



NEWS AT A GLANCE

■ **Two suicide bombers killed at least 15 people, including themselves, in an attack in Jerusalem. Approximately 150 were wounded in the attack, which came on the eve of a planned trip by U.S. special envoy Dennis Ross. Ross' mission was postponed. [Page 1]**

■ **A spokesman for Israeli Prime Minister Benjamin Netanyahu said Israel would not resume peace talks until Palestinian Authority Chairman Yasser Arafat cracked down on terrorism. Arafat condemned the attack and said he had already begun making arrests. [Page 3]**

■ **People interested in obtaining information about family members who may have been victims of the bombings in Jerusalem can call two telephone numbers: the New York City Mayor's Office of Emergency Management, 212-442-9490, or the Israeli Consulate, 212-499-5306.**

■ **The Conference of Presidents of Major American Jewish Organizations and other Jewish groups plan to launch a letter-writing campaign to call on Palestinian Authority Chairman Yasser Arafat to crack down on terrorism. Jewish groups from across the political spectrum condemned the suicide bombings. Some emphasized the need to crack down on Arafat, others stressed the need to continue the peace process.**

■ **A hearing on whether to proceed with a class-action suit against Swiss banks is slated for U.S. District Court in New York on Thursday. Pressure to dismiss the lawsuit has come from the banks, the Swiss government and Paul Volcker, the head of a panel investigating the banks' dormant wartime accounts.**

■ **President Clinton signed special legislation granting Christoph Meili permanent residency status in the United States. Meili is the former Swiss watchman who saved documents from the shredder of a Swiss bank.**

■ **Swiss prosecutors and the Union Bank of Switzerland rejected claims by former watchman Christoph Meili that the files he saved were more extensive than they had announced.**

BEHIND THE HEADLINES

Twin suicide bombings shatter hope of reviving peace process

By Michele Chabin

JERUSALEM (JTA) — A week that began with promise ended in bloodshed.

The twin suicide bombs that shook Jerusalem's Mahane Yehuda on Wednesday struck not only the heart of the nation's capital but also any immediate hope of reviving the moribund peace process.

The colorful open-air market, with its maze of stalls filled with fresh produce and noisy vendors, brings tens of thousands of Jerusalemites each day to buy their food.

The market also attracts many tourists.

The blasts killed at least 15 people, including the two terrorists, who reportedly carried suitcases containing explosives into the heart of the crowded market.

Dressed in black jackets and ties, the two apparently stationed themselves several dozens of yards away from each other and set off their explosives one after the other, according to an initial inquiry.

At least 150 people, including several Arab workers, were injured. The names of the victims were not immediately available.

David Boneh, a butcher in his 40s, said the attack came as a complete shock.

"Last winter, when all the bombs were going off, I expected something to happen all the time.

"Things in Jerusalem have been quiet for over a year, and I'd stopped worrying," he said, referring to a wave of bombings that rocked the country in February and March 1996.

This week's attack came on the eve of a planned trip by Dennis Ross, U.S. special Middle East coordinator.

Ross' mission, intended to jump-start the peace process, was postponed "for an appropriate period of mourning," President Clinton announced at the White House on Wednesday. The terrorist attack is the first one to strike the center of Israel in over four months. The fundamentalist groups Islamic Jihad and Hamas both reportedly claimed responsibility for the bombings.

On March 21, a suicide bomber struck a Tel Aviv cafe, killing three Israelis. Hamas was responsible for that attack.

The March strike, along with the building of a Jewish housing project in southeastern Jerusalem, led to a virtual freeze in Israeli-Palestinian negotiations.

After months of inaction, a burst of diplomatic activity was seen in the region over the past week, including the first high-level meetings between Israelis and Palestinians in months.

And unlike his other recent trips, which proved unsuccessful, this time Ross was expected to arrive armed with a detailed American proposal designed to jump-start the stalled negotiations.

Whether that proposal — said to include a suspension of new construction by Israel in disputed areas and closer security cooperation between Israel and the Palestinian Authority — would have produced any results is a question no one is likely to answer soon.

Israeli officials said after Wednesday's attack that no talks can occur until Palestinian Authority Chairman Yasser Arafat takes concrete action to wipe out the terrorist infrastructure in the autonomous region.

All focus on negotiations quickly dissipated Wednesday as the collective mourning began.

