



## NEWS AT A GLANCE

■ Israel's High Court of Justice is expected to rule next week on whether Prime Minister Benjamin Netanyahu should be indicted on charges of fraud and breach of trust in connection with the Bar-On affair. [Page 2]

■ Palestinian Authority Chairman Yasser Arafat ordered the arrest of a security official from the West Bank town of Ramallah suspected of being involved in the murder of Arab land dealers. Hussein Alyan was arrested to prevent Israel from detaining him, according to a Palestinian security official.

■ Palestinian negotiator Saeb Erekat said it was unclear whether another three-way meeting between Israeli, Palestinian and Egyptian negotiators would be held this week. Egyptian envoy Osama Al-Baz is slated to meet separately with Israeli Prime Minister Benjamin Netanyahu and Palestinian Authority Chairman Yasser Arafat to find ways to break the peace talks deadlock.

■ House Speaker Newt Gingrich (R-Ga.) said he would oppose the continuation of U.S. aid to the Palestinian Authority if land dealers continue to be killed for selling land to Jews. "This is the kind of action we identify with Nazis," Gingrich said. Congress is set to make a decision on aid later this summer.

■ Switzerland is paying more than \$500,000 a year to two American public relations firms to improve its image in the United States, according to an official with the Swiss task force that coordinates the government's response to charges about its wartime past.

■ A Thai appeals court upheld the death sentence for an Iranian citizen convicted of trying to bomb Israel's Embassy in Bangkok three years ago.

■ Samuel Cohen, who served as executive vice president of the Jewish National Fund of America for 20 years, announced that he will retire on July 18. The organization, which is still recovering from disclosures late last year of fiscal management problems, is expected to name a replacement within a few weeks.

## PROFILE

### Mix of Judaism, politics guides Eizenstat in shaping U.S. policy

By Daniel Kurtzman

WASHINGTON (JTA) — The gathering was the largest in recent years.

Friends came from Europe and from across the United States. They represented every branch of the U.S. government and all branches of Judaism.

More than 400 people packed into the State Department's ornate Roosevelt Room, the biggest crowd to attend a swearing-in ceremony there since the last time Stuart Eizenstat was sworn into a diplomatic post.

Using the Bible that belonged to Eizenstat's father, Supreme Court Justice Stephen Breyer administered the oath of office for his third Senate-confirmed position in the Clinton administration, this time as undersecretary of state for economic, business and agricultural affairs.

The gathering last Friday was a fitting tribute to a man who has emerged as one of the most admired figures on the American political scene.

Eizenstat, 54, has stepped comfortably and resolutely into the limelight during the past year as the Clinton administration's point man investigating Nazi Germany's wartime dealings with Switzerland and other neutral nations.

"I knew that in order to try to do justice to this, I had to come at it with the same sort of cold-blooded objectivity that I try to bring to other issues, and that if I didn't it would impair the credibility of the report," Eizenstat said in an interview just prior to his swearing-in ceremony.

Last month, he released an exhaustive report on the Nazi gold issue — the product of 11 U.S. government agencies pouring through 1 million documents during a period of seven months.

The task marked the largest declassification of documents and use of archival material in American history.

In what may truly be the mark of success in dealing with an issue so complex and incendiary, he has been commended by U.S., Swiss and Jewish officials alike.

Surrounded by boxes and bare walls in his office at the Department of Commerce, where he served for the past year as undersecretary for international trade, Eizenstat recalled influences on his contributions to the Jewish people during the course of his more than 20 years in public service.

With degrees from Harvard University and the University of North Carolina, Eizenstat has served every Democratic president since Lyndon Johnson.

Taking on restitution issues in recent years, he has drawn personal meaning from helping what he calls the "re-emergence of Jewish life out of the ashes of the Holocaust."

#### An 'early sensitizing event'

During the past several years, he has served as the Clinton administration's special envoy on property restitution in Central and Eastern Europe.

"I think I was late to come to this," Eizenstat said of his focus on Holocaust issues. It wasn't until the late 1960s, after reading Arthur Morse's book "While Six Million Died" that he began to think about and draw lessons from the Roosevelt administration's failures.

He also was influenced profoundly by the teachings of Rabbi Irving Greenberg.

