



NEWS AT A GLANCE

■ **The Reform movement in Israel said it is prepared to ask Israel's High Court of Justice to temporarily freeze all of its legal motions requesting recognition of Israeli conversions.** The request is contingent on Israel's governing coalition freezing its efforts to pass a bill that would delegitimize all non-Orthodox conversions performed in Israel and entering negotiations to come up with a compromise. The Conservative/Masorti movement said it is also eager to negotiate, but has no plans to freeze litigation until there is a "final and satisfying compromise."

■ **Members of the U.S. Congress announced legislation that would provide school vouchers for low-income students in Washington, D.C.** The legislation would enable students to attend a public, private or parochial school of their choice.

■ **U.S. lawmakers submitted a petition in the House urging Congress to restore the cuts in aid to legal immigrants that were enacted in last year's welfare reform legislation.**

■ **Israeli Prime Minister Benjamin Netanyahu laid out details of his vision for a permanent settlement with the Palestinians.** Under the plan, Jerusalem would remain under full Israeli control, as would the Jordan Valley and the Etzion bloc of Jewish settlements to the south of the city. [Page 2]

■ **Final results in Israel's Labor Party primary gave Ehud Barak just over 50 percent of the vote; Yossi Beilin, 28 percent; Shlomo Ben Ami, 14 percent; and Ephraim Sneh, 6.5 percent.**

■ **Berlin's Jewish community elected a new generation of leaders.** For the first time, most of the delegates were born after World War II. Among those elected were three Russian Jews, but one Russian candidate claimed the election was manipulated. [Page 4]

■ **The German musician who signed a hotel bill "Adolf Hitler" asked for forgiveness during an interview with the Israeli daily Ma'ariv.** Gerd Reinke said what he did was unbelievable and claimed he was "suffering more than anyone."

NEWS ANALYSIS

Newly elected president of Iran unlikely to alter stance on Israel

By Gil Sedan

JERUSALEM, June 3 (JTA) — If Iran is headed in a new direction, it is not toward Israel.

That is the assessment of experts here, who say that the surprise election of a new Iranian president, Mohammad Khatami, is unlikely to change Iran's hostile attitude toward Israel.

"Unfortunately, Khatami has not expressed himself differently toward Israel than the present regime," said Professor David Menashri, head of a newly established chair for Iranian studies at Tel Aviv University.

Indeed, at his first news conference after his election late last month, Khatami made a point of stating that the Jewish state was still Iran's leading enemy. He accused Israel of pursuing a policy of state terrorism.

Khatami, 54, is a moderate compared to his arch-conservative rival, Ali Akbar Nateq-Nouri, and as such he was viewed by Israel as the lesser of two evils.

Prime Minister Benjamin Netanyahu responded cautiously after the election results were announced May 24, saying, "I hope that this development is positive, but I think it would be hasty to jump to conclusions now."

Khatami's landslide victory — he won 20.9 million of the record nearly 30 million ballots cast — was viewed by analysts as a turning point in Iran's Islamic revolution, raising expectations that Tehran was poised to moderate its stance toward the West. But given some of Khatami's recent statements, moderation appears directed only toward domestic matters.

In addition to his remarks about Israel, Khatami has said that any warming of relations with the United States would depend on signs from Washington that it had changed its attitude toward Iran. For their part, U.S. officials have said repeatedly since the election that Iran must halt its state sponsorship of terrorism as well as its efforts to wreck Middle East peace.

No hints of moderate foreign policy

At his news conference, Khatami said Iran would continue to voice its opposition to the peace process, but that it would take no steps to interfere with it. Nonetheless, this statement of non-interference was not viewed as a sign of moderation on the part of the president-elect, who will assume office after current President Hashemi Rafsanjani steps down in August.

Menashe Amir, the director of Persian-language broadcasts at the Voice of Israel and a well-known analyst of Iranian affairs, said in an interview that similar statements had been made by Rafsanjani, who though considered a moderate when first elected, brought relations with Israel and the West to an all-time low during his tenure.

The pessimism surrounding a change in leadership leaves little hope that the case of missing Israeli airman Ron Arad and others will be resolved soon. Arad bailed out from his fighter plane over Lebanon in 1986. The last time any message indicating he was alive was received was in October 1987.