Ambulances had to contend with heavy traffic to reach the injured and dead, several of whom remained in grave or serious condition on Wednesday evening. The market skirts Jaffa Road, the busiest street in the capital.

Rescue crews had to make their way through thousands of people, many of whom appeared to be in shock.

At the scene, police and soldiers assisted the ambulance crews, who searched through the wreckage for casualties.

Much of the activity revolved around a popular butcher store that was

A chronology of suicide bombings

NEW YORK (JTA) — Following is a list of suicide bombings carried out against Israel since it and the Palestinians signed peace accords in September 1993. The death tolls refer to the victims and do not include the bombers.

1994

April 6 — A suicide car-bombing at a bus stop in the northern Israeli town of Afula kills eight people and wounds 50. Hamas claims responsibility.

April 13 — A Hamas suicide bomber detonates an explosion aboard an Israeli commuter bus in the central town of Hadera. Five Israelis are killed, another 30 are wounded.

Oct. 19 — A Hamas suicide bomber sets off an explosion on a bus on Dizengoff Street, the heart of Tel Aviv's shopping district. The blast kills 22 people and wounds 42 others.

Nov. 12 — A Hamas suicide bomber riding a bicycle detonates an explosion at an army checkpoint near the Netzarim settlement in Gaza. Three Israeli soldiers are killed, 11 others are wounded.

1995

Jan. 22 — Two Palestinian suicide bombers detonate explosions at the Beit Lid intersection between Netanya and the West Bank town of Tulkarm, killing 22 and wounding about 60. Islamic Jihad claims responsibility.

April 9 — A suicide bomber belonging to Islamic Jihad drives his explosive-laden van into a bus near the Kfar Darom settlement in the Gaza Strip. Seven Israeli soldiers, along with American student Alisa Flatow, are killed in the bus explosion.

Two hours later, a Hamas suicide bomber attacks an Israeli convoy near the Netzarim settlement, blowing up an Israeli border police jeep, but killing only himself. More than 50 people are wounded in both attacks.

July 24 — A suicide bomber blows up a bus outside Tel Aviv's 40-story Diamond Exchange, killing six and wounding 32. Hamas claims responsibility.

Aug. 21 — A Hamas suicide bomber detonates an explosion on the No. 26 bus in Jerusalem's northern neighborhood of Ramat Eshkol, killing four and injuring more than 100. Among the dead is American Joan Davenny, 47, a teacher at a Jewish school in Woodbridge, Conn.

Nov. 2 — Two suicide bombers detonate explosions a minute apart near two buses in Gaza. Eleven Israelis are lightly wounded in the first attack, none in the second.

1996

Feb. 25 — A Hamas suicide bomber blows up a No. 18 bus near Jerusalem's central bus station, killing 26 people and wounding 48. Americans Matthew Eisenfeld of Hartford, Conn., and Sara Duker of Teaneck, N.J., are among the dead.

Less than an hour later, a second Hamas suicide bomb explodes at a soldiers' hitchhiking station near Ashkelon, killing one and injuring 31 others. The two attacks are said to be in retaliation for the Jan. 5, 1996, slaying in Gaza of Yehiya Ayash, a Hamas fugitive known as "The Engineer" because of his expertise with explosives.

March 3 — A Hamas suicide bomber blows up a bus on Jerusalem's Jaffa Road, killing 19 people and wounding at least 9. The attack takes place on the same No. 18 bus line and almost at the same time as the previous week's attack.

March 4 — A suicide bomb is detonated in Tel Aviv's Dizengoff Center, killing 13, including children, and wounding some 130 on the eve of Purim. Hamas claims responsibility.

1997

March 21 — A Hamas suicide bomber detonates an explosion at the Cafe Apropos in central Tel Aviv, killing 3 Israelis and wounding 47 others.

July 30 — Two suicide bombers strike in the Mahane Yehuda open-air market in Jerusalem, claiming at least 12 victims and wounding at least 150 others. Both Islamic Jihad and Hamas claim responsibility.

destroyed by the blast. Many of the burned and bleeding victims had been in the store or just outside it, shopping for fruits and vegetables.

An hour later, when the last victims had been rushed to area hospitals, security personnel emptied trash cans in search of other, unexploded bombs.

At the same time, gloved Orthodox men and army medics searched the market for body parts. Jewish law stipulates that all body parts must be buried.

Standing just outside their shops or behind police barricades, those who escaped injury said they were grateful to be alive.

