify thousands of paintings that were seized from Jews in Germany during the 1930s.

**FOCUS ON ISSUES****U.S. official cautions lawyers on impact of suing Swiss banks**

By Daniel Kurtzman

WASHINGTON (JTA) — Class-action lawsuits against Swiss banks may interfere with efforts to compensate Holocaust victims and reach a settlement with Switzerland, the Clinton administration's point man on restitution issues has cautioned.

"Obviously I can't stop people from exercising their right to sue," said Undersecretary of Commerce Stuart Eizenstat, who is heading a U.S. historical review of Swiss-Nazi dealings and looted assets.

But "we have a way of settling this matter in a quiet and dignified way."

Three class-action lawsuits against Swiss banks have been filed on behalf of Holocaust victims and their heirs in the past year as international pressure has mounted on Switzerland to locate missing Jewish assets and provide a full accounting of its wartime past.

Jewish organizations have said Swiss banks hold up to \$7 billion from Jewish deposits made during the war years.

In March, lawyers consolidated the complaints into one lawsuit intended to force the banks into compensating individuals directly and turning over all relevant historical documents.

While working toward similar goals — namely, forcing the Swiss to come clean and securing restitution for aging survivors — advocates of the lawsuits have opted for a different approach than that supported by most government officials and the World Jewish Congress, which has spearheaded international calls for Swiss restitution.

Earlier this year, after relentless criticism and prodding from Jewish groups, Switzerland's three largest banks agreed to establish a humanitarian fund to begin compensating Holocaust victims and their heirs whose assets vanished into the Swiss banking system.

That fund now stands at some \$190 million, as a result of pledges made by the three banks, and from subsequent pledges made by the Swiss central bank and by Swiss industrial giants.

Some attorneys pressing the lawsuits have taken a dubious view of the fund's creation, saying that the Swiss remain too vague about questions of how and when the fund will be disbursed.

According to an agreement reached earlier this year between the Swiss government and the WJC, a seven-member executive board will administer the fund.

The board, which has yet to be named, would include four prominent Swiss and three individuals recommended by Jewish groups.

Swiss officials have said the first payments should come by this summer.

Nonetheless, the attorneys are continuing to press for their own settlement with the banks.

"No political resolution can give closure to legal obligations," Michael Hausfeld, a lead attorney in the consolidated lawsuit, said in an interview.

**'Process of finding the truth'**

Rabbi Abraham Cooper, associate dean of the Simon Wiesenthal Center, which is supporting the litigation against Swiss banks, said that only the threat of a lawsuit might have the impact to empower Switzerland's "process of finding the truth."

For his part, Eizenstat, in remarks to a delegation of Orthodox Jews from Agudath Israel of America who met with top officials in Washington last week, said, "I hope there will be a way for a universal settlement."

The lawsuits, he added, may run the risk of looking "like a grab by lawyers for legal fees."

Backers of the lawsuits took issue with Eizenstat's characterization.

"It's very hard for there to be a grab for legal fees when most of us have said that we're doing this pro bono," said Hausfeld, a Washington attorney who has taken on some of America's biggest corporations.

Edward Fagan, a New York attorney involved in the lawsuits who has

said he would accept fees, declined to comment. Hausfeld, meanwhile, stressed that finding justice for Holocaust victims should not be a matter that is subject to "political negotiation."

"The political process is not open, nor fair, nor necessarily just," Hausfeld said, referring to the Swiss humanitarian fund established at the urging of the World Jewish Congress.

"It is subject to backroom deals which do not have the interests of the victims as either the first or exclusive priority."

Elan Steinberg, executive director of the WJC, said advocates of the class-action lawsuits "have a right to pursue any avenue of justice."

But he called Hausfeld's remarks "an insult to the Jewish people" and to his organization, which has been "operating with recognition of the government of Israel on behalf of the organized Holocaust survivor community."

Some attorneys involved in the lawsuits have threatened to seek an injunction against distribution of the humanitarian fund unless Swiss banks declare that the fund is separate from the claims asserted in the lawsuits.

Eizenstat said in an interview that the threatened injunction could represent an obstacle as needy Holocaust survivors await restitution.

"We're talking about people who are aged and at risk to die any month," he said.

Steinberg stressed that the WJC agreed to the establishment of the humanitarian fund because it "explicitly does not prejudice any of the legal claims, or the outcome of a final settlement."

But backers of the lawsuit remain skeptical.

They see the involvement of American courts as a necessary measure to prevent Swiss banks from exploiting Swiss laws to delay and block action on claims.

"When you're dealing with a banking community that has systematically stonewalled, lied and stolen, you have to play hardball or you're not going to get their attention," said Cooper of the Wiesenthal Center.

