



Daily News Bulletin

Vol. 76, No. 52

Thursday, March 19, 1998

81st Year

TOP NEWS IN BRIEF

U.N. backs Palestinian resolution

The U.N. General Assembly overwhelmingly approved a resolution for all signatories of the Geneva Convention to participate in a meeting between Israel and the Palestinian Authority to discuss Israeli settlement activity.

Palestinian officials, who circulated the resolution at the United Nations, want the talks to be held in the context of the convention, which bans the usurpation of land by an occupying power. But Israel and the United States back a second plan for direct Israeli-Palestinian discussions under Swiss auspices.

Israel downplays Har Homa row

The diplomatic row over British Foreign Secretary Robin Cook's visit to Har Homa will not disrupt Israeli-British relations, according to Israeli Prime Minister Benjamin Netanyahu's spokesman, David Bar-Illan.

Meanwhile, British Prime Minister Tony Blair said he "totally" backed Cook's visit to Har Homa, adding that he still plans to visit the Middle East next month.

Pope: Continue dialogue

Pope John Paul II said he hoped dialogue between Jews and Catholics "will continue in a climate of renewed openness and trust." The remark was his first public comment after the Vatican released a document on the Holocaust that most Jewish leaders said did not go far enough in acknowledging the church's inaction during the war.

Commission to inspect files

U.S. insurance commissioners announced plans to send a delegation to inspect files of Europeans insurers suspected of withholding claims owed to Holocaust victims or their heirs. A group formed by the American National Association of Insurance Commissioners is also planning to establish an international commission to oversee insurance company inspections.

Senate to debate tax break

The U.S. Senate is poised to debate legislation that would give tax breaks to people who save money for school expenses. The proposal would expand so-called education IRAs, originally established for college savings, and allow money from them to be used for expenses for kindergarten through 12th grade in any private, public or religious school.

NEWS ANALYSIS

Could top talk on Lebanon lead to Israeli withdrawal?

By David Landau

JERUSALEM (JTA) — If the Israeli government's current Lebanon initiative is a public relations gimmick — as its critics insist — it's working.

The international community and media are full of discussions of Israel's desire to withdraw from southern Lebanon.

For the government of Prime Minister Benjamin Netanyahu, the focus on the new diplomatic initiative is a welcome change from the usual condemnations of what the world media often refer to as the Jewish state's "expansionist" policies.

Even if the initiative began as an effort to achieve popularity at home and head off debate abroad about more awkward issues — especially the lack of movement with the Palestinians — it could take on real momentum and produce tangible results.

For the moment, it has produced a weird confrontation within the Israeli Cabinet and a palpable sense of concern — even alarm — in Damascus.

Public pressure to withdraw from southern Lebanon, where Israel maintains a security zone to prevent cross-border attacks, has intensified in recent months, as the death toll of Israeli soldiers continues to mount. Israel lost 39 soldiers in the 9-mile-wide zone in 1997. The zone was established in 1985, when Israel withdrew most of its forces it installed after the 1982 Lebanon War.

The internal Israeli debate came to a head this week when two top Cabinet ministers — Defense Minister Yitzhak Mordechai and National Infrastructure Minister Ariel Sharon — presented competing proposals for withdrawal from southern Lebanon. At the same time, the Labor-led opposition argued that only comprehensive negotiations with Syria could extricate Israel from its bloody and exhausting Lebanese adventure.

Mordechai, considered the leading moderate in Netanyahu's Cabinet, commanded the northern front for five years of his military life. No one knows better than he the price of the deployment of Israeli forces across the border.

Mordechai, in close coordination with the prime minister, is vigorously articulating Israel's readiness to implement U.N. Security Council Resolution 425. The resolution calls on Israel to withdraw its forces and the Lebanese government to assume full control over the turbulent southern part of the country.