"I heard two explosions, one after the other, and if I'd been standing outside, like I usually am, and not by the refrigerator, I would have been killed," said Boneh, whose nearby butcher shop was rocked by the blasts.

Meir Inbar, a 48-year-old shopper, said he had come to the market that afternoon "specifically to avoid a terror attack."

He said he had heard on the previous evening's news the army chief of staff say he feared an increase in terrorist attacks because of increased cooperation between the Islamic fundamentalist Hamas organization and the Palestinian Authority.

"So instead of shopping in the shuk at night, when the prices are lower," he said, using the term for an outdoor market, "I came now, when I thought it would be less crowded."

Inbar said that when the blast occurred, "I saw a woman thrown into the air and then saw her fall to the ground. There was a fire, then smoke everywhere. It was horrible."

Inbar, a former career army officer, lashed out at both the government and the Israel Defense Force.

"I knew that something could happen at any time, so why didn't the prime minister or the army? The writing has been on the wall, but no one is reading it."

Jamee Vassallo, a 19-year-old woman from Oregon who was in Israel on a Christian prayer tour, said, "Before coming here I didn't have a real picture of what Israel was like. Attacks like this opened my eyes to what Israelis are going through. Now I know what I am praying for."

In Washington, Clinton condemned the killings in a news conference called immediately after the attack.

"We must not let the enemies of peace prevail," he said.

Netanyahu rejects Arafat's condolence call

The president said he did not know whether the Palestinian Authority could have done something to prevent the attack, but he said he expected Arafat to increase "security operations" and strengthen security cooperation with the Israelis.

Arafat telephoned both Israeli Prime Minister Benjamin Netanyahu and President Ezer Weizman to express condolences. But the premier rejected Arafat's words, telling him sorrow is not enough.

Netanyahu said Arafat must act resolutely against the terrorist organizations.

"We expect not only words of consolation from the Palestinian Authority," he said. "We expect action."

Egyptian President Hosni Mubarak and Jordan's King Hussein denounced the attacks and phoned Netanyahu to express their condolences. Other world leaders also voiced their condemnation.

Netanyahu called a state of emergency in the nation and designated Thursday as a day of mourning.

Officials sealed the West Bank and Gaza Strip until "further notice." □

(JTA correspondent Naomi Segal in Jerusalem contributed to this report.)

NEWS ANALYSIS**'Linkage' returns as watchword in wake of Jerusalem bombings***By David Landau*

JERUSALEM (JTA) — "Linkage" is once again likely to become a watchword in Mideast diplomacy.

In the past, the term designated Israeli-Palestinian coordination or interdependence in the peace process.

But now, in the wake of this week's double suicide bombing in Jerusalem's Mahane Yehuda market, the Israeli government intends to make clear that any further substantive efforts at peace must be linked to Palestinian efforts to stop terror attacks.

Indeed, this was the message that emerged from an emergency Inner Cabinet meeting that was called Wednesday night, seven hours after two bombs ripped through Jerusalem's colorful covered market, which was filled with lunch-time shoppers.

When asked if Israeli-Palestinian negotiations would resume as planned, government spokesman Shai Bazak said, "No, for the moment" Israel has determined that "in order for it to be possible to make progress in the process, the Palestinian Authority must first of all carry out its commitments to fight terrorism."

The blast claimed the lives of 13 people, plus the two bombers, and left at least 150 others wounded, some critically.

Eyewitnesses described two well-dressed Arab men who were allegedly responsible for the two explosions that came within seconds of each other.

The Islamic fundamentalist Hamas movement claimed responsibility for the attack, saying in a leaflet that it had come in reprisal for last month's distribution of posters in Hebron that depicted the prophet Mohammed as a pig.

The leaflet, signed by the military wing of Hamas, Izz a-Din al-Kassam, blamed the Netanyahu government for the escalation of tensions and demanded the release of all Hamas prisoners held by Israel, including the group's co-founder, Sheik Ahmed Yassin.

Arafat hears angry, bitter complaint

Palestinian Authority Chairman Yasser Arafat declared an emergency in the self-rule areas and ordered the arrests of extremists from Hamas and Islamic Jihad, which also reportedly claimed responsibility for Wednesday's attack.

Arafat was quick to telephone Prime Minister Benjamin Netanyahu with his condolences.

In return he received an angry and bitter complaint about the Palestinian Authority's failure to rein in terrorism.

