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TOP NEWS IN BRIEF

Israel grows edgy over Iraq

Mounting signs of an imminent U.S. military response in Iraq are prompting debate in Israel over whether the country should brace itself for another round of missile attacks from Baghdad.

Israeli Prime Minister Benjamin Netanyahu said in response to the growing Israeli concerns, "We are following events closely and are prepared for all eventualities." [Page 4]

Albright plans Mideast talks

U.S. Secretary of State Madeleine Albright scheduled separate meetings on Sunday with Israeli Prime Minister Benjamin Netanyahu and Palestinian Authority chairman Yasser Arafat.

In a press conference before leaving for Europe and the Middle East, Albright dismissed Arafat's rejection of a U.S. peace plan that would link further Israeli redeployments to specific Palestinian actions to combat terror, saying he should "maintain some flexibility."

The secretary of state added that she is neither "optimistic nor pessimistic" that an agreement can be reached. [Page 1]

Ne'eman announces 'bold step'

Israeli Finance Minister Ya'acov Ne'eman announced that "Israel is ready to take a bold step" and phase out the \$1.2 billion in annual economic assistance it receives from Washington.

Under a proposal that he made to leading members of the U.S. Congress, the economic aid would be phased out over 10 years, while Israel's annual \$1.8 billion in U.S. military aid would be increased by some \$600 million, Israeli and congressional sources said.

Hillary flubs Palestinian state

First lady Hillary Rodham Clinton inadvertently conferred statehood on the Palestinian people in an interview on ABC Television's "Good Morning America."

When asked why President Clinton's initial response to the allegations of an affair with a former White House intern was not forceful enough, Mrs. Clinton said, "Here he is hosting two heads of state — he has Prime Minister Netanyahu and he has Mr. Arafat. He does not want to be talking about matters that do not in any way affect peace in the Middle East."

NEWS ANALYSIS

Despite boiling sex scandal, U.S. vows to move ahead on peace

By Matthew Dorf

WASHINGTON (JTA) — President Clinton's decision to bring the Middle East peace process into the Oval Office has set the stage for dramatic U.S. intervention.

But even before the high-stakes presidential plan fully emerges, unrelated events are threatening to scuttle the initiative.

The sex scandal that has rocked the White House and the increasing probability of an American military strike against Iraq have raised questions about the administration's ability to sustain a high-level diplomatic initiative. Nonetheless, Secretary of State Madeleine Albright is still planning to bring Israeli Prime Minister Benjamin Netanyahu and Palestinian Authority Chairman Yasser Arafat together to follow up on last week's separate sessions with Clinton.

In fact, Albright was scheduled to meet Netanyahu and Arafat separately during a visit to the Middle East on Sunday. In a news conference Wednesday, Albright said she is "neither optimistic nor pessimistic" that an agreement can be reached.

At some point, probably after a visit by U.S. special Middle East Coordinator Dennis Ross, Albright plans to present a detailed American proposal to Netanyahu and Arafat in an effort to bridge the wide gaps that continue to divide the two sides.

But only sustained pressure from the administration is likely to revive a dying process. For Israel, the key question is whether the pressure is off, as many in Israel seem to believe, or whether the administration will continue to press Netanyahu to accept a proposal that he feels less than comfortable with.

Clinton friends say that given his embattled presidency, he is likely to work even harder on the issues of the day. But they believe that a weaker president does not have the political capital to pressure Netanyahu, in particular, to accept the U.S. plan.

"The whole American political system will be hard pressed to deal with the peace process with a clear head," said Itamar Rabinovich, Israel's former ambassador to the United States. "Washington is a one-crisis town," said Rabinovich, a senior fellow at Tel Aviv University's Moshe Dayan Center for Middle Eastern and African studies.

Still, U.S. officials say they will continue to push the parties to reach a new agreement. For the first time since the Palestinians and Israelis signed the Oslo accords in 1993, the United States will present its own detailed plan that would lead to further Israeli withdrawal from the West Bank.

U.S. negotiators actively participated in crafting the Hebron Agreement, which led to the transfer of most of the West Bank town to the Palestinians one year ago.