Israeli officials have repeatedly maintained that Iran is holding him.

Despite the less than promising outlook, Foreign Minister David Levy took a more upbeat public stance. "Israel has never regarded Iran as an enemy," he said, adding that Israel should not give up hope of seeing Iran take part in regional peace efforts. He quoted Israeli intelligence assessments that there had been "a real change" in Iran.

But given the political realities Khatami will have to confront when he assumes office, such change may be difficult.

The new president's own camp is composed of conflicting groups of liberals and extremists whose only common interest was to replace the present leadership. Moreover, Khatami will face the strong opposition of the hard-line Majlis, the Iranian parliament. After losing to Khatami in the presidential race, Nateq-Nouri was re-elected this week to the post of parliamentary speaker for a sixth year.

"Nateq-Nouri and his friends in the conservative Parliament may put up a fight," said Tel Aviv University's Menashri. "As a result, the presidential office may lose status."

Even if Khatami does show signs of moderation toward Israel, the

word on such matters rests with Iran's supreme leader, Ayatollah Ali Khamenei.

Khamenei, for example has control over Iran's unconventional warfare, including the nuclear option, a source of major concern for Israel.

Like Menashri, Tourism Minister Moshe Katsav, who was born in the same town as Khatami, believes it is important to study the political climate in Iran.

"It is not enough that Khatami is considered a liberal," Katsav said in an interview, adding that one has to consider the political environment in which he will be working.

Both Khatami and Katsav were born in Yazd, a city located southeast of Tehran. Three years younger than the newly elected president, Katsav does not remember Khatami, but he did note that years ago Yazd had many synagogues and yeshivot.

This means that the new Iranian leader was well-acquainted with Jewish communal life, Katsav said.

Farbis Nazarian, an American Jewish businessman of Iranian origin, believes that despite the bleak outlook, Israel should continue efforts to improve relations with Iran.

"I don't know when, and I don't know in what form, but as a businessman who is well-acquainted with Iran, I believe that one should not be caught unready when the time comes to turn a new leaf in relations with Iran," said Nazarian, the main donor for the newly established chair at Tel Aviv University.

Katsav said Iran is already sending out feelers in an effort to improve relations with Washington.

"Eventually they could also do so toward Israel, but it will take time," Katsav added.

For his part, Amir of the Voice of Israel thinks Iran would put improving relations with Turkey and its Arab neighbors at the top of its foreign policy agenda.

Next, he said, Iran would attempt to mend relations with Europe. Those ties were badly marred when Germany and other European nations withdrew their envoys from Iran after a Berlin court ruled in April that Iranian leaders had been behind the 1992 assassination of four Iranian Kurdish dissidents in Berlin.

The foreign ministers of the European Union recently voted to return their diplomats to Iran, but at this point, Khamenei has indicated that the German ambassador would not be welcome.

Would Israel be next on the agenda after Iran works out its differences with Europe?

"Not necessarily," said Amir. "Once Khatami establishes himself as a liberal leader in the eyes of the West, he may take an even tougher stand vis-a-vis Israel to please the conservative Iranian camp." □

Netanyahu outlines peace plan; Palestinians reject it outright

By Naomi Segal

JERUSALEM (JTA) — Prime Minister Benjamin Netanyahu envisions a permanent settlement with the Palestinians that would include Israeli control over Jerusalem and much of the West Bank.

His vision, outlined in detail for the first time this week, was promptly denounced by Palestinian officials.

Dr. Ahmed Tibi, an adviser to Palestinian Authority leader Yasser Arafat, said the plan was "a blueprint for confrontation, not a peace plan."

Netanyahu sketched out his ideas for the final-status talks Wednesday at a meeting of the Security Cabinet, which last week began to prepare Israel's positions for negotiating with the Palestinians.

The final-status talks — which will tackle the

thorny issues of Jerusalem, borders, the Palestinian political entity, refugees and settlements — were slated to begin last year and conclude by May 1999.

A ceremonial opening session was held before the May 1996 Israeli elections, but there have been no meetings since.

Netanyahu has proposed moving into accelerated final-status talks, with an agreement to reach an accord within six months.

