

NEWS AT A GLANCE

- **The committee named to find a compromise on Jewish conversion held its first meeting at the Prime Minister's Office.** The seven-member committee, comprised of one Conservative, one Reform and five Orthodox representatives, invited the public to submit proposals on possible compromises. [Page 2]
- **An Israeli military court convicted a Hamas terrorist of engineering three suicide bombings that killed 46 people in 1996.** The prosecutor asked the court to sentence the man to 46 life terms. Sentencing will take place next week.
- **Israel's foreign minister is threatening to resign from the governing coalition.** The disclosure of a secret meeting between Ariel Sharon and a senior Palestinian official set back reconciliation efforts between David Levy and Prime Minister Benjamin Netanyahu. [Page 1]
- **As Hong Kong reverted to Chinese sovereignty, China and Israel exchanged letters in Jerusalem arranging mutual visa exemptions.** Foreign Ministry Director General Eitan Ben Tsur and China's ambassador to Israel, Wang Chang Ye, took part in the ceremony.
- **The Swiss bank guard who lost his job at the Union Bank of Switzerland after saving documents linking Swiss banks to World War II-era Jewish accounts has lost his counsel.** Marcel Bosonnet, the Swiss lawyer for Christoph Meili, said he was resigning because he did not want to become "a political pinball."
- **The fired director of the Jewish Museum in Berlin lashed out at city leaders, saying the move indicates that "52 years after the Holocaust, there is deep hate against the showing of Jewish history and its culture."** Berlin's Jewish community board also criticized the move.
- **Two teen-agers were arrested for painting swastikas and writing "Kill the Jews" on the walls of a Rockland County, N.Y., middle school.** The arrest in an area located 25 miles north of New York City comes three weeks after a custodian discovered the graffiti.

NEWS ANALYSIS**Veteran Likud hawk Ariel Sharon aspires to key peacemaking role***By David Landau*

JERUSALEM (JTA) — Is Israel's grizzly warrior, Ariel Sharon, staging a comeback as the country's peacemaker?

The revelation that Sharon met recently with Palestinian Authority Chairman Yasser Arafat's deputy, Abu-Mazen, has sent shockwaves through Israel's political community.

Only two weeks ago, Sharon proclaimed that he would never negotiate with Arafat. The man was a war criminal "by every law." Arafat had more Jewish blood on his hands than any man since Hitler, he added.

Suddenly, the far right finds itself bereft of its longtime leader, the man whose unchallenged military expertise, and whose ability to unite religious and secular nationalists, gave that camp legitimacy perhaps in excess of its actual numbers.

News of the June 16 meeting also provoked the fury of Foreign Minister David Levy, who learned about it, as did the Israeli public, in an Israel Television report last Friday.

Levy was considering resigning this week over Sharon's expanding role in the Netanyahu government.

The foreign minister said he would not have objected to Sharon's meeting with Abu-Mazen, the veteran Palestine Liberation Organization official who was directly responsible for negotiating the peace accords with the Rabin and Peres governments.

But Levy said it was unacceptable that he should learn of such contacts through the media.

Disclosure of the meeting came amid a deepening crisis in relations between Netanyahu and Levy, who has complained that the premier has excluded him from decision-making.

The ongoing crisis spurred talk in two coalition parties, Tsomet and the Third Way, of a possible need to prepare for early elections.

But the government's fall seemed unlikely, as it would still maintain a 61-seat majority in the 120-member Knesset even if Levy's five-member Geshet bloc left the coalition.

Strict opposition to dealing with the PLO, personified by Sharon, was once the firm policy of the entire Israeli establishment.

That policy began unraveling in the 1980s, as dovish Laborites challenged the law forbidding contacts with the PLO.

It came crashing down with the Israeli-Palestinian accords.

It was further discredited when Netanyahu and his two senior ministers, Levy and Defense Minister Yitzhak Mordechai, each shook the former terrorist's hand in separate meetings.

Israel's far right upset

Now, to the profound consternation of Israel's far right, including the Gush Emunim settler movement and the Land of Israel lobby in the Knesset, Sharon, too, has declared that the Israeli-Palestinian accords cannot be rolled back.