But this time, Albright will present a formal document, according to U.S. officials, outlining what the United States believes is a reasonable compromise.

"The fact that the president is directly engaged, the fact that he has put his own ideas on the table, is something which marks a new stage," said Martin Indyk, U.S. assistant secretary of state for Near Eastern affairs.

"I believe that both Chairman Arafat and Prime Minister Netanyahu are very conscious of the significance of this intensive presidential involvement," added Indyk, the top U.S. official on the Middle East.

Under Israeli Prime Ministers Yitzhak Rabin and Shimon Peres, Clinton had the luxury of watching the Israelis and Palestinians move the peace process forward, with only occasional prodding from lower-level U.S. officials. While both Netanyahu and Arafat appear to accept the framework of an American proposal, the specifics are the subject of heated debate. For Netanyahu, the stakes of this new level of U.S. involvement are high. If he disagrees with the U.S. proposal, which he is almost certain

MIDEAST FOCUS

Intelligence chief issues warning

The head of intelligence for the Israel Defense Force is warning that Hamas is "planning on perpetrating a large scale attack" against Israel.

Maj. Gen. Moshe Ya'alon told the Knesset's Foreign Affairs and Defense Committee that several Hamas cells are still active and moving freely.

Israeli soldiers shoot Palestinian

Israeli soldiers shot a Palestinian who approached them in the Gaza Strip with what they thought was a weapon. The Palestinian, who was described as mentally unstable, waved a toy pistol at the soldiers, according to Palestinian witnesses.

Religious parties plan boycott

Israel's religious parties announced they were boycotting coalition activities to protest what they said was the government's failure to fulfill pledges to act on religious legislation. The legislation they sought included a law to ban the import of non-kosher meat.

Labor leery of Dor Shalom

Labor Party members warned of a possible electoral threat from a political movement founded by slain Prime Minister Yitzhak Rabin's son, Yuval.

The warning came after the movement, Dor Shalom, or a Generation for Peace, made a strong showing in Tel Aviv University student union elections.

Brooklyn pair fled to Israel

A couple from Brooklyn, N.Y., allegedly defrauded some of the largest banks in the United States before fleeing to Israel, according to the New York Post newspaper.

Dov and Ayala Engel allegedly made off to Tel Aviv last October with some \$80 million when the banks, federal prosecutors and the FBI started closing in on them for falsely inflating the size of their electronics firm to secure bank loans.



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to do, he faces the uncomfortable prospect of rejecting a formal U.S. presidential request for specific moves in the peace process.

With the United States so intimately involved in the negotiations and the monitoring of Palestinian compliance, there are many areas for "potential confrontations with the United States," said Rabinovich, who served as ambassador under Rabin and Peres and sat in on many of their sessions with Clinton.

Israel's relationship with the United States will fluctuate with the "ups and downs of Israel's relationship with the Palestinians," he said, adding that if the Israelis reject the American initiative, it "sets up a very dramatic failure."

"But this does not mean that Israel has to accept every American proposal to maintain good relations with the United States," he added.

A Palestinian rejection would also carry consequences, but the United States has been more critical of the Israeli stance. And the Israeli government's position on these issues has come to overshadow all other areas of the U.S.-Israeli relationship.

While Netanyahu received sympathy for his concerns about the Palestinians lax battle against terrorists, it came at a price. Arafat left his meetings with some movement in U.S. policy toward recognizing the Palestinian dream of statehood.

Clinton told Arafat he recognizes that one of the principles of the peace process is that the Palestinians "realize their aspirations to live as a free people."

Under the emerging American plan, according to U.S., Israeli and Palestinian sources:

- Israel would turn over additional West Bank land to the Palestinians in three or four phases during the next six months; the actual extent of the proposed withdrawal has not yet been determined;
- Each redeployment would be linked to a specific Palestinian action to fulfill outstanding promises to Israel in the security arena;
- Israel would agree to a "timeout" on new settlement construction and other actions that Palestinians say prejudice the final-status talks;
- Final-status talks would begin before the last of the phased turnovers. These talks would focus on issues such as settlements, Jerusalem, borders and refugees;
- Israel would recommit itself to one more withdrawal before the summer; and
- The CIA would play a greater role in monitoring Palestinian compliance with security arrangements with Israel.