The seriousness of Mordechai's plan was further evidenced this week by a meeting he held with Gen. Antoine Lahad, the commander of the Israel-allied South Lebanon Army. Mordechai told reporters he had assured Lahad that the interests of the SLA, made up of Lebanese Christians, would be safeguarded in the event of an Israeli withdrawal.

The new Israeli initiative signals a marked contrast to its long-held policy that the Jewish state's readiness to withdraw depends on a formal negotiation or agreement with Lebanon, or with Lebanon's all-powerful patron, Syria.

Nevertheless, Mordechai and Netanyahu still insist that there must be a linkage between an Israeli pullback and a southern redeployment of the Lebanese army to keep control. In particular, Israel would have to receive assurances that Hezbollah, the militant Shi'ite militia that has become the Israel Defense Force's prime enemy, would be forcibly barred from advancing to the border and from shelling Israel's northern settlements.

Mordechai himself admitted in a Knesset briefing this week that IDF intelligence accepts the basic assumption that without Syrian approval, the Lebanese government

MIDEAST FOCUS

Islamic ministers lambaste Israel

The foreign ministers of Islamic countries called on those member states that have established ties with Israel to reconsider their relations because of the deadlocked Middle East peace process.

In a communique issued at the closing of their three-day session in Qatar, the ministers of the Organization of the Islamic Conference said Israel was in "violation of the principles and underpinnings of the peace process."

Rabbis to travel to Iran

A group of Israeli rabbis said they reached an agreement with the Iranian authorities to travel next month to Tehran.

The rabbis hope to use religion as the basis for promoting understanding between the two peoples.

Shahal resigns from Knesset

Moshe Shahal, a member of the Israeli Knesset, submitted his letter of resignation, ending 27 years of public service.

A member of the Labor Party, Shahal had served as police minister in the government of Prime Minister Yitzhak Rabin.

Israel to move clocks ahead

Israel will move its clocks one hour ahead Thursday at midnight to mark the start of Daylight Savings Time there.

Snow drapes Jerusalem

Israel got a taste of winter with a snowstorm that shut down Jerusalem and other parts of the country for several hours.

Meteorologists said some 4 inches of snow fell on Jerusalem in eight hours, closing schools and businesses. While snow usually falls every winter in Jerusalem, it rarely accumulates.

Snow also fell in Jordan and Lebanon.



Daily News Bulletin

Caryn Rosen Adelman, *President*
Mark J. Jaffe, *Executive Editor and Publisher*
Lisa Hostein, *Editor*
Kenneth Bandler, *Managing Editor*
Lenore A. Silverstein, *Business Manager*

JTA DAILY NEWS BULLETIN is published five days a week, except holidays, by the Jewish Telegraphic Agency Inc., 330 Seventh Ave., New York, N.Y. 10001-5010. For information about how to subscribe by e-mail, fax or regular mail, call (212) 643-1890, or visit our Web site at www.jta.org.
© JTA Reproduction only by previous arrangement.

would be powerless to enter into any understandings with Israel, however informal.

Top intelligence officers told the committee, moreover, that they do not believe that Syrian President Hafez Assad would be willing to relinquish the power he holds over Israel because of his control over Lebanon. It is against this backdrop that Sharon's unexpected intervention has taken on a life of its own.

The infrastructure minister, in interviews over the weekend, urged a unilateral but phased IDF withdrawal — without reference to either Damascus or Beirut.

The Israel army would begin its pullback, according to Sharon, stopping periodically to test the effect. If there were Hezbollah attacks, either during or after the withdrawal to the international border, Israel would strike back with massive force, not only against the Shi'ite organization itself, but against broader Lebanese targets.

Sharon's proposal has been roundly attacked by Defense Ministry sources as a non-starter that is bound to damage Mordechai's more practical proposal.

These sources predict that if Sharon's ideas were implemented, Israel would quickly find itself engaged in military operations much larger and more costly than what is currently necessary.

The criticism of Sharon is, of course, unavoidably tied to cynical references to his role as the architect and executor of Israel's ill-fated invasion of Lebanon in June 1982.