The Palestinians have rejected the idea, calling it a ploy by Israel to get out of implementing outstanding elements of the Interim Agreement, including further troop redeployments in the West Bank and the opening of an airport and seaport in Gaza.

Under his plan, Netanyahu said Israel must maintain control over the greater Jerusalem area, including outlying settlements in the Gush Etzion settlement bloc south of the city. He also said the Jordan Valley should remain under full Israeli control because of its significance for security and settlement.

He added that settlements along the pre-1967 boundary, the so-called "Green Line," should remain in Israeli hands.

Netanyahu's plan also includes Israeli control over major water sources in the West Bank.

Netanyahu told his ministers that he was opposed to drawing up detailed maps at this early stage in the process.

He added that he believed he could gain a national consensus for his plan, which he said would make negotiations with the Palestinians easier.

The prime minister last week denied that he had drawn up a map similar to one published in the Israeli daily Ha'aretz.

That map, which purported to represent the general principles of Netanyahu's plan, turned over some 40 percent of the West Bank to Palestinian control.

Wednesday's meeting of the Security Cabinet coincided with the annual commemorations of Jerusalem Day, which this year marked 30 years since the eastern and western halves of the city were reunited.

Tens of thousands of people took part in parades, special events and memorial ceremonies for the soldiers who fell in the 1967 Six-Day War.

At the central ceremony at Jerusalem's Ammunition Hill, where one of the bloodiest battles was fought between Israeli and Jordanian forces, Netanyahu reaffirmed the view of Jerusalem as Israel's undivided capital.

"Some of our neighbors say no agreement can be reached until we agree to divide Jerusalem. The idea on Jerusalem Day is that we are reaffirming that it is the united, eternal capital of Israel," he said. □

Elderly may need more vitamin B-12

By Naomi Segal

JERUSALEM (JTA) — Memory loss and dementia among the elderly may be caused by a deficiency of vitamin B-12, according to an Israeli researcher.

Tel Aviv University professor Uri Zeligson said that insufficient levels of the vitamin can lead to damage of the nervous system.

He said that many doctors are insufficiently aware of the role the vitamin plays and do not give patients the appropriate treatment.

Recent studies have found that 4 to 16 percent of geriatric patients suffering from memory loss and dementia had vitamin B-12 deficiencies.

Zeligson said that these symptoms could develop in people who observe strict vegetarian diets and do not eat meat, dairy products or eggs. □

Poll: U.S. Jews still anxious about anti-Semitism in America*By Rebecca Phillips*

NEW YORK (JTA) — American Jews have an “ongoing sense of anxiety” about anti-Semitism, according to the results of a new survey by the American Jewish Committee.

In fact, a majority of American Jews believe that anti-Semitism is a greater threat to Jewish life in the United States than intermarriage.

But of the 61 percent of respondents who listed anti-Semitism as a greater threat, 82 percent of them were intermarried.

Each year, the AJCommittee releases a comprehensive survey of American Jewish attitudes toward a broad range of subjects, including the Israel-Arab peace process and Jewish identity issues.

While surveys in recent years have focused heavily on the Middle East peace process, the 1997 Annual Survey of American Jewish Opinion downplayed its findings in that area.

AJCommittee officials said this year’s findings — which include the statistic that 61 percent said they “support” the “Netanyahu government’s current handling of the peace negotiations with the Arabs” — were “taken over by events” in the Middle East.

Both in the report itself and in a news release accompanying it, AJCommittee emphasized that the survey of 1,160 adults in February was taken after the government led by Prime Minister Benjamin Netanyahu had signed the Hebron agreement, transferring the bulk of the city to the Palestinians, but before the controversy over construction of a Jewish housing project at Har Homa in southeastern Jerusalem.

The building, coupled with a suicide bomb attack on a cafe in Tel Aviv, brought Israeli-Palestinian relations to a screeching halt.

Survey finds a “significant gulf”

According to David Singer, AJCommittee’s director of research, this year’s survey focused on a broader range of questions, including those related to domestic social and political issues and views of anti-Semitism.

According to Singer, the main finding of the survey is the Jewish perception of anti-Semitism.

There is a “significant gulf between mass Jewish opinion” and what social scientists have found with regard to the extent of anti-Semitism, Singer said.