Arafat confirmed Sunday that the Sharon-Abu Mazen meeting was a calculated effort by the Palestinian Authority to open a new path to Israel's power center.

News of the meeting was leaked as part of Sharon's effort to "moderate" his image, at home and abroad, as someone who could be involved in negotiations with the Palestinians, which have been stalled since March.

Sharon is Netanyahu's choice for finance minister, a key post vacated by Likud Knesset member Dan Meridor.

But Sharon has made his appointment conditional upon his winning a seat in the innermost sanctum of policy-making — the prime minister's "kitchen cabinet" that has included only Netanyahu, Mordechai and Levy.

Mordechai and Levy — both relative moderates in the Cabinet — objected last week to elevating Sharon because of the negative message it would inevitably send to the Palestinians and to the wider Arab world.

This week, Levy was opposing Sharon's appointment simply because

he threatens to nudge aside the foreign minister in the conduct of the peace negotiations.

Does Sharon intend to change not just his image, but the substance of his policy positions?

Israel has seen this paradigm before.

Moshe Dayan, the Jewish state's greatest military hero, found his reputation shattered in the wake of the 1973 Yom Kippur debacle. Though cleared of direct responsibility for the army's failure to detect the surprise attack, Dayan was driven by popular outcry from his position as defense minister and spent four years in the political wilderness.

It was Likud Prime Minister Menachem Begin, another political outcast seeking legitimation as a peacemaker, who brought Dayan back as his foreign minister.

Dayan, more than any other Israeli, engineered the Israeli-Egyptian breakthrough that led to the 1978 Camp David accords.

Ten years of distinctly hawkish positions on the future of the territories captured in 1967 were discarded in Dayan's dramatic turnabout on the Sinai Desert.

The general-turned-statesman adopted a more moderate stance on the Palestinian issue, too. Indeed, he resigned in 1980 after concluding that Begin was renegeing on the commitment to Palestinian self-rule that Israel had given at Camp David.

Camp David also was one of the few instances of Sharon going against his usual hawkish stance and suddenly adopting pragmatic positions.

As Begin wrestled at the U.S. presidential retreat with the need to relinquish all the settlements and military bases that Israel had built in Sinai, Sharon telephoned from home to urge the premier to make the historic deal.

Sharon's position took much of the wind out of the sails of the hard-line rightist opposition to Camp David. But it was not the first time that Sharon had dismayed the hard right and won kudos from the left and center.

A year earlier, before Israel's 1977 elections, Sharon, then leader of the small Shlomzion Party, had negotiated with the dovish Independent Liberals over a joint platform.

According to persons involved in the negotiation, which did not lead to an agreement, both sides endorsed a provision calling for a Palestinian state on the West Bank.

Pragmatism or unprincipled opportunism?

Sharon's many political foes cite these as examples not of pragmatism, but rather of unprincipled opportunism.

In the wake of the revelation that he hosted Abu-Mazen at his Negev ranch, less hostile observers suggested that Sharon was acting with his place in history in mind.

Sharon, 65, is making a determined bid to be remembered as a man of peace, not only as a general who, despite huge successes to his credit, also carries the bitter burden of the 1982 Lebanon War.

Sharon, as the minister of defense and the single most powerful figure in Begin's second government, launched that war in order to smash the PLO, and drive it away from Israel's northern border.

He was forced to resign as defense minister after a state commission concluded that Israeli leaders bore indirect responsibility for the September 1982 Christian Phalangist massacre of hundreds of Palestinians in the Sabra and Shatila refugee camps in Beirut.

Some observers argued then, as do some historians now, that Sharon had a broader aim in launching the war: to flush the Palestinian fighters out of Lebanon altogether, forcing them to return to Jordan, where they would depose the Hashemite kingdom and set up a Palestinian state.

This, in turn, would relieve the pressure on Israel to vacate the West Bank.

For years, the Jordanians believed this theory and viewed Sharon with intense suspicion.

The Palestinians, for their part, have long seen him as an implacable foe.

Now, just as the right in Israel will have to reassess Sharon, so, too, the Palestinians will be reconsidering their view of the warrior and his possible role in future diplomacy. □

Conversion committee begins search for harmonious solution

By Michele Chabin

JERUSALEM (JTA) — The committee named to find a compromise on Jewish conversion has begun its awesome task.