Noting the different tactics among Jewish groups in attempting to secure restitution, he said, "We all want to get to the same place.

"But forgive us if we have zero confidence in the banks."

Eizenstat took a different view in stressing the need for a universal settlement.

"The Swiss have got to have some sense that at the end of the day, there's some closure," he said. □

## German insurance firm ready to resolve claims of survivors

By Daniel Dagan

BONN (JTA) — Europe's largest insurance company has pledged to look into allegations that it failed to pay claims to Holocaust victims and their heirs, and has signaled its willingness to settle unpaid claims out of court.

The Stuttgart-based Allianz A.G. insurance group is one of several insurers named in a multibillion dollar class-action lawsuit filed two weeks ago in a U.S. District Court in New York.

The lawsuit, which targeted four other insurance companies in Germany, Austria and Italy, charged that the companies turned over the proceeds of policies owned by Jews to the Nazis and then claimed after the war that the policies were lost or canceled.

The chief executive officer of Allianz, Gerhard Rupprecht, said his company would take all the necessary measures to clarify the matter and honor its obligations.

Rupprecht said he had appointed an American accounting firm, Arthur Andersen and Co., to inspect all

the company's wartime files for policies of individuals who perished in the Holocaust.

At the same time, he said, the company had named an international group of historians to prepare detailed documentation of the company's wartime activities and to write a report on the matter.

In addition, the company will establish a telephone hot line so that Holocaust survivors and others will be able to provide information to help the investigators.

Rupprecht said he did not know how many claims might ultimately be filed against his company.

The German weekly Wirtschaftswoche reported that Allianz and other European insurers could face claims from at least 10,000 Holocaust victims or their heirs.

The reaction of Allianz to the class-action lawsuit was welcomed by the local Jewish community and the media.

A commentator for Deutschlandfunk, the Cologne-based Public German Radio, said Allianz was finally reacting to a shameful development in postwar Germany — the failure of major companies to honor their financial obligations to victims of the Holocaust.

Rupprecht made the announcement after stocks of German life insurance companies slumped last week on the Frankfurt stock exchange.

Rupprecht maintained that his company was acting out of conviction, denying that his announcement had any connection to developments in the stock exchange. □

## Court revokes U.S. citizenship of ex-Treblinka guard in Illinois

NEW YORK (JTA) — An Illinois man who took part in a World War II massacre of Jews and who served at Treblinka has been stripped of his American citizenship, the U.S. Justice Department announced.

District Judge David Coar in Chicago ruled late last week that Bronislaw Hajda was ineligible for citizenship because he concealed his wartime activities from U.S. officials when he applied to immigrate in 1950 and when he applied to become a citizen in 1955.

"The court's decision confirms that individuals, like Hajda, who helped the Nazis realize their genocidal ambitions had no right to enter this country, much less to receive the privilege of United States citizenship," Eli Rosenbaum, director of the Office of Special Investigations, the Nazi-hunting arm of the Justice Department, said in a statement.

Bronislaw Hajda, 73, a retired factory worker living in Schiller Park, Ill., had served as an armed guard for the SS training camp Trawinki, the Treblinka labor camp and the SS Streibel Battalion.

The judge found that he "unquestionably" participated in the massacre carried out by the guards when the Nazis liquidated Treblinka in 1944 as Allied forces approached.

On that day, hundreds of Jewish prisoners were shot at point-blank range in a pit by the camp guards.

After the liquidation, Hajda joined the SS Streibel Battalion, which forcibly conscripted Polish civilians as slave laborers to build military fortifications.

Hajda had told immigration officials that he spent most of the war working as a shoemaker. At his trial last month, he said he was a victim of misidentification.

A U.S. official said the government would now seek to have Hajda deported.

The director of the Chicago-area Jewish Community Relations Council, Michael Kotzin, said, "No matter how much may have passed since the Holocaust era, those who participated in the Nazi atrocities must be held responsible for what they did." □

**Palestinian violence continues as region awaits return of Ross***By Naomi Segal*

JERUSALEM (JTA) — Palestinian violence continued for a fourth consecutive week in the absence of any hopeful signs for resolving the ongoing crisis in the peace process.

U.S. Special Middle East Coordinator Dennis Ross may come to the region this week in a bid to break the impasse in Israeli-Palestinian negotiations, according to Israeli officials.

But Palestinian officials said the United States would need to hold further consultations with Israel and the Palestinians before sending Ross to the region.

Prime Minister Benjamin Netanyahu and a senior Palestinian delegation last week held separate talks in Washington aimed at finding ways to salvage the peace process.

Those meetings were inconclusive, however.