For Ehud Barak, the Labor leader, both Mordechai and Sharon are merely looking for popularity at home, where the constant bloodletting in southern Lebanon is becoming increasingly unpopular.

He says that were he prime minister, Israel would be engaged in comprehensive negotiations with Syria over the Golan Heights and Lebanon — the only strategy, he believes, that can bring a general peace to the northern border region.

The Syrians, for their part, have clearly been rattled by the Israeli initiative — as evidenced by a series of meetings between Syrian and Lebanese officials over the weekend.

Behind the public professions of unity — and rejection of the Mordechai plan — issued after the meeting, one overriding message was made clear: There will be no separate Lebanese move with Israel, no matter how much Lebanon wants to get Israel out of its territory.

Through private diplomatic channels, Syria is telling Netanyahu that it wants to resume the long-suspended negotiations with Israel over the Golan as well as the parallel talks regarding Israel's withdrawal from Lebanon.

But the Syrian condition — that those talks resume at the point that they reached under the Labor-led governments of Yitzhak Rabin and Shimon Peres — remains the obstacle to a resumption.

Negotiations at that time focused on at least some Israeli withdrawal from the Golan in exchange for normalization of relations.

Indeed, in the view of the opposition in Israel and of many observers abroad, it is this intractable condition that has prompted Netanyahu to seek a way around it by reaching out to Lebanon directly and dangling the prospect of an early Israeli withdrawal. The universal assessment in the political community is that Netanyahu cannot offer sweeping concessions on the Golan and keep his coalition intact. Moreover, he seems to have no desire to offer such concessions.

Sharon, by responding to the growing calls at home for unilateral withdrawal, is seen as trying to outflank Mordechai — and Netanyahu — with his own approach. □

Israel detains computer hacker

JERUSALEM (JTA) — Israeli police have placed under house arrest a teen-age computer hacker who claims to have broken into the Pentagon's computer network.

Israel Television reported that the 18-year-old youth, who identifies himself as the "Analyzer," told police that he had wanted to show the security holes in the Pentagon system. Two other Israeli youths alleged to be his accomplices were also placed under house arrest. The names of the three youths were not released.

There were reports earlier this month that the FBI was seeking the Analyzer, whom officials believe broke into military and educational computer networks. The FBI has already questioned two California youths thought to have worked with him. □

JEWISH WORLD

Argentina doubtful on blast

Argentine officials said they had little hope of finding those responsible for the 1992 car bombing of the Israeli Embassy, an attack that killed 29 people and left more than 100 injured.

"We have done everything we thought should be done," said Justice Minister Raul Ocampo. "But we have nothing new to try." The statement came on the sixth anniversary of the blast.

Swiss fund pays Gypsies

A Swiss fund for needy Holocaust victims made its first payments to Gypsy survivors of the Nazi concentration camps.

Three Gypsies, aged 58 to 78, received more than \$1,350 each at a ceremony in Germany.

About 10 percent of the \$190 million Holocaust Memorial Fund — which was established last year by Switzerland's three largest banks — was set aside to help non-Jewish victims of the war, such as Catholics, Gypsies and homosexuals.

Schakowsky wins 'Jewish seat'

Illinois state Rep. Jan Schakowsky defeated two Jewish opponents in a Democratic primary for the state's 9th Congressional District.

Schakowsky, an activist for consumer and women's issues, is expected to be elected in November to what has been called a "Jewish seat" in the U.S. House of Representatives.

Le Pen: No need to repent

The leader of France's far-right National Front said he had no desire to follow the Vatican's call for Christians to repent for the Holocaust.

Christian culpability for the deaths of 6 million Jews during the Holocaust is "the pope's problem," Jean-Marie Le Pen said after the release of a Vatican document about Christian responsibility for the Holocaust. "I don't feel any blame and therefore I have no need to repent."