The plan would require "hard choices" by both sides, U.S. officials are fond of saying. But will it succeed? Since the initiative began last week, U.S., Israeli and Palestinian officials have shifted from cautious optimism to pessimism and back.

"We don't see any real problem developing after the president laid out this conceptual idea, but that doesn't mean we're any closer to getting the job done," said James Rubin, a State Department spokesman.

From the Israeli government's perspective, the bottom line is security.

"People here think the constraints are only political, but really the constraints" have to do with security, said a senior Israeli official, referring to threats by members of the Knesset to bring down the Netanyahu government if he turns over more West Bank territory to the Palestinians.

As a result, this official said, "the prime minister is on very sure footing" when he argues against certain concessions to the Palestinians.

But in this analysis, there is still wiggle room for Netanyahu.

If Arafat moves against terrorists, then Netanyahu will have "more flexibility" when considering a specific withdrawal proposal.

Indeed, Netanyahu hinted at such flexibility when Clinton delivered a brief presidential lecture on the history of Middle East peacemaking after their second meeting last week. Standing in his private residence, Clinton pointed to the desk that Israel used to sign peace agreements with Egypt, Jordan and the Palestinians.

Clinton's message — that the desk is available for future signings — was not lost on Netanyahu, who likely saw mementos from his predecessors that decorate the room. Netanyahu told Clinton that he wants the desk to be used again "very soon."

But in a sign that there is still a long way to go, Clinton later told a television interviewer that it "could be" that neither Netanyahu nor Arafat really want to reach a peace accord. Nonetheless, Clinton vowed that his administration would stay the course. □

JEWISH WORLD

Russians charged as Israeli spies

Two former Russian military intelligence officers were indicted on charges of spying for the Mossad, Israel's foreign intelligence service, according to a Moscow newspaper.

The two were involved in transferring classified photographs taken by Russian satellites to an Israeli diplomat stationed in Moscow, according to security sources in Moscow. If convicted, the two could receive up to 20 years in prison.

Eizenstat to meet Swiss officials

U.S. Undersecretary of State for Economic Affairs Stuart Eizenstat is slated to meet with Swiss officials this week to discuss Switzerland's response to charges that it hoarded Jewish wealth stored in Swiss bank accounts during World War II.

The meetings, to take place at a European economic summit in Davos, Switzerland, will include Swiss President Flavio Cotti and Special Ambassador Thomas Borer, who has served as Switzerland's leading trouble-shooter on Holocaust issues.

Degussa pays survivors

A German metals and chemicals firm confirmed that it was making payments to former slave laborers who were forced to work for them in Poland during World War II. Degussa AG, which admitted last year that it melted down gold and silver stripped from concentration camp victims, said the payments were humanitarian help, not compensation.

Goebbels' bunker found

A bunker found last month in Berlin had been built for Nazi Propaganda Minister Joseph Goebbels, according to city officials there.

The bunker was found at the construction site of a planned national Holocaust memorial.

Strauss causes Swiss stir

Israel's ambassador to Switzerland decided not to attend a performance of the Israeli Philharmonic in Geneva after he learned that the orchestra would be playing a piece by Richard Strauss, who had been a member of the Nazi Party.

Yitzhak Mayer said playing the composer's work would be an affront to Holocaust survivors. The concert was organized to celebrate Israel's 50th anniversary.

Australia backs East Timorese

The leader of Australia's Jewish community publicly backed the East Timorese people in their ongoing struggle for independence from Indonesia.

Diane Shteinman spoke of the Jewish community's empathy for the suffering of the East Timorese, basing her support on the Jewish historical experience.

Arafat indefinitely delays visit to Holocaust museum

By Daniel Kurtzman

WASHINGTON (JTA) — Perhaps owing to Monica Lewinsky, the limitations of a tight schedule, the aftertaste of being snubbed — or a combination of the three — Yasser Arafat's much-ballyhooed visit to the U.S. Holocaust Memorial Museum awaits another day.