Eizenstat recalled attending a federation-sponsored retreat for young couples in the mid-1970s, at which Greenberg, now president of CLAL, the National Jewish Center for Learning and Leadership, spoke for hours about the renewal of Jewish life out of the Holocaust. It was an experience Eizenstat describes as "searing" and an "early sensitizing event."

He brought that perspective to the Carter White House, where, serving as the president's domestic policy chief, he was key to laying the groundwork for the U.S. Holocaust Memorial Museum.

In 1979 Eizenstat had a chance to draw directly on the lessons of Jewish history as tens of thousands of Jews were fleeing Iran after the Islamic revolution.

Mindful of the way European Jews were turned away from American

shores during World War II, Eizenstat helped persuade Carter to order the Immigration and Naturalization Service to admit some 50,000 Iranian Jews to the United States on temporary visas.

Eizenstat brought a similar mindset to the investigation of Nazi gold, a fact not lost on Benjamin Meed, president of the American Gathering of Holocaust Survivors.

Addressing Eizenstat at a recent meeting of Jewish officials discussing the Nazi gold issue, Meed proclaimed: "If you had been in the American government 50 years ago, we would not be sitting around this table today."

American Jewish leaders have spared no superlatives in describing Eizenstat and his recent work.

"Stuart Eizenstat is a profile in courage," said Elan Steinberg, executive director of the World Jewish Congress, which has worked closely with Eizenstat over the past year on the Nazi gold probe. "It's not simply that he took this assignment seriously. He raised it to a level of both public consciousness and governmental involvement that made this issue the singular moral issue of our day."

Asked if he found it difficult to balance any personal feelings he had as a Jew with the task he was given of dispassionately laying out the facts, Eizenstat said, "I've always been able to try to look objectively at issues, obviously shaped to some degree by my background and my interests, but to look at what's best for the United States of America.

"And that's the way I went into this report. We didn't have any predetermined outcome."

Many Jewish leaders have praised Eizenstat for his uncompromising objectivity. "He neither bent over backwards because of his Jewishness, nor did he impose his Jewishness on the issue," Steinberg said.

"He approached this as a proud American and as the best that this government has to offer."

At the State Department, Eizenstat will continue to juggle several tasks, continuing his involvement in the Nazi gold issue and in his capacity as special envoy on property restitution.

### 'Security to be a Jew'

Meanwhile, supporting the Middle East peace process — a task he has worked toward since he assisted President Carter on the Camp David accords — will be one of his "very top priorities."

"The economic dimension of the peace process is essential, particularly at a time when there's tension on the political side," he said. It is imperative to "show people in the region that peace can be translated into a better way of life."

In the wake of his report on Nazi gold, Eizenstat has emerged as one of the most sought-after speakers in the Jewish community — a calling he has met with considerable humility. "He's a class act," said Greenberg, a longtime friend of Eizenstat. "He's very modest and unpossessed, which is one of the reasons people like him so much."

When Eizenstat came to Washington from Atlanta to serve in the Carter White House, he represented what Greenberg called the "new breed of Jewish civil servant."

"The previous generation was extremely cautious if not self-denying as Jews," Greenberg said. Eizenstat is someone with a deep "inner commitment and security to be a Jew" who is "not afraid to deal with the Jewish agenda positively."

A Conservative Jew, Eizenstat left work early on Fridays during his White House days to observe the Sabbath. One year he invited Carter and his wife to the family's Passover Seder.

When they arrived in Brussels in 1993, Eizenstat

and his wife, Frances, even made their own bit of Jewish history.

As representative to the European Union, Eizenstat was believed to have been the first U.S. ambassador to keep a strictly kosher kitchen on a diplomatic posting.

It is just one example of how he has meshed his political and Jewish identities.

"The United States is a country which has given me and my community an unparalleled opportunity to live and practice our religion in freedom," Eizenstat said at his swearing-in ceremony. "We owe it much in return."

A man of seemingly boundless energy, Eizenstat looks to the remainder of his career in public service with unpretentious — perhaps even understated — goals, saying he hopes to do his part to make the world a more stable and prosperous place.