Jews criticize Latvian rally

Russian Jewish leaders condemned a rally held earlier this week in Latvia at which hundreds of former members of local SS forces that fought for Nazi Germany gathered to commemorate the 55th anniversary of their unit's founding.

Alexander Osovtsov, executive vice president of the Russian Jewish Congress, expressed his "bewilderment and indignation" that the rally was held and lashed out at the Latvian authorities for allowing it to take place.

Russia's chief rabbi, Adolph Shayevich, compared the participants in the rally to "vampires who need fresh human blood — and not only that of Jews."

Report cites terrorist acts amid fears of new attacks

By Naomi Segal

JERUSALEM (JTA) — Israel may be facing more mass terrorist attacks.

The head of the General Security Service, Ami Ayalon, said Hamas operatives were changing their tactics and were planning to launch attacks in Israel using cars and trucks laden with hundreds of pounds of explosives.

Presenting a semiannual report to the Knesset Foreign Affairs and Defense Committee, Ayalon said that 100 terrorist attempts were thwarted last year.

Ayalon's remarks came as an alleged Hamas terrorist currently on trial justified his actions based on remarks made by Labor Party leader Ehud Barak.

Barak said that if he had been born a Palestinian, he probably would have joined a terrorist group.

Ayalon said that despite a public impression of fewer terrorist attacks, there were a total of 463 incidents, ranging from gas bombs to bomb attacks, last year, compared to 268 in 1996.

He attributed the public perception of fewer attacks to the fact that the 1996 numbers include a wave of suicide bus attacks in Jerusalem and Tel Aviv, which exacted high tolls.

Ayalon said Hamas has shown a desire to carry out more mass killings, and that it is striving to carry out attacks on a larger scale.

Meanwhile, Barak's remarks, made during a television interview, and the fallout from it sparked a new political firestorm.

Speaking at his trial at the Lod military court, Iman Kapisha cited Barak's remarks in defending his role as a Hamas soldier who is, in his words, trying to liberate his lands.

Kapisha and three other members of the Tsurif cell have been charged with planning the bombing at Tel Aviv's Cafe Apropos — in which three women were killed — the kidnap-murder of Israeli soldier Sharon Edri, and other shooting attacks.

The comment sparked fresh criticism of Barak.

Prime Minister Benjamin Netanyahu said he hoped that Barak would recognize the error in his remarks — and admit his mistake.

For his part, Barak lashed out at the right wing, accusing it of entering into a "bizarre and embarrassing alliance" with terrorists to gain political mileage.

He said he had already said in the interview that "the methods of Palestinian terrorists are horrific."

Barak said what was encouraging terrorism was the lack of progress in the peace process. □

Israel may free prisoners

JERUSALEM (JTA) — Israel is preparing for a possible prisoner amnesty linked to the Jewish state's 50th anniversary.

Representatives from the Justice Ministry and the President's Office met this week to discuss how to process the cases of some 6,300 prisoners, not including security prisoners, who will be up for review.

The Israeli daily Ha'aretz reported that under a new proposal the state would review all cases, not just those of prisoners who submit amnesty requests.

Officials would also establish criteria for granting pardons or commuting sentences.

The question of whether to grant a general amnesty as part of Israel's jubilee commemorations has been widely debated.

While the criteria for granting amnesty have not yet been set, there is a proposal that would apply only to prisoners who have not committed serious offenses.

Justice Minister Tzachi Hanegbi told Ha'aretz that he supports reviewing all the prisoner files and would work to find the resources necessary to review the cases.

Several members of the Knesset have introduced bills calling for a general amnesty. □

Swiss banks may face sanctions if 'global settlement' not reached

By Daniel Kurtzman

WASHINGTON (JTA) — As the key players in the standoff with Swiss banks over Holocaust-era claims prepare to meet in New York next week, the prospects for reaching a "global settlement" remain far from clear.

If negotiations do not produce a settlement or significant progress toward a settlement by March 31, Swiss banks could face new sanctions by U.S. states and municipalities.

