



## NEWS AT A GLANCE

■ The leaders of Israel and Egypt concluded a summit meeting saying that more time is needed to get Israeli-Palestinian peace negotiations back on track. Israeli opposition members and Palestinian officials labeled the meeting a failure. [Page 3]

■ Israel's justice minister said that if no compromise is reached on a controversial conversion law, it would be brought before the Knesset for its final readings next month. Meanwhile, Natan Sharansky was in New York to meet with leaders of the Reform and Conservative movements in an effort to reach a compromise. [Page 3]

■ A Palestinian Authority official claimed that Israel exported chewing gum laced with drugs and aphrodisiacs to the West Bank.

■ The Jordanian soldier who shot and killed seven Israeli schoolgirls at a tourist spot on the Israeli-Jordanian border last March pleaded not guilty to charges of premeditated murder at the opening session of his trial.

■ French Jews reacted with alarm to the strong showing of the extreme right-wing National Front Party, which won 15 percent of the vote in the first round of parliamentary elections. It is the first time the party headed by Jean-Marie Le Pen scored so well in a legislative battle. [Page 4]

■ Colin Powell invited representatives of Jewish organizations to a private meeting to discuss his efforts to promote volunteerism. The meeting was seen as a gesture to reach out to the Jewish community, which sat out last month's volunteerism summit in Philadelphia because it was held on the Passover holiday.

■ The U.S. Senate unanimously approved legislation to provide permanent residency status to the Swiss bank guard who rescued World War II-era documents awaiting the shredder. The bill, which would allow Christoph Meili and his family to remain in the United States, will shortly be considered by the House of Representatives.

## NEWS ANALYSIS

### Palestinians openly criticize corruption in self-rule regime

By Gil Sedan

JERUSALEM (JTA) — At first, it was only spoken in whispers.

But gradually, as frustrations mounted, increasing numbers of Palestinians voiced it openly, with unconcealed bitterness: The Palestinian Authority, they complained, is plagued by wide-ranging internal corruption that may affect the very future of Yasser Arafat's regime.

Questions of possible financial mismanagement are of keen interest not only to the Palestinians, but also to the foreign donor nations, which have long demanded that the Palestinian Authority maintain transparent accounting techniques to prove that donated funds are not mishandled.

As part of that demand, foreign donors called on the Palestinian leadership to establish a supervisory body to ensure that donated funds are channeled properly. But now that very body has confirmed the presence of widespread corruption in the Palestinian Authority.

A 600-page report by Jarar Kidwa, head of the authority's own financial monitoring institution, disclosed last week that the self-rule government had lost \$326 million — or 40 percent of this year's annual budget — to corruption and mismanagement.

Although Arafat and his aides have total control over budgetary affairs, Arafat said he was surprised by the findings and has appointed a special committee to look into them. As he confronts accusations of corruption, Arafat faces a dilemma: Let his critics talk freely and thereby endanger the credibility of his government, or suppress freedom of speech and risk being labeled a totalitarian leader.

### Careful maneuvering between autocracy and democracy

For the most part, Arafat has carefully maneuvered between autocracy and democracy. He sometimes gives free rein to his critics, but when he feels that they go too far, he stops them — if need be, by putting them behind bars. Such was the fate of Daoud Kuttab, a veteran Palestinian journalist who apparently went a step too far in his reports about the Palestinian Authority.

Last week, after he attempted to broadcast a session of the 88-member Palestinian legislative council devoted to the corruption issue, Kuttab, who lives in eastern Jerusalem and also holds U.S. citizenship, was placed in a detention cell in the West Bank town of Ramallah. Kuttab later declared a hunger strike when no charges were pressed against him. He was released on Tuesday after American officials worked to secure his freedom.

Kuttab was not the first critic of the Palestinian Authority to be arrested. Many others preceded him, among them Bassem Eid, a well-known Palestinian human rights activist who used to direct his wrath at the Israeli authorities but now is busy criticizing human rights abuses by the Palestinian Authority.

On Monday, Eid's Palestinian Human Rights Monitoring Group issued a report detailing what it said were 42 cases of torture by Palestinian security officials in 1996 and 1997. The report stated that two Palestinians had been tortured to death while in detention this year.