Meanwhile, a Palestinian woman crossing into the West Bank from Jordan shot and wounded two Israeli security personnel and a Palestinian during a security check Sunday at the Allenby Crossing.

Israeli security officials said the woman was a 26-year-old resident of the West Bank town of Kalkilya who was on a bus from Jordan.

She opened fire during a routine check by Israeli security at the crossing, the officials said.

**Three Israeli children hit by rocks**

Israeli forces, which maintain overall security responsibilities at the crossing, arrested the woman.

In Hebron, which has witnessed some of the worst violence in recent weeks, seven people were wounded Sunday, including three Israeli children hit by rocks thrown at their kindergarten.

Israeli troops clamped a curfew on the market in the center of the town.

There have been nearly daily clashes in the West Bank since Israel began construction last month of a Jewish neighborhood at Har Homa in southeastern Jerusalem.

The unrest, which has included three terrorist suicide bombings of Israeli targets, has led Israel to demand that the Palestinians crack down on violence and terror as a condition for continuing the political dialogue.

For their part, the Palestinians have demanded a freeze on all Israeli construction activity in the territories and in Jerusalem as a precondition for restarting talks.

"These are difficult times, but we are not losing our determination," Netanyahu said at the funeral Sunday of Sharon Edri, an Israeli soldier who was kidnapped and murdered seven months ago by a Hamas cell from the Hebron area.

"We are telling the murderers, 'You will not break this nation.'"

Edri's whereabouts were unknown until last week, when members of the cell responsible for his murder — and the deaths of 10 other Israelis — revealed where he was buried after they were detained by Palestinian security forces.

Netanyahu, who was in Europe at the time, thanked the Palestinians for the "specific assistance" they had given in the effort.

But he reiterated his call on Palestinian Authority leader Yasser Arafat to crack down on terrorist organizations and to restore full security cooperation with Israel.

Netanyahu returned Sunday to Israel from Italy and Holland, where he held discussions about Europe's desire to assume a greater involvement in the peace process.

The Palestinians would welcome greater European

participation, but Israeli officials are wary about what they view as Europe's pro-Palestinian bias.

Addressing that concern during his trip, Netanyahu urged European states to adopt a more "evenhanded" stance toward the region.

That stance will be tested this week in Malta during a conference aimed at boosting ties between Mediterranean countries and the European Union.

Netanyahu sought assurances from Italian and Dutch leaders that the conference does not become another forum to condemn Israel. □

**High Court: Jerusalem street to stay open during Sabbath***By Naomi Segal*

JERUSALEM (JTA) — Israel's High Court of Justice has ruled that a main Jerusalem thoroughfare which runs through fervently Orthodox neighborhoods remain open on the Sabbath.

In its 6-1 ruling Sunday, the justices, led by Chief Justice Aharon Barak, ordered Transportation Minister Yitzhak Levy, who backed closing Bar Ilan Street during prayer times on the Sabbath, to come up with a solution that would also address the needs of the secular community.

The court decision was handed down after Levy rejected earlier compromise proposals, including one that called for the street to be closed during prayer times, and another road, currently closed, to be open to traffic.

Levy said he would meet with city officials this week to discuss the matter.

The street links Jerusalem's northern neighborhoods to the western entrance to the city.

The court's ruling prompted clashes Sunday night between police and hundreds of fervently Orthodox protesters, who hurled bottles and rocks at police.

Last summer, Bar Ilan Street was the site of repeated violent clashes between fervently Orthodox demonstrators and the police. The street has become the flashpoint for an ongoing debate between secular Israelis, who want to be free of religious constraints when it comes to setting public policy, and the fervently Orthodox, who view the presence of Sabbath traffic on the street as a violation of religious law.

Petitioners from secular groups hailed the ruling as a victory for democracy. "The court recognized our civil rights," said Lior Horev, who submitted one of three petitions aimed at keeping the street open. "We are willing to make a compromise with the religious community. They are the ones who have been refusing us."

Religious petitioners expressed disappointment with the decision, and leaders of the fervently Orthodox, or haredi, community said there would be a resumption of the weekly protests against Sabbath traffic. "We are going to go back and demonstrate," said Yehuda Meshi-Zahav, a haredi activist. "This ruling will not stop us from fighting for our rights. It's our neighborhood." □

**Encyclopedia Judaica now on CD-ROM***By Naomi Segal*

JERUSALEM (JTA) — The 26-volume Encyclopedia Judaica is now available on CD-ROM.

The disk, made available this week, contains all 25,000 entries and 15 million words from the original printed version, along with new multimedia tools.

It contains more than 100 video clips, as well as music clips of traditional Jewish songs.