Israeli Prime Minister Benjamin Netanyahu, speaking at the opening of the committee's first meeting Monday, urged the sides to demonstrate tolerance and flexibility in trying to find a solution.

The premier "gave us his hearty blessing," said Uri Regev, director of the Israel Religious Action Center and the Reform movement's representative on the seven-member committee.

The Conservative representative is Rabbi Reuven Hammer, who is head of the Masorti rabbinic court for conversions. The other five members, including the committee's chair, former Justice Minister Ya'acov Ne'eman, are Orthodox.

The committee was created as part of a compromise negotiated between the Israeli government and Reform and Conservative movements to find a consensus on the conversion issue.

The conversion crisis erupted a year ago after religious political parties secured a commitment from newly elected Prime Minister Benjamin Netanyahu to seek legislation that would set into law the Orthodox establishment's sole authority over Jewish conversions conducted in Israel.

After the Knesset passed the first reading of the bill in April, Reform and Conservative Jews, both in Israel and the United States, went to work vigorously opposing the measure, saying that it would delegitimize the non-Orthodox movements.

The agreement to establish the interdenominational committee came after more than two months of talks between coalition representatives and Reform and Conservative leaders, including last-minute marathon talks that involved Netanyahu himself.

As part of the compromise, the coalition agreed to suspend legislative work on the bill and the Reform and Conservative movements agreed to suspend litigation pending before Israel's High Court of Justice.

The committee, which is expected to meet daily beginning next week, was given until Aug. 15 to develop recommendations.

If the coalition, which includes the 23 Knesset members from the religious parties, adopts the recommendations, the Knesset would likely pass legislation in September.

The public is being invited to submit proposals for the committee's consideration within the next two weeks.

The other Orthodox members of the committee are:

- Rabbi Haim Drukman, a former National Religious Party Knesset member who heads the conversion panels under the auspices of the Chief Rabbinate;
- Rabbi Simcha Meron, former director of the rabbinic courts;
- Dov Frimer, a lawyer;
- Ariel Weiss, an American immigrant who works with the Rothschild Foundation. □

JDC to federations: Help feed elderly in former Soviet Union

By Cynthia Mann

NEW YORK (JTA) — However oppressive communism was in the former Soviet Union, no one disputes it provided a safety net for its most vulnerable population.

Its collapse ripped that safety net away, hitting the elderly hardest of all and prompting the American Jewish Joint Distribution Committee to step into the breach.

Over the past few years, the JDC, which provides humanitarian relief and rescue around the world, has built a network of welfare services that has targeted 70,000 needy elderly in more than 250 places in the former Soviet Union.

Most were subsisting on bread and potatoes, say JDC officials.

The organization is now poised to intensify its efforts with an \$86 million drive over two years to combat hunger among the elderly. It is asking local federations for help.

Virtually all of the JDC's roughly \$64 million annual budget comes from money raised by the joint campaign of the United Jewish Appeal and federations.

JDC is seeking a collective federation commitment of an additional \$20 million over two years. Close to \$50 million more is slated to come from the Conference of Jewish Material Claims Against Germany.

The national fund-raising establishment is pulling out all the stops in its efforts to persuade federations of the urgency of the JDC initiative at a time when overseas allocations are in decline.

"This is a potential tragedy of enormous proportions," Richard Wexler of Chicago, UJA national chairman, said during a bid for national support for the project via satellite last month.

"We have the greatest number of Jews since the Holocaust going to bed hungry every night."

Local federations support plan

In a plan endorsed by the leadership of the Council of Jewish Federations, each federation would make a prorated voluntary contribution.

"We will not as a system permit any Jew in the former Soviet Union to go to bed hungry," said Dr. Conrad Giles of Detroit, CJF president.

Many local federation leaders have expressed strong support for the plan.

"If there's any reason we exist as a system, it's to be able to resolve" this crisis, said Stephen Solender, executive vice president of UJA-Federation of Jewish Philanthropies of New York.

"I hope our system won't get bogged down in bureaucracy," he said, referring to the time it may take for federations to sort out what their individual commitments will be.

The details of how each federation will be asked to contribute to the special hunger fund have not been finalized.