Among the findings related to anti-Semitism:

- Ninety-five percent of American Jews believe that anti-Semitism in the United States is either a “very serious problem” or “somewhat of a problem.”
- Jews perceive the religious right and Muslims as the most anti-Semitic groups.
- Forty-seven percent of respondents disagree with the statement: “Virtually all positions of influence in the United States are open to Jews.”

The study, released this week, found a correlation between views on anti-Semitism and personal characteristics of respondents.

- Seventy-four percent of those who identified themselves as Reform Jews and 75 percent of those who said they were “just Jewish” answered that intermarriage was less of a threat than anti-Semitism.

- The view that anti-Semitism was a problem was more prevalent among those who are older, have lower incomes or have less education.

- Some 43 to 44 percent of respondents over 40 years old said anti-Semitism is “a very serious problem,”

compared with 34 percent of those under 40. In terms of income, 52 percent of those who make less than \$30,000 backed that view, compared with 36 percent of those who make more than \$50,000.

Fifty-seven percent of those with a high school education or less agreed with that opinion, compared with 30 percent of those who have five years or more of higher education.

On questions related to Jewish identity, 47 percent of those surveyed said that “being part of the Jewish people” was most important to their Jewish identity; 18 percent said “social justice” was; 16 percent cited “religious observance.”

Seventy-one percent of American Jews said celebration of the Jewish holidays was “extremely important” or “very important.”

Turning to Israel, the survey found that 61 percent of respondents were in favor of the Hebron agreement; Orthodox Jews were the only group with a majority opposed to the Hebron agreement.

A majority of Orthodox Jews, however, support the Netanyahu government’s handling of the peace process.

The survey was conducted for AJCommittee by Market Facts, Inc. between Feb. 3 and Feb. 11.

The margin of error was plus or minus 3 percentage points. □

El Al to be sold on stock exchange?*By Naomi Segal*

JERUSALEM (JTA) — A committee set up to examine privatizing Israel’s national carrier, El Al, has recommended that 100 percent of the airline’s capital be sold on the Tel Aviv stock exchange in the first half of 1998.

The committee recommended that all the stocks be sold at once in stocks and warrants. It rejected the prospect of trying to sell the airline to a strategic investor, out of concern that the airline’s heavy losses would prevent it from fetching a good price.

One of the obstacles to privatization, a ban on flying on Shabbat, was dealt with in the committee’s report, which said that the airline should be allowed to fly on the Sabbath as long as it does not increase the overall air traffic on this day.

Media reports have said that El Al expected to lose \$40 million dollars in 1997, following sharp losses the previous year. □

Underwater archaeological parks open*By Naomi Segal*

JERUSALEM (JTA) — Israel’s Antiquities Authority has opened two underwater archaeological parks in Ashkelon and Haifa.

Remains of more than 10 ancient ships, some dating to the Bronze period, have been discovered off the Israeli coast. Some of the finds are believed to date back to when Philistines arrived at the ancient port of Ashkelon.

Among the treasures found in the hulls of ancient sunken ships are a monkey figurine with its hands clasped over its mouth, a bronze trumpet and a lead oven.

Ehud Galili, the head of marine archaeology in the Antiquities Authority, said the unique conditions of the Israeli coastline contribute to the rich archaeological finds along its shores.

Because there are few places for shelter, boats caught in sudden storms sunk off the coast, creating over the past 4,000 years “a massive boat graveyard.”

The underwater parks were opened in connection with archaeology preservation week. □

German insurer underwrote policies for SS-operated sites*By Deidre Berger*

FRANKFURT (JTA) — A leading German insurance company insured factories, barracks and motor pools operated by the SS in or near concentration camps during World War II, according to documents recently uncovered at the German federal archives.

The Munich-based Allianz Group underwrote insurance for fire and property damage, often in cooperation with other German insurance companies, at slave labor production sites at the Auschwitz, Dachau and Buchenwald death camps, the documents indicated.

Allianz representatives made personal visits to the factories to determine the risks associated with the policies, making it likely that at least some employees of the German insurer knew what was taking place in the death camps.

After a January 1942 visit to the barracks at Auschwitz, an Allianz representative in Poland wrote, "Due to constant military surveillance, there is impeccable order and sanitary conditions."