The next day, the Palestinian Justice Minister, Freih Abu Medein, acknowledged that too many Palestinians had died while in custody. "This is wrong," he said. "Palestinian security forces must be watched."

Meanwhile, a recent survey by the Jerusalem Media Communication Center found that almost 83 percent of Palestinian respondents in the West Bank and Gaza Strip believe that the Palestinian Authority is plagued with corruption. Critics charge that the Palestinian bureaucracy has grown in total disproportion to the needs of the population it is meant to serve.

The Palestinian Health Ministry alone employs 65 directors general, which critics say hardly ensures an efficient administration.

Observers say that the bureaucracy's growth resulted from the need to find employment for those who had served the Palestine Liberation Organization during its years of exile in Tunis.

"The PLO, after 30 years abroad, has now brought all these people from abroad," said Ahmad Abdul Rahman, secretary of the Palestinian Cabinet. "What should we do with them all? Each and every one of them

needs a job, to keep a family and feed his children, to run a home. Why, these are human beings, many of them almost 60 years old."

Critics charge that the very existence of the 40-member Palestinian Cabinet is a function of internal corruption. Rafat a-Najar, an independent member of the legislative council, or Palestinian Parliament, charged that some parliamentarians had each been offered \$15,000 in exchange for their support of the Cabinet.

This explains why parliamentarians who had initially said they would not support the Cabinet last year had changed their minds overnight, he said.

Cabinet secretary Rahman said the charge was not even worth a reaction.

But there have been other charges.

British journalist David Hurst visited Gaza last month and wrote in the Manchester Guardian that Arafat and his supporters from Tunis had turned the "Palestinian homeland" into a corrupt nepotistic regime.

An Arabic translation of the article was later distributed unofficially throughout Gaza. It is considered the hottest literature on the Palestinian street.

Hurst's article cited allegations of malfeasance among Palestinian leaders, including:

- a \$2 million villa built by Mahmoud Abbas, better known as Abu-Mazen, who serves as Arafat's second-in-command;

- four extravagant wedding ceremonies organized for his children by Nabil Sha'ath, planning minister and close Arafat adviser; and

- the spending habits of Treasury Minister Mohammad Zahdi Nashashibi, whose lavish lifestyle stands in stark contrast to the poor living conditions of the nearby refugee camps.

Arafat's wife, Suha, was described in the article as spending large sums dining at a luxurious restaurant on the Gaza beach.

There is no solid proof that any of these allegations are true, but they have certainly kept the Palestinian Parliament busy. Many recent sessions of the legislative council have been devoted to charges of corruption and mismanagement in the Palestinian Authority.

"Where are the donations?" asked parliamentarian Hikmat Zeid at one such session. "Can the ministers of finance and supply furnish us with a list of all the donations given to the Authority?"

Arafat so far has not taken steps against members of the opposition who have spoken out against his government. But there are allegations that Arafat gave free cars to 63 of the 88 members of the council in an effort to reduce their motivation to criticize the Palestinian Authority.

As attempts are made to sort out these various charges, the Palestinian populace, the majority of whom still face difficult living conditions, is finding out the hard way that the road to political and economic independence is not paved with gold. □

## **Congress considers cutting aid package to the Palestinians**

*By Matthew Dorf*

WASHINGTON (JTA) — If the Palestinian Authority is going to continue to receive U.S. foreign aid, the Clinton administration will have to convince an increasingly skeptical Congress that it still deserves the assistance.

The legislative stage has been set for two key votes in the coming months to determine if the Palestinians will receive the fourth annual \$100 million installment of a promised five-year \$500 million aid package.

The first measure involves renewing legislation

known as the Middle East Peace Facilitation Act, which allows aid to and diplomatic contacts with the Palestinian Authority. Congress faces a July deadline on that legislation, which was enacted to ensure that the Palestinians comply with their accords with Israel.

The second measure is the actual foreign aid spending bill, which includes the \$100 million — \$75 million in cash assistance and \$25 million in grants to Yasser Arafat's government.

Congress has never enthusiastically embraced aid to the Palestinians, which began after they signed their first peace accords with Israel. Instead, most lawmakers who spoke out on the issue said the aid is a necessary component of Middle East peace.

But leading members of Congress responsible for the foreign aid budget have in recent weeks expressed growing opposition to Palestinian aid in light of reports of Palestinian corruption, Arafat's support for the death penalty for Arabs who sell land to Jews and Arafat's calls for Arab states to reimpose their boycott of the Jewish state.