The Palestinian Authority chairman said he could not find time in his schedule to tour the museum during his visit to Washington last week, but promised to take up the offer during another trip. Some of Arafat's aides also reportedly said the visit would best be delayed in light of the controversy swirling around President Clinton and former White House intern Lewinsky — so the trip would not be completely overshadowed.

Still, Arafat left the museum staff hanging for most of the day on Friday, unsure whether he would decide to show up at the last minute before leaving Washington.

Whether Arafat will ever tour the museum remains uncertain, given some of the criticism that has surfaced among Palestinians.

The idea of a visit was suggested by the U.S. Middle East peace process team. Dennis Ross, the State Department's special Middle East coordinator, and his deputy, Aaron Miller — both of whom sit on the museum's council — saw it as an opportunity for Arafat to become the first major Arab leader to visit the national memorial which they hoped would help him to better understand the history and fears of his adversary.

After extending an invitation to Arafat, then retracting it in the face of complaints, Miles Lerman, chairman of the museum's council, personally delivered the invitation to Arafat in the end. For some council members, the controversy stemming from the on-again, off-again invitation has served as a reminder that the museum is a national — and not a Jewish — institution, and must be governed accordingly. While it was founded by American Jews, it remains a federally funded institution and therefore, they point out, it has an obligation to accommodate a State Department initiative.

The episode, meanwhile, has also offered some other important lessons for museum leaders about communication among its hierarchy.

Members of the council and its executive committee complained that they were not consulted about either of the decisions to extend or retract the invitation.

Lerman, for his part, blamed the controversy on "bad advice" from museum director Walter Reich, who argued that an invitation would be too divisive.

Other council members also protested that welcoming Arafat, a man who for years led a terrorism campaign against Israel, would help him in a public relations ploy that would offend Jews and cheapen the Holocaust. While council members have indicated they plan no action against Reich for his handling of the situation, some believe he will leave as a result. His contract is up this spring.

Reich has declined to talk to reporters. Lerman, whose term is up in May, is also being tight-lipped in the wake of the controversy, saying only it is time "to turn the page and go back to work. We have a museum to run." □

Latvian apology causes uproar

MOSCOW (JTA) — The Latvian Parliament has called on the Baltic nation's president to appear before them and explain remarks he made during a trip to the United States earlier this month.

Latvian legislators made the request after receiving a copy of President Guntis Ulmanis' speech to the Anti-Defamation League, in which he apologized for Latvian participation in the genocide of Jews during the Nazi occupation of the country from 1941 to 1944. Ulmanis in the United States to attend a U.S.-Baltic summit in Washington, was in New York to accept the Distinguished Statesman Award from the ADL.

Ulmanis told reporters upon his return from the United States that in his speech he was only referring to individuals — and not to the country as a whole.

Ulmanis is slated to pay his first visit to Israel at the end of next month. □

Iraq could still hit Israel, U.N. weapons chief warns

By Mark Joffe

NEW YORK (JTA) — Uncertainty about Iraq's biological weapons program and missile capability has heightened concern that Baghdad might strike Israel in the event of a U.S.-led military confrontation.

Iraq may possess enough biological substances, such as anthrax or botulin toxin, to "blow away Tel Aviv," The New York Times quoted Richard Butler, head of the United Nations weapons inspection team, as saying in an interview Monday.

Butler was more cautious Tuesday in remarks to Jewish organizational leaders here. "I cannot say, 'There's the missile that will do this thing,'" he told the Conference of Presidents of Major American Jewish Organizations. But he added it would be "reasonable to extrapolate that what was said in The New York Times" about an attack on Tel Aviv "could be the case."

"We have sufficient evidence about their biological weapons capability" to suspect "what is in the Times today," he said.

Butler said his U.N. team of weapons experts had been unable to account for between 75 and 100 warheads believed to be in Iraq's possession. "We know they filled a number of these warheads with chemical weapons and biological weapons," he said.

He also told Jewish leaders that while 817 of the 819 Scud missiles Iraq had imported have been destroyed or accounted for, "very serious residual questions" remain about any Scud missiles that Iraq may have produced itself. "There remains an indigenous missile capability," he told the Jewish umbrella group.