The revelations came as French Nazi hunter Serge Klarsfeld called for a boycott of Allianz until the company took concrete measures to investigate its wartime history and pay compensation to victims.

Nine Holocaust survivors filed suit in a New York court in March against Allianz and six other European companies, claiming that the insurers withheld the proceeds of insurance policies taken out by Jews out during the 1920s to 1940s.

'We brought guilt upon ourselves'

The underwriting of slave labor sites by Allianz was reported this week by the German news magazine *Der Spiegel*, which said that Allianz executives acknowledged these activities.

"We brought guilt upon ourselves during the Third Reich, but we never enriched ourselves from the Holocaust," Allianz board member Herbert Hansmeyer told *Der Spiegel*.

But he added that Allianz could not be blamed for the millions of deaths inside the concentration camps, emphasizing that Allianz had insured production sites, not the camps themselves.

Hansmeyer also claimed that the SS would have continued to keep production running even if Allianz had refused to insure the sites.

Shortly after Klarsfeld announced the boycott, Allianz officials said they wanted to talk with him and the group he represents, the Sons and Daughters of Jews Deported from France.

An Allianz executive told *Der Spiegel* that the insurance company was contemplating the establishment of a fund to compensate victims of the Nazis.

After the New York suit was filed, Allianz launched a campaign to help relatives of Holocaust victims track down unpaid or missing claims.

Allianz recently opened hot lines in Germany, Israel, and North and South America to answer questions about possible unpaid claims on policies sold to Jewish clients.

The company said some 700 people had called the hot line numbers and that about 300 had possible claims against the company. But it said that most callers could provide little concrete information about the policies.

The company said five files were located so far.

Allianz commissioned the Arthur Anderson auditing firm to go through all files dating back to the prewar era to locate unpaid policies.

Representatives of the Conference on Jewish Material Claims Against Germany said they suspect there may be large numbers of unpaid claims because life insurance policies were common among members of Germany's prewar Jewish community.

Since 1993, Allianz has had one historian on a part-time basis sifting through the company's wartime documents.

Allianz is also in the process of appointing a group of non-German historians to research the role of the insurance company during the war, according to Christopher Worthley, a spokesman for Allianz.

He said the information uncovered by *Der Spiegel* was a major contribution to the company's efforts to research its involvement with the Nazis.

"Our goal is to present a full picture, as painful as it might be, of the entire company history," Worthley said, adding that it would include an examination of how much was known within the company about conditions in the concentration camps. □

Post-Holocaust generation elected to lead Berlin Jewry*By Deidre Berger*

FRANKFURT (JTA) — Berlin's Jewish community has elected a new generation of leaders.

As a result of Sunday's elections, the new community parliament consists mainly of delegates born after World War II.

They will take over the leadership of Germany's largest Jewish community from the generation of Holocaust survivors who re-established the community after the war.

The newly elected delegates now face the job of ending internal strife in the community, which became so serious it attracted prolonged attention in the German press.

Charges of mismanagement and allegations of corruption involving former parliament members had dominated the campaign.

Two-thirds of the 21 delegates are serving for the first time in the community parliament.

Andreas Nachama, 46, director of a Berlin institute on Hitler's Gestapo terror, received the largest number of votes.

He is the son of Estrongo Nachama, the chief cantor of the 10,500-member Berlin community.

Andreas Nachama has been an advocate for a national memorial to Jews killed during the Holocaust, a project that has stirred controversy for years.

The parliament must now elect a 5-member board of directors and a new community chairman.

Nachama says that if he is elected chairman, he would focus on integrating Russian emigres into the community, expanding cultural activities and overseeing a professional operation of community affairs.

The current leader, Jerzy Kanal, 75, did not stand for election and will step down this year.

Half of the 55 candidates were from Russia or other parts of the former Soviet Union, but only three were elected.

Many of the Russian candidates complained that the community does not represent their interests and treats them as second-class members. More than half of the community's members emigrated from the former Soviet Union during the past 25 years.

One of the Russian candidates charged that the election was manipulated, claiming that recent emigres from the former Soviet Union were not properly informed about the election.

An investigation could postpone the first meeting of the parliament, currently scheduled for mid-June. □