"One shouldn't exaggerate the capacity to do that individually," he said. "If you can start a small ripple in the pond by making a modest contribution, that's as much as you can hope to do." □

### Court near ruling on indicting prime minister in Bar-On affair

By Naomi Segal

JERUSALEM (JTA) — Israel's High Court of Justice is expected to rule next week on whether Prime Minister Benjamin Netanyahu and Justice Minister Tzachi Hanegbi should be indicted on charges of fraud and breach of trust.

The case stems from the influence-peddling scandal surrounding the short-lived January appointment of Roni Bar-On as attorney general. The court heard arguments last month and said the ruling would be issued at a later date.

A three-month police investigation was launched earlier this year after an Israel Television report alleged that Bar-On was appointed as part of a deal to provide a plea bargain to Shas Knesset member Aryeh Deri, who is on trial for corruption.

In turn, Deri allegedly promised his party's support for the Hebron agreement, which was coming up for Cabinet approval at the time, the television report said.

Police investigators had recommended that Netanyahu and Hanegbi be indicted, but Attorney General Elyakim Rubinstein and State Prosecutor Edna Arbel decided in April that there was insufficient evidence against the two men and that only Deri should be indicted.

At the hearing last month, the five-justice panel rejected a number of other petitions requesting a state commission of inquiry into the Bar-On affair and asking that the police report on the investigation be published. □

### Israeli gets artificial heart

By Naomi Segal

JERUSALEM (JTA) — Israeli doctors have performed their first implant of an artificial heart.

The patient, a 50-year-old man, was listed in critical condition after the operation was performed this week at Sheba Hospital in Tel Hashomer.

Dr. Ya'acov Lavi, director of the transplant department at the hospital and head of the surgery team, said the operation took eight hours.

An artificial heart generally serves as a temporary measure until an appropriate donor is found.

The patient, who has a rare blood type, was urgently in need of a transplant. He was hospitalized over a week ago in critical condition.

When no appropriate donor was found after eight days, doctors decided he should undergo an artificial heart implant until a natural organ was found. □

**NEWS ANALYSIS****Hopes of renewed peace talks after Israeli-Palestinian meeting***By David Landau*

JERUSALEM (JTA) — It may have been one of the most positive periods in a long time for the Middle East.

Or it may have been just another interval of false hopes, of movement without progress, of deepening deadlock.

On the face of it, three events — a meeting between Israeli and Palestinian negotiators, disclosure of an Israeli plan for a permanent settlement and the election of a new Labor Party leader — all gave encouragement this week to the optimists.

At the same time, the pessimists continued to find evidence to support their doubts that any breakthroughs were imminent.

The Israeli-Palestinian peace process showed a first glimmer of life this week, with a meeting of officials from the two sides under Egyptian auspices in Cairo. The message after Sunday's three-hour session was that there would be more meetings — which was the best that could have been expected after so long a lapse in high-level direct talks.

The talks broke off in mid-March after Israel began building housing at Har Homa in Jerusalem, in an area that Palestinians envision as part of their future capital.

After Prime Minister Benjamin Netanyahu and Egyptian President Hosni Mubarak met last month, Mubarak's adviser, Osama Al-Baz, shuttled between Netanyahu and Palestinian Authority leader Yasser Arafat, conveying proposals for renewing the talks.

But given the deep feelings over Har Homa, it was not surprising that a last-minute crisis threatened to cancel the meeting. Israeli officials said they would not attend after a spokesman for Arafat, Marwan Kanafani, said that Israel had agreed to stop all settlement construction as a precondition to the Cairo talks.

**Delegation delays departure**

The Israeli delegation delayed its departure to Cairo until the Palestinian delegation issued a statement saying that there had been a misunderstanding regarding Kanafani's remarks and that there had been no agreement regarding Israeli construction projects.

But Har Homa remains at the heart of the peace process impasse.

The Israeli daily Ha'aretz reported Monday that the two sides were considering a compromise under which Israel would "significantly slow the pace of building on Har Homa, to a virtual halt."

While Netanyahu denied that he had agreed to stop the project, reporters noted that construction work at Har Homa had dropped off in recent days.

A few days before the Cairo meeting, Netanyahu's proposals for the permanent-status talks with the Palestinians were leaked to the Israeli press — and only weakly denied by government officials after they were published.