In fact, the chairmen of Congress' two international relations committees, Sen. Jesse Helms (R-N.C.) and U.S. Rep. Benjamin Gilman (R-N.Y.), informed Secretary of State Madeleine Albright last week that they would stop all aid to the Palestinians until Arafat and his justice minister "have withdrawn the proposed legislation barring the sale of private Arab land to Jews."

As a result of this Gilman-Helms effort, the State Department last week held up \$1.25 million in 1997 aid, which was intended to train the Palestinian Finance Ministry. Gilman already has halted an additional \$10 million.

Nonetheless, the Clinton administration continues to strongly support aid as an important instrument of peacebuilding.

The congressional effort to limit aid to the Palestinians is being supported — although not driven by — Israel and most American Jewish organizations, according to sources on Capitol Hill.

When Israel first signed its peace accords with the Palestinians, it vigorously advocated aid as a way of boosting the fledgling self-rule regime.

### **AIPAC seeking stricter compliance**

When Israeli Prime Minister Benjamin Netanyahu took over the reins in Jerusalem last year, his government continued to support aid to the Palestinians.

American Jewish groups by and large supported the Israeli position, with the pro-Israel lobby, the American Israel Public Affairs Committee taking the lead in supporting aid to the Palestinians.

But Israel apparently has begun to shift its position. And now AIPAC's position is not so clear.

In the past, AIPAC supported aid to the Palestinians even when the Palestinian Authority was not adhering to all its commitments, such as finishing the process of amending the Palestinian covenant.

But now AIPAC is seeking a stricter compliance that could result in a cut in aid, according to congressional aides. AIPAC issued a statement this week emphasizing the importance of MEPPFA and warning that the Palestine Liberation Organization's "slipping compliance," puts "U.S. aid at risk."

Morton Klein, president of the Zionist Organization of America, has worked for three years to convince Congress to cut aid to the Palestinians.

According to Klein, the conditions are now ripe to secure his elusive goal. "People in Congress are just angry," he said, referring to what he termed Arafat's "pro-terror and anti-peace behavior." □

## Israel looks to Egypt to help revive talks with Palestinians

By Naomi Segal

JERUSALEM (JTA) — The leaders of Israel and Egypt concluded a summit meeting this week amid charges of failure and with a plea for more time to revive Israeli-Palestinian negotiations.

"I think you would agree that this is a positive beginning," Israeli Prime Minister Benjamin Netanyahu said to Egyptian President Hosni Mubarak at a joint news conference after meeting for three hours Tuesday at the Sinai resort of Sharm el-Sheik. "But we need more work, and we are committed to work together with [Egypt] to achieve progress."

Mubarak agreed, saying, "We need more deliberation."

The summit was the latest effort to revive stalled peace talks between the two sides. Israel has recently accused Egypt of encouraging the Palestinians to harden their stance, and of fueling international criticism of Israel.

But despite the high hopes, Palestinian officials, as well as Israeli opposition members, labeled the summit a failure. Palestinian Authority official Yasser Abed Rabbo said disparate forces were at work at the meeting: Mubarak's desire to revive the process, and Netanyahu's desire for a meeting with an Arab leader, to disprove reports of his diplomatic isolation.

Rabbo accused Israel of wasting the Egyptian initiative, as he charged Israel had done with recent European and American peace efforts.

Labor Party leader Shimon Peres said the summit should not be viewed as an attempt to reach a breakthrough, but as an effort to prevent the dissolution of the entire peace process. He added that Netanyahu was constrained by his coalition partners from taking any significant steps to advance peace.

The left-wing Meretz Party introduced a no-confidence motion in the government because of Tuesday's inconclusive summit.

But diplomatic sources in Jerusalem called the meeting a first step toward resolving the Israeli-Palestinian crisis. They said that Mubarak's top political aide, Osama Al-Baz, would travel to Israel in the coming days for further contacts with Israeli and Palestinian officials in order to break the impasse.

The sources said that if progress is made, U.S. Middle East envoy Dennis Ross would return to the region in another bid to get the peace talks moving forward.

Although Netanyahu has rejected calls to freeze building a new Jewish neighborhood at Har Homa, he has indicated willingness to step up housing construction for Arabs in eastern Jerusalem.