The premier referred to solid Israeli evidence linking top Palestinian police officials to planned terror attacks.

He accused Arafat of failing to arrest suspected terrorists, of freeing convicted terrorists and of failing to smash the "terror infrastructure" maintained by opposition groups and Islamic fundamentalist cells in the self-rule areas.

President Clinton, in a news conference in which he condemned the attack, also demanded tougher Palestinian efforts to fight terror.

But Israeli observers noted that Clinton urged both sides to move ahead with the negotiations and that he underscored his administration's "intense" efforts to push the peace process forward.

But the already stalled negotiations were unlikely to go anywhere in the wake of this week's attack.

U.S. Special Middle East Coordinator Dennis Ross

had been due in the region this week to present new American proposals designed to jump-start the long-stalled peace process.

But he postponed his mission until "an appropriate period of mourning" had elapsed.

Some observers linked Wednesday's terror attack to the imminent intensification of U.S.-led diplomatic activity.

But others looked to Israel's apprehension last week of an escaped Islamic Jihad terrorist as the possible trigger for the attack.

That was the first time the Israelis had gone back into Palestinian-controlled areas to make such an arrest.

The Netanyahu government had been preparing warily for Ross' arrival.

In an interview published Wednesday by the Israeli daily Ha'aretz — prior to the terror attack — Netanyahu declared that he would not accept "dictates" from Washington.

There could not be a "take it or leave it approach" from Washington, Netanyahu warned.

Observers said the interview was an obvious signal to Washington that Israel would not agree to a freeze in settlement construction — which was the expected centerpiece of the new American initiative to resume the negotiations.

Signals of an imminent burst of activity began emanating from Washington late last week just as Netanyahu confronted a potential crisis prompted by plans to build new Jewish housing in eastern Jerusalem.

In what observers viewed as a gesture by the two parties toward the evolving American diplomatic initiative, Foreign Minister David Levy and Palestinian Planning Minister Nabil Sha'ath announced Monday that two joint committees would resume discussions on issues related to the 1995 Interim Agreement.

Albright cuts trip short

The topics they were to discuss included establishing a safe passage route for Palestinians traveling between the West Bank and the Gaza Strip, and the opening of a seaport in Gaza.

But Wednesday's bombing is likely to set back even that modest forward movement.

Israeli spokesmen had hailed the resumption of committee discussions as a breakthrough, while Palestinian officials had attempted to downplay them.

The truth is somewhere in the middle.

These discussions are not at the core of the conflict, and do not in themselves represent a resolution of the months-long crisis.

But the decision by the two sides to try to relaunch these talks signified a growing sense that the Americans mean business and intend to exert pressure on both sides to resume the "hard-core" talks on further redeployment and on final-status issues.

Clinton's reaction Wednesday appeared to indicate that, once the dead are buried and the mourning ends, Washington will re-schedule Ross' mission.

Perhaps, given the new deterioration in Israeli-Palestinian relations caused by the bombing, Secretary of State Madeleine Albright will make the trip instead of Ross to put forward the American proposals.

Albright cut short her trip to Asia on Wednesday because of the bombing.

While the attack Wednesday predictably triggered a torrent of rhetoric from the right of the political spectrum — and from hard-liners within the coalition — the intelligence community was quick to reiterate its own somber warnings that diplomatic deadlock will exacerbate — not moderate — the risk of further violence. □

NEWS ANALYSIS**Release of bank list produces some surprises, confirmations***By Daniel Kurtzman*

WASHINGTON (JTA) — Switzerland's long-awaited "list" produced more than just names on dormant Swiss bank accounts.

It also confirmed many of the allegations leveled at Swiss banks during the past year while, at the same time, revealing several new historical twists.

In a dramatic waiver of Switzerland's tradition of bank secrecy laws, which date back to 1934 and were originally put into effect to protect Jewish account holders, the Swiss Bankers Association last week published the names of some 1,800 dormant accounts in major newspapers around the world and on the Internet.

The list was released following months of international pressure to aid the search for assets deposited during the Holocaust era.

What immediately jumps out is the discrepancy between the number of accounts found and the number the bankers previously said turned up after a comprehensive search of their records.

In testimony last fall before a U.S. congressional panel, representatives of the Swiss Bankers Association said they could only locate 775 accounts worth about \$32 million.

The dormant accounts that were published last week have an estimated total value of \$42 million, according to George Krayer, president of the Swiss Bankers Association.