Meanwhile, some federation leaders have questions. They are asking why the JDC is tapping the central system when it is sitting on a \$160 million endowment fund.

UJA is having trouble as it is, they say, meeting its commitments to the Jewish Agency for Israel, UJA's other overseas recipient. In fact, JDC's own allocation from the UJA was cut by \$5 million in 1997, though the new hunger campaign would more than offset that cut.

The plan rests on the concept that donations to the special campaign would be over and above federations' regular contributions to UJA in 1996.

But that is going to be hard to enforce. Federations could simply choose to free up funds for the hunger campaign at the expense of the regular annual campaign.

And some are concerned that the resulting drop in the overseas allocation, already on the decline, will be borne primarily by the Jewish Agency, which is fighting a sagging public image.

JDC leaders and supporters respond by pointing to the Jewish Agency's special five-year Operation Exodus campaign to resettle immigrants to Israel, from 1990 to 1994, which was over and above the regular annual UJA campaign.

JDC maintains, in effect, that this is their Operation Exodus.

In addition to the 70,000 elderly Jews already receiving assistance, JDC has identified "a potential pool" of an additional 230,000 needy elderly, said Michael Schneider, JDC executive vice president.

JDC felt it "simply didn't have the means to cope with the demands," he said.

"We have to think globally," Schneider added. "I would hope the [Jewish] Agency will regard this as an opportunity to add to the campaign and encourage federations to provide what is needed."

In response to a question during the satellite broadcast about JDC's commitments in the former Soviet Union, Jonathan Kolker, JDC president, said roughly half of the total \$11 million spent there annually goes to programs for the elderly, while the other half is spent to cultivate Jewish life.

At the same time, he said, the JDC budget for other countries is being cut by 5 percent a year so more can be allocated to programs in the former Soviet Union.

\$6 million committed

JDC has committed \$6 million of its \$160 million endowment fund to the hunger campaign over two years.

Schneider said that all but \$50 million of the endowment fund is restricted for other uses, and that the \$50 million is the system's "insurance" for emergencies. JDC officials have been careful not to apply the word "emergency" to the hunger effort.

Still, Schneider, in an interview in his office, said that Jewish elderly in the former Soviet Union, like other elderly there, rely on pensions that do not keep up with the rising costs of staples.

In Ukraine, for instance, between July of last year and January of this year, the price of eggs rose 146 percent, pasta 93 percent, milk 52 percent and bread 38 percent. Jews often are more isolated than other elderly since many of their relatives were either murdered by the Nazis or emigrated in recent years, he said.

Food packages, designed to supplement a diet of mostly bread and potatoes, have been the most basic part of the JDC assistance programs, according to Schneider.

JDC also has provided hot meals to people who are unable to cook the dry goods that come in the packages. For those who are bedridden or otherwise homebound, there are meals on wheels.

Meanwhile, in Moscow, the recipients of the JDC packages say they make a big difference.

Serafima and Lev Surenko are both 73. She is bedridden and he is a World War II invalid.

"It was like a gift from heaven when they started bringing us hot meals from the synagogue," she said. "It's an enormous relief."

Israel Zlotsky, 89, a retired air force major, agreed. "I can hardly stand, not to mention cooking. These hot lunches mean so much to me." □

(JTA correspondent Lev Krichevsky in Moscow contributed to this report.)

German chemical firm to probe role in World War II gold looting

By Deidre Berger

FRANKFURT (JTA) — A German chemical firm has commissioned two independent investigations of its role in the Nazi looting of Jewish gold and silver during World War II.

The announcement by Degussa signals a trend among German companies to respond more openly to growing public interest in the role of big business during the Holocaust.

German companies such as Degussa and the Allianz insurance firm have recently stepped up their efforts to investigate their own roles in aiding the Nazi regime, presumably to avoid the negative publicity Swiss banks encountered for their reluctance in dealing with the issue.

In an agreement with the World Jewish Congress, Degussa will examine its involvement in smelting precious metals stolen from Jews. The WJC will nominate historians for the project who worked on the recent U.S. government report on Nazi gold, said Michael Jansen, Degussa's executive vice president.

For the second probe, Degussa has asked a team of economic historians at the University of Cologne to investigate the company's wartime activities.