But Arafat dismissed the gesture. In an interview this week with the Israeli daily Ha'aretz, he said that building for Arabs in Jerusalem is no substitute for a halt to all Israeli settlement activity. □

## Knesset may take final action on conversion bill next month

By Naomi Segal

JERUSALEM (JTA) — A controversial conversion bill will be brought before the Knesset for final action next month if no compromise is reached, Israeli Justice Minister Tzachi Hanegbi said this week.

The bill passed April 1 in the first of three Knesset votes known as readings. Further action was postponed to allow time for a compromise between Orthodox parties and non-Orthodox movements to be negotiated.

The bill would cement in law exclusive Orthodox

authority over conversions performed in Israel. Its passage was a condition of the religious parties when they joined the government coalition a year ago.

Indeed, they have threatened to leave the coalition if the bill does not become law. Such a move could force new Israeli elections.

Hanegbi's comments, made at a coalition leadership meeting, appeared designed to pressure the Reform and Conservative movements into concessions.

They are outraged over the bill because they believe it would delegitimize their practice of Judaism.

Hanegbi blamed the Diaspora Jewish backlash to the bill on its opponents' exaggeration of its implications and on the government's failure to explain it properly.

The bill, in its current form, would not affect the recognition of conversions performed abroad.

For his part, Shas Knesset member Yitzhak Cohen said his party, which has 10 seats in the 120-member parliament, would pull out of the coalition if the bill does not pass the second and third readings by the end of June.

This would end Netanyahu's 66-seat majority in the Knesset, and could force new elections.

But support within the coalition for the bill may be wavering.

Third Way Knesset member Alexander Lubotsky, who has spearheaded compromise efforts on behalf of the government, hinted this week that his faction would consider breaking the coalition agreements and voting against the bill.

"When we signed the coalition agreements, we did not realize the reaction the bill would draw in Israel and in the Jewish community abroad," said Lubotsky. His faction has four seats in the Knesset.

"It seems that in this case, unity of the Jewish people is more important than the coalition agreements," he said. "We would find it hard to support the bill."

The pressure from the religious parties comes against the backdrop of a key Supreme Court hearing that was originally scheduled for May 13, but was postponed in deference to government requests.

## Court to hold hearing on conversions

The court now has given the government until June 30 to explain why it failed to register as Jewish children who were adopted abroad and converted in Israel by the Conservative/Masorti movement.

If the government does not respond, the court is slated to hold a hearing on the conversions July 9. Masorti movement leaders believe that the court will rule in their favor and legalize the conversions.

If that happens, the Knesset could still legislate against the court ruling, said Rabbi Einat Ramon, spokeswoman for the Masorti movement. "But it would be more difficult" because such action would be seen as an attempt to weaken the powers of the judiciary, she said.

Meanwhile, negotiations between the government, the religious parties and the non-Orthodox streams are scheduled for June 15 in a continued effort to reach a compromise, Ramon said.

Referring to Hanegbi's threats, she said it would show bad faith to rush through the legislative process without giving time for these negotiations to bear fruit.

At the same time, Industry and Trade Minister Natan Sharansky, who heads the Yisrael Ba'Aliyah Party, was in New York this week to meet with U.S. leaders of the Reform and Conservative movements in an effort to reach a compromise on the conversion bill.

The leaders refused to comment on the substance of proposals discussed. □

(JTA staff writer Cynthia Mann in New York contributed to this report.)

BEHIND THE HEADLINES

**Jews in France alarmed by election gains of National Front**

By Lee Yanowitch

PARIS (JTA) — French Jews reacted with shock and concern after the extreme right National Front Party garnered 15 percent in the country's first round of parliamentary elections.

Although National Front leader Jean-Marie Le Pen won the same percentage in the 1995 presidential elections, never before has the anti-immigrant party obtained such wide support in a vote for legislators.

Some commentators said the Front's tally proved that its success is no longer driven merely by Le Pen's flamboyant and combative personality, but by the nationalistic and xenophobic ideas his party represents.

"The fact that the party can get the same score in parliamentary elections for a group of candidates that includes many unknowns as Le Pen won in 1995 is very frightening," said Yves Derai, editor of the weekly Jewish Tribune.