Jewish groups have charged that Swiss banks are holding up to \$7 billion in assets deposited by Jews during the World War II era.

"It has demonstrated that there are at least three times as many dormant accounts as the Swiss bankers admitted to last year," Elan Steinberg, executive director of the World Jewish Congress, said of the list. "It goes right to their credibility."

Several surprises on list

The publication of the list also produced several surprises:

- The list includes names of several top-ranking Nazis and Nazi sympathizers, including members of Hitler's Nazi elite.

The Simon Wiesenthal Center said one account is believed to have belonged to Hermann Schmitz, the chairman of I.G. Farben, the manufacturer of the gas used in concentration camps.

Other names included Willy Bauer, an alias for an aide to Adolf Eichmann, and Kurt Herrmann, a rich publisher who handled jewelry dealings for Hermann Goering. Herrmann apparently played an important role in the sales of stolen jewelry from the Rothschild family.

- Madeleine Kunin, U.S. ambassador to Switzerland, said she discovered her mother's name on the list of dormant accounts. Kunin was 7 years old when her Jewish family, fearing a Nazi invasion, fled Switzerland in 1940. She has begun the process of filing a claim to determine whether it is, in fact, her mother on the list.

- The list confirms that Switzerland ignored a 1946 accord with the Allies on the return of Nazi loot. The Washington Agreement required that the banks thoroughly search their accounts and safe-deposit boxes for assets belonging to Germans, liquidate them and turn over half the proceeds to the Allies to help resettle war refugees, including Jews.

The presence of German depositors on the list shows that the banks did not fulfill their obligations.

Following publication of the list, WJC officials predicted that the end of Swiss bank secrecy was near.

In remarks that were widely publicized in Switzerland, WJC President Edgar Bronfman said last week: "We are going to see Swiss bank secrecy come tumbling down when they publish the names of 20,000 dormant Swiss accounts in October. The effect is going to be electrifying."

He was referring to the next list of dormant accounts the Swiss banks plan to make public — a listing of accounts opened by Swiss citizens during the World War II era.

Krayer of the Swiss Bankers Association said in an interview that the number of accounts belonging to Swiss holders could reach 100,000.

One daily newspaper in Switzerland declared: "Bronfman, the man with the billions, wants to kill our bank secret."

The revelations about the Nazi accounts, meanwhile, have prompted the Simon Wiesenthal Center to reassess the way it has approached the issue of dormant accounts.

"I think it may have been a mistake in retrospect to place so much emphasis on the dormant accounts of victims and to place so little energy on where the real assets are, which is the perpetrators' accounts," Rabbi Marvin Hier, dean of the Wiesenthal Center, said in a phone interview from Los Angeles.

He added, "It's not logical to believe that the majority of Jews and other victims of Nazism had time to consult with their local Swiss banker, but it is very logical to believe that the elite of the Third Reich and the SS hierarchy were clever enough to begin transferring assets" to safekeeping in Switzerland "when the climate of the war began to change."

Earlier this year, the Wiesenthal Center submitted to Swiss authorities the names of 334 leading German government and SS officials, bankers, industrialists and art dealers who had the power and wealth to deposit substantial amounts into Swiss banks during World War II.

Hier said the Wiesenthal Center is now calling for a formal investigation into such accounts.

In addition, the backers of a class-action lawsuit filed in New York against Swiss banks on behalf of Holocaust survivors.

The survivors' heirs have also amended the lawsuit in an attempt to go after the accounts of perpetrators as well.

In a related development, Paul Volcker, the former U.S. Federal Reserve chairman who is heading an independent commission probing dormant Swiss accounts, said the lawsuit could hamper his investigation.

Volcker vs. Burg

In a letter filed in federal court, Volcker said he was afraid Swiss bankers and other sources might stop cooperating with the commission if the lawsuit resulted in U.S. legal orders to disclose documents and sources.

U.S. District Court Judge Edward Korman was scheduled to hear arguments in New York on Thursday regarding a demand by Swiss banks that the suit be put on hold.

But Avraham Burg, the chairman of the Jewish Agency for Israel and a member of the Volcker commission, condemned the letter.

He wrote to Volcker asking him "to inform the judge immediately that this letter does not represent the opinions of all members of the committee, and at least not mine." □

(JTA correspondent Fredy Rom in Zurich contributed to this report.)