The announcement by Degussa came during a two-day conference last month in Frankfurt on the behavior of corporations and business leaders during the Nazi era.

Gerald Feldman, the director of the center for German and European Studies at the University of California at Berkeley who was recently named by Allianz to investigate its ties to Hitler's regime, attributes the growing interest in corporate behavior during the Nazi era to a new generation of German business leaders.

Guido Knopp, an award-winning German documentary film producer, believes the Cold War prevented Germans from having to confront the Nazi past.

"Since the end of the division of Europe and the division of Germany, our own history has become much more present," he said.

Jansen said Degussa only recently learned that some of the gold the SS gave the company during World War II came from Jews living in Eastern European ghettos.

Largest refinery for precious metals

He acknowledged that some of the metal smelted at Degussa refineries might have come from gold fillings and jewelry taken from victims at concentration camps.

Peter Hayes, a professor of history at Northwestern University in Chicago, said the motive for the wide-scale theft of Jewish property was to turn gold into convertible money to buy war materiel. He believes the SS turned to Degussa to carry out this work because it was the largest refinery for precious metals in Nazi Germany.

Documents proving that Degussa smelted gold from concentration camp victims have not been found, Hayes said. But in the 1950s, he added, publications in Poland reprinted German wartime orders to Jews living in the Lodz Ghetto to take their property to the local offices of Degussa or to government-owned pawn shops that later gave the property to Degussa.

Although historians have long known about the company's activities during the war, Hayes said no one has yet researched how much metal was involved, how much profit Degussa earned and how important that money was to the firm's development.

Degussa's archive is open to historians, Jansen said. However, he pointed out that many of the records were destroyed in bombing raids during World War II.

To reconstruct the gaps in the company's history, historians must work at archives in locations such as London, Washington, Moscow and Berlin, Jansen said. No date for completing the two investigations was given.

Jansen left open the possibility of compensation for stolen property, but he noted that much of the gold and silver was partially smelted when it reached the chemical company, making it almost impossible to identify individual owners.

"They are bound to be worried about the legal and financial liabilities they will incur by admitting the truth, or by even finding out just how extensive the truth is," said Hayes, who has worked at the Degussa archives.

"Still, they have to come clean, I think. You might as well tell as much of the story as you know.

"That's the best way to disassociate yourself from the past, to say that we are as shocked about it as you are."

Hayes believes that because of the difficulties identifying individual property owners, the company might eventually set up a general fund for Holocaust survivors, similar to the fund established by Switzerland's three largest banks.

In the past, Degussa has refused to compensate slave laborers it used in its factories during World War II.

Like most German companies, Degussa claims the German government's compensation payments after the war to Israel covers compensation for personal property and forced labor.

Since unification, Bonn has also given the governments of several former East Bloc countries funds for Nazi victims.

Most Nazi victims in Eastern Europe have never received compensation payments. □

Jewish circumcision no longer threatened in Australian state

By Jeremy Jones

SYDNEY, Australia (JTA) — Concern that health authorities in Australia's most populous state had adopted an anti-circumcision policy have been laid to rest after a meeting between Jewish leaders and the New South Wales health minister.

The New South Wales Department of Health recently issued a position paper cautioning circumcising children younger than 6 months old.

The paper appeared to represent a shift in government policy against the brit milah, the ritual circumcision that normally takes place when a male child is 8 days old.

The paper was greeted enthusiastically by a small group of anti-circumcision activists, some of whom have adopted anti-Semitic rhetoric in their public pronouncements against the practice.

Peter Wertheim, president of the New South Wales Jewish Board of Deputies, and Dr. Ian Kern, a consultant to the Executive Council of Australian Jewry on medical ethics, voiced the Jewish community's concerns in a meeting last week.

They met with Dr. Andrew Refhuage, deputy premier and health minister of New South Wales.

"The widespread use by mohelim in Australia of the topical anaesthetic cream, Emla, which was positively reviewed in the April 1997 New England Journal of Medicine, has helped lessen concern that undue pain may be inflicted on a child, which had been an issue of contention with the health minister," Wertheim said in an interview after the meeting.

Wertheim explained that the health minister said the government, despite the position paper's assertions, did not recommend against circumcision. □