The CD-ROM costs \$600, 25 percent less than the printed version. □

**Hungarian restitution fund to start payments in August***By Agnes Bohm*

BUDAPEST (JTA) — Hungarian Holocaust survivors will soon get their first monthly pensions from a newly established restitution fund.

Local Jewish leaders voiced their satisfaction with the Hungarian government's decision earlier this month to back the fund, to be overseen by what is known officially as the Hungarian Jewish Heritage Foundation.

The foundation is expected to begin distributing a monthly stipend of some \$20 to \$30 per month to needy Hungarian Holocaust survivors beginning in August.

Only those survivors now living in Hungary will be eligible to receive the disbursements. Payments will be made to survivors who are now 60 or older, and to others when they reach the age of 60, according to Gusztav Zoltai, executive director of the Federation of Hungarian Jewish Communities.

The Hungarian government has agreed to contribute about \$25 million to the foundation, which will also derive income from seven state-owned buildings that were turned over to the Jewish community.

Rather than sell the buildings, the community is expected to collect rents from the companies now occupying the buildings and make disbursements to survivors from that income.

As part of the agreement with the Hungarian government, the Jewish community will also gain possession of 10 precious art works that were formerly owned by Jews.

Talks involving the government and local and international Jewish groups began more than three years ago.

Hungary had a prewar population of 800,000 Jews. About 600,000 died during the Holocaust.

Today, the Hungarian Jewish community, the largest in Central Europe, numbers between 80,000 and 130,000.

**Private property not returned**

The monthly pension is expected to be given to some 30,000 to 40,000 Holocaust survivors, Zoltai said, but added that the number could be even higher, because payments would be made to all people who were defined as Jews by the Nazi occupiers.

The agreement that created the new foundation covers only the restitution of public property, not privately owned property looted from Jews by the Nazis.

Local Jewish officials also say the community lost 10 times more public property than what was returned under the agreement.

In a statement, the Federation of Hungarian Jewish Communities said it was satisfied with the plan for establishing the foundation, but that it should be viewed as only an initial step toward providing restitution to Hungarian Jews.

Hungarian government officials, however, have suggested that they view the establishment of the foundation as a final step.

In an effort to begin discussing the issues surrounding the monthly pensions, the 24-member executive body overseeing the foundation is scheduled to meet this week.

At that meeting, the body will select a leader.

There are two candidates for the position, one named by the local office of the World Jewish Congress, and one supported by the leadership of the Hungarian Jewish community.

Peter Feldmayer, president of the Federation of Hungarian Jewish Communities, said it was crucial who

would have the leadership position, going as far as to suggest that the safety of the foundation's funds was at issue.

"The fate of the restitution money is not safe enough," he said in an interview. "There were many examples in Hungary when foundation moneys disappeared." □

**Hungary queries Russia on stolen art***By Lev Krichevsky*

MOSCOW (JTA) — The Hungarian government has asked Moscow about the fate of art treasures stolen by the Nazis from Hungarian citizens and now kept in Russia.

In its request, Hungary mentioned at least one Hungarian Jew as being the rightful owner of a collection of paintings now in Russia, according to news reports here.

The request comes after the lower house of the Russian Parliament recently passed a bill to reassert Russia's ownership of art treasures taken from Germany by Soviet squads after World War II.

The bill has been criticized for not distinguishing between art works that belonged to Germany and those that had been looted by the Nazis from other countries.

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.

The so-called "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.

About 200,000 pieces of the trophy art are now stored in Russian museums and private collections. □

**Russia names new envoy to Israel***By Lev Krichevsky*

MOSCOW (JTA) — Russia will soon be sending a new ambassador to Israel.

Alexander Bovin, who has served more than five years as ambassador to the Jewish state, said he would be replaced by a new ambassador in mid-May.

Bovin, a 67-year-old former journalist, was Russia's first ambassador to Israel since the two countries broke off diplomatic relations in 1967. His replacement, Mikhail Bogdanov, 44, is a career diplomat who has served with the Russian embassies in Syria and Lebanon.

In an interview prior to his departure from the post, Bovin criticized Israeli officials for what he described as their exaggerations about the threat to Israel of Russian organized crime.

"All this talk, this clamor about the 'Russian Mafia' is necessary for those who are afraid of competing with Russian business," Bovin told a Moscow daily newspaper.

His comments came after Israeli police officials announced earlier this month that their international crime-fighting division would be increased fivefold to combat Russian organized crime in the Jewish state. □

**Spy for Iran released from Israeli jail***By Naomi Segal*

JERUSALEM (JTA) — A 32-year-old Israeli convicted of having contacts with a foreign agent who tried to recruit him for Iranian intelligence was recently released from jail.

Herzl Rad, who served two years of his three-year sentence, refused to comment on his conviction, saying only that he planned to remain in Israel. □