The proposals called for Israel to keep control of about half of the West Bank.

But they also envisioned ceding the other half to the Palestinians — which represented a major departure from the Likud Party's traditional "Greater Israel" ideology.

At the same time as the proposals were leaked — and, according to some pundits, not coincidentally — the opposition Labor Party elected former Israel Defense Force chief of staff Ehud Barak as its new leader.

Barak is a centrist figure whose military creden-

tials and pragmatic policy ideas will, Labor hopes, win back middle-of-the-road voters.

Although Barak has opposed a national unity government in the past, his own relative hawkishness and Netanyahu's newfound moderation could yet forge the basis for a unity government, say the pundits.

These developments provide the foundation for the optimistic interpretation that bold new moves are afoot after several tension-filled months of crisis.

Many analysts here suggest that what is important in the long term are not the specifics of Netanyahu's plan for the final-status talks, but rather the break with past dogma that it represents.

The plan reportedly even entertains the notion of Israel abandoning certain far-flung settlements on the West Bank. This would be another dramatic departure from Likud's long-held principles.

Also important is the fact that the Netanyahu coalition appears to have endured this first flight of the trial balloon with remarkable stability.

It is as though the mainstream of the coalition, like the mainstream of the opposition, has come to terms with the need to strike a territorial compromise with the Palestinians. What remains to be decided is the amount of land to be relinquished.

The premier insists that he is serious about seeking accelerated negotiations for a permanent settlement with the Palestinians. He knows, moreover, that only a successful negotiation and an agreement widely supported in Israel can virtually guarantee him a second term in office.

Arafat has responded to the reports of Netanyahu's final-status proposals by saying that the Palestinians expect to recover no less than 91 percent of the West Bank.

**Earnest negotiations possible**

But for the optimists, this seems to indicate that, despite the gulf that opened up during the past three months, the two sides may soon engage in earnest negotiations. Just the same, this week's developments have also served as fuel for Israeli pessimists.

They see Netanyahu's leaked plan for the final-status talks as a deliberate ploy to curry favor at home and abroad with an ostensibly reasonable opening offer — one that the premier can be certain will be rejected outright by the Palestinian side.

Netanyahu, according to this interpretation, remains committed to taking the peace process no further in substantive terms.

His purported plan is a mere exercise in public relations, the pessimists say, designed to elicit more months of trading water, while building at Har Homa and settlement projects in the West Bank continue.

This, of course, is the gloss put on the plan by Palestinian spokesmen.

Nevertheless, behind the scenes, there are Palestinians who recognize the significance of a Likud leader offering to withdraw from half of the West Bank.

The pessimists, meanwhile, see the gap between Likud and Labor as vast and not bridgeable.

Under its new and ambitious leader, they say, Labor will become a fighting opposition — as it has conspicuously failed to be during Netanyahu's first year in office.

They point out that while Barak himself is thought of as a centrist, the party as a whole recently solidified its dovish positions, resolving at its national conference to remove from its platform opposition to a sovereign Palestinian state.

The pessimists expect the Egyptian effort to put the talks back on track will fizzle out within weeks, leaving an enhanced danger of disillusionment and frustration. □

**Swiss parliamentarian urges repayment to Jewish groups**

*By Fredy Rom*

ZURICH (JTA) — A member of the Swiss Parliament has called on the government to return to Jewish groups money they paid to support Jews who found haven in Switzerland during World War II.

Switzerland has come under fire for turning away more than 30,000 Jewish refugees at the Swiss border during the war, a policy that led to thousands of deaths in the Holocaust.

At the same time, however, Switzerland provided haven to some 25,000 Jewish refugees, who survived the war together with Switzerland's 20,000 Jewish citizens.

But the Jewish refugees were accepted on condition that Jewish groups pay in advance for their support.

This policy did not extend to the 300,000 non-Jewish refugees who flocked to Switzerland and whose needs were paid for by the wartime Swiss government.

This was a clear case of discrimination, said parliamentarian Verena Grendelmeier, a member of the centrist Independent Party.

"This policy is unacceptable, and the government must therefore pay back the full amount of the money" to Jewish groups, Grendelmeier said this week in a speech before Parliament.