The Times quoted Butler as saying that Iraq's biological weapons may be loaded into missiles that could be put onto mobile launchers to avoid being hit in a bombing strike. Iraq used this same method to launch conventional Scud missile attacks against Israel during the 1991 Gulf War.

While almost all of those missiles have been destroyed, it is believed that Iraq still has a small arsenal. But Butler's team does not know how many missile systems Baghdad currently possesses.

The remaining missiles are "very crude, but they work," the Times quoted Butler as saying. The U.N. weapons chief repeatedly stressed to his Jewish audience the importance of his team getting full access to all suspected Iraqi weapons sites.

"Keep your eye on the ball," he said. Make sure, he added, that Iraq does not succeed in "diverting attention from the fundamental task of disarmament."

Iraq has "created a quantity and quality of weapons of mass destruction that is breathtaking in its scope and in its danger to the region, and possibly beyond," he told the Jewish leaders. "What is at stake in the Middle East is stability and security there." □

Israelis prepare for possible renewal of Iraqi Scud attacks

By Naomi Segal

JERUSALEM (JTA) — Many Israelis are on edge.

Mounting signs of an imminent U.S. military response in Iraq are prompting concerns about whether the country should brace itself for another round of missile attacks from Baghdad similar to what happened in the 1991 Gulf War. Prime Minister Benjamin

Netanyahu said in response to the growing uneasiness, "We are following events closely, and are prepared for all eventualities. The Israeli government is acting responsibly and with all due caution."

Israel has been closely monitoring the situation, particularly after President Clinton's stern warning to Baghdad in his State of the Union address and after chief U.N. weapons inspector Richard Butler said in an interview that Baghdad had enough biological and chemical warheads to destroy the population of Tel Aviv.

But Israeli officials said it was unlikely that Iraqi President Saddam Hussein would launch missiles at Israel as long as U.N. weapons inspectors were still in Iraq. Netanyahu spokesman David Bar-Illan told Israel Radio that Butler was talking mostly about the "potential" of an attack on Israel, not its likelihood.

"Obviously, we are particularly concerned about the fact that Saddam Hussein is trying to evade his commitments and obligations and the inspections of the U.N.," he said.

"But as long as the inspectors are there, we have a sense from the military establishment that there is hardly any chance at all that he will be able to put together any warheads."

He added that Israel was being "brought up to date constantly by the United States." The talk of a possible U.S. military action comes almost exactly seven years after the start of Operation Desert Storm, when Iraq fired 39 Scud missiles at Israel.

Despite fears at the time that the Iraqis were using chemical or biological warfare, all the missiles had conventional warheads.

At least one Knesset member, Zvi Weinberg, of the Yisrael Ba'Aliyah Party, believed that there could be a new round of Iraqi missile attacks. "It is quite clear there is a great likelihood that the United States has already decided to hit Iraq within two weeks time, and there is a possibility, without going into a panic, that [Saddam] will repeat his actions from the Gulf War, and we have to be ready for it," he told Israel Radio. □

Milan erects monument to WWII political deportees

By Ruth E. Gruber

ROME (JTA) — A Roman Catholic cardinal joined Milan's chief rabbi in a ceremony unveiling the first public monument to the Jews and anti-fascists deported from the Italian city to Nazi death camps.

The memorial plaque commemorates the 1,580 people, including 1,237 Jews, who were deported during World War II for political reasons.

The city's chief rabbi, Giuseppe Laras, told the gathering, "When the eyewitnesses are dead, the time of forgetting may begin.

"But as long as there are young people to acquire the lesson of their fathers, as now, this concern will be tempered."

The plaque, located in Milan's central train station, reads: "Between December 1943 and May 1944, from the basement of this station, Jewish men, women and children and political opponents began the long journey to Auschwitz and other Nazi camps.

"Their memory lives among us together with the memory of all victims of the genocides of the twentieth century."

Cardinal Carlo Maria Martini said at the ceremony, "I want everyone who passes in front of this plaque to feel a part of what happened and what could happen again, if anti-Semitism, racism and contempt for others is not removed from their hearts." □