Along with voicing his anti-immigrant positions, Le Pen has made frequent anti-Semitic statements.

Le Pen himself did not run in the parliamentary elections, choosing instead to run in the next presidential race.

During the past two years, the National Front won control of four town halls in southern France.

It scored these victories by playing on fears of emerging globalization, of the opening of borders that accompanies membership in the European Union and, most of all, on the French population's disenchantment with the mainstream parties' failure to reduce record-high 12.8 percent unemployment.

**National Front could win one seat**

Despite its high score, the Front probably stands to win no more than one seat in France's 577-member National Assembly.

Under France's electoral system, a candidate must win more than 12.5 percent in the first round to qualify for the run-offs.

The second round will take place on Sunday.

Because of that system, a party may win a high percentage of the nationwide vote, but be beaten out of any parliamentary seats if none of its candidates wins during the run-off vote.

CRIF, the umbrella group of secular French Jewish organizations, called on the ruling center-right coalition and the opposition Socialists to form alliances in those constituencies where the Front has a chance of winning the run-off vote in order to "systematically stand in the National Front's way."

"It is politically essential and morally fair to prevent the enemies of the Republic from taking advantage of its institutions in order to rot them," CRIF said in a statement.

Sunday's results came as a surprise to the nation: The leftist opposition won 40.24 percent of the vote while President Jacques Chirac's ruling center-right coalition received only 36.52 percent.

Chirac had called the election a year early, betting on a vote of confidence for the drastic reforms he must push through in order for France to qualify for a single European currency in 1999.

But his gamble backfired.

In light of the French people's show of discontent with the government, Alain Juppe, the country's deeply unpopular prime minister, announced one day after the election that he would resign.

France's Jews neither rejoiced nor mourned the Juppe government's undoing.

In general, French Jews vote along the same lines as the overall population, and the issues for them are the same as for the rest of French society.

Jean Kahn, president of the Consistoire, which tends to the religious needs of France's 700,000-strong Jewish community, said the attitudes of the mainstream political parties concerning Jewish interests "are identical."

While the Socialist administration that held power in 1981-1995 was not exactly pro-Israel, Chirac has conducted an overt and aggressive pro-Arab policy since he took power two years ago.

His visit to the Middle East last October, from which he emerged a champion of the Arab world, deeply disturbed French Jewish leaders.

On the other hand, French Jews were delighted when Chirac, within two months of being elected, publicly acknowledged and apologized for the responsibility of French civil servants in helping the Nazis persecute Jews during World War II.

His Socialist predecessor, Francois Mitterrand, had refused to apologize for France's wartime past, despite the demands of Jewish groups, intellectuals and former resistance fighters. □

**Czech Republic to compensate Slovak Jews for their looted gold**

By Randi Druzin

PRAGUE (JTA) — The Czech government has agreed to compensate Slovak Jews for gold that was taken from them during World War II.

Prime Minister Vaclav Klaus' announcement last week overrides the Czech National Bank's earlier decision to not offer any compensation.

The Czech Finance Ministry must now determine the amount to be given, and whether it will go to an organization or to individuals.

Jozef Weiss, director of the Office of the Central Union of Jewish Religious Communities in Slovakia, said "The problem could be solved soon if there is good will on both sides."

The compensation, which is not expected to exceed \$3.3 million, could be used to support the 1,200 Slovak Jews who survived the Holocaust, he said.

Before the war, some 91,000 Jews lived in Slovakia, which was then part of Czechoslovakia, and about 3,000 live there now.

Tomas Kraus, general director of the Federation of Jewish Communities in the Czech Republic, said the money should also help Jews who lived in Slovakia during the war, but now reside in the Czech Republic.

The gold in question was seized by the Nazi puppet government and, after the war, passed to the Communist regime, which deposited the treasure in the State Bank of Czechoslovakia in 1953.

Last December, the Czech National Bank said it would not compensate Slovak Jews because it did not have the gold in question.

Bank spokesman Pavel Palivec said at the time that the Slovak government had held the gold since 1993, when Czechoslovakia split into separate countries and the assets of the state bank were divided between them.

The Slovak government, however, insisted that the gold was kept separate and therefore was not included in the division of assets.

Slovak Premier Vladimir Meciar vowed to support the Slovak Jewish community in its push for compensation from the Czech National Bank. □