Leading Swiss historian Jacques Picard said that Jewish organizations paid approximately \$45 million for the support of Jewish refugees in Switzerland.

Of this total, he said, \$7 million was paid by the Federation of Jewish Communities in Switzerland, the communal umbrella group, with the remainder of the money coming from Jewish organizations in the United States.

At current valuations, the \$45 million would be worth approximately \$200 million today, according to a senior banker here.

In a recent interview, Swiss Vice President and Foreign Minister Flavio Cotti said the government would not act on the matter until it heard the findings of the Independent Commission of Experts, the international panel of historians created by federal decree last December to study Switzerland's wartime past.

The Swiss Federal Council, or Cabinet, adopted the same stance Monday in response to Grendelmeier's speech.

The panel of historians is slated to issue its preliminary findings in February, according to Linus von Castelmur, a historian who serves as secretary-general of the Independent Commission of Experts.

Thomas Lyssy, vice president of the Swiss Jewish federation, welcomed Grendelmeier's call for compensation. □

*(Foreign editor Mitchell Danow contributed to this report.)*

**Russian Jewish Congress grants support local communal projects**

*By Lev Krichevsky*

MOSCOW (JTA) — In its first year of existence, the Russian Jewish Congress distributed \$1.3 million in grants to various Jewish communal projects in the country.

According to its just-published first annual report, the RJC gave more than \$500,000 last year to support Russian Jewish schools.

The congress donated \$350,000 to synagogues, and some \$275,000 to charitable and social projects in the Russian Jewish community. Cultural projects received \$170,000.

Projects seeking to counter anti-Semitism, which

RJC President Vladimir Goussinsky has described as a priority for the organization's efforts, received only \$14,000.

In a separate project of its own, the RJC has been sponsoring the construction of a memorial synagogue in Moscow.

The synagogue, inside the World War II national memorial park on Poklonnaya Gora, is scheduled to open in September, when the Russian capital will celebrate its 850th anniversary.

The synagogue, whose construction costs will reportedly top \$2 million, will stand next to an Orthodox church and a mosque. The RJC was created last year with the support of Russia's leading Jewish bankers and business community. □

**Israeli politicians may be linked to suspect in Russian mafia case**

*By Naomi Segal*

JERUSALEM (JTA) — Israeli police plan to question senior Israeli politicians about possible links to an alleged member of the Russian mafia.

Three Cabinet ministers and five Knesset members — from the Labor, Likud and Yisrael Ba'Aliyah parties — will be questioned for possible ties to Gregory Lerner, a millionaire businessman suspected of involvement in organized crime in Israel and Russia, according to Israeli media reports.

Some of the politicians will be questioned under police caution, which means that they are suspected of criminal activities and should consider having a lawyer present.

Police Commissioner Assaf Hefetz said investigators want to verify whether the politicians were aware of Lerner's alleged involvement in criminal activities.

Lerner, also known as Gad Ben-Ari, is suspected of involvement in fraud, connection to assassinations by organized crime figures in Russia and trying to bribe public officials. □

**Israeli demonstrators call for action against road accidents**

*By Naomi Segal*

JERUSALEM (JTA) — Demonstrators gathered this week to demand more funds and better law enforcement to prevent traffic accidents in Israel.

Sunday's protest outside Transportation Minister Yitzhak Levy's office came in the wake of a June 5 accident in which five members of a wedding party, including the groom and his parents, were killed on their way to the wedding.

Uri Pell, his parents Claudine and Eli, as well as two of Uri's friends, David Benishu and Ayal Yunanian, were killed when their car overturned on a Jordan Valley road as they were traveling to Moshav Hazorim near Tiberias.

The Pells, who had immigrated to Israel from France in the 1980s, lived in Jerusalem.

When the five failed to turn up by nightfall last week, Jewish Agency chairman Avraham Burg, a relative of the family, contacted security officials to begin searches.

Palestinian Authority police also took part in searches on the chance that the five were in the Jericho self-rule area.

Helicopters spotted the car last Friday morning in a ravine. The car had apparently tumbled off the road and was not visible from the highway.

Police said it appeared that the driver of the car had been speeding and lost control of the car. □