In December, U.S. public finance officers — several of whom had already suspended or threatened to suspend business dealings with Swiss banks for what they said was foot-dragging in paying off Holocaust victims' claims — agreed to wait three months before imposing further sanctions.

The moratorium was intended to give Jewish representatives a chance to negotiate a settlement with the banks and allow the state and local finance officers to then judge whether the banks had responded satisfactorily.

The group, headed by the New York City comptroller, Alan Hevesi, is slated to reconvene in New York on March 26 for a day of hearings and is expected to vote on whether to extend the moratorium on boycotts.

The Clinton administration opposes boycotts of Swiss banks, calling such steps counterproductive.

The "global settlement" talks involve Jewish officials, class-action lawyers and representatives of Switzerland's three largest banks.

Stuart Eizenstat, U.S. undersecretary of state for economic affairs, is helping to facilitate the discussion.

Those involved in the highly sensitive talks have remained tight-lipped.

However, one source close to the negotiations, said, "There will be no settlement of this matter by March 31."

The situation is "a mess," the source added.

In Switzerland, banking and government officials have voiced skepticism about the idea of a lump-sum payment.

The head of Credit Suisse, one of the three Swiss banking giants that is participating in the talks, said this week that he does not expect a quick resolution.

"I think we have some way to go until we can discuss seriously the specifics of a settlement," said Lukas Muehleemann, the bank's chief executive officer.

He said the matter should wait until after an independent commission headed by Paul Volcker, former U.S. Federal Reserve Board chairman, completes a sweeping audit of Swiss bank records.

Meanwhile, Thomas Borer, the Swiss government's point man on Holocaust issues, told a Swiss magazine last week that he has "doubts about whether a global solution is opportune or feasible."

"People could quickly make the accusation that Switzerland was trying to buy its way out of its obligations," he added. "We don't want this to happen."

Edgar Bronfman, president of the World Jewish Congress, has said that a settlement in the billions of dollars is needed to close a range of claims related to Switzerland's wartime activities, including those of dormant account holders and their heirs and

Holocaust survivors who have filed three multibillion-dollar class-action lawsuits against Swiss banks.

It was at Bronfman's request that the U.S. public finance officers agreed to a moratorium on sanctions until March 31.

In advance of next week's hearings, California Treasurer Matt Fong tried to step up pressure on Swiss banks by saying that they must agree in principle to a global settlement of Holocaust claims by March 31 and produce a settlement by May 1. If not, he said, he would ban the state of California from investing in U.S. subsidiaries of Swiss banks.

Hevesi, however, declined to go along with Fong's call.

"I believe it is important for our credibility that we maintain our commitment to the process and delay any decision until we have heard full reports from all sides," he told Fong in a letter.

Talk of a possible global settlement comes as administrators of a humanitarian fund set up last year by Swiss banks said they are preparing to distribute payments this summer to needy Holocaust survivors in the United States.

About \$32 million out of the \$190 million Swiss fund will be set aside for Holocaust survivors here, with payments ranging from \$500 to \$1,000 per applicant, according to the WJC.

A toll-free number for claimants is expected to be set up next month; the claims would be administered through the New York State Holocaust Claims Processing Office.

There are more than 120,000 Holocaust survivors in the United States, and administrators of the fund have said they expect to receive between 50,000 and 80,000 applications from them.

Applicants must now be U.S. citizens or permanent residents to qualify and must show they lived under Nazi rule or a regime of Nazi collaborators. The fund has already made payments to Jewish survivors in Latvia and Hungary. □

Fired Swiss guard returns to Zurich to prove his case

By Fredy Rom

ZURICH (JTA) — The former Swiss security guard who saved Holocaust-era documents from the teeth of a shredder is back in Switzerland for the first time since he fled the country.

Christoph Meili and his wife, Giuseppina, have returned to Switzerland for the first time since April 1997, when they left for the United States.

Working as a guard at the Union Bank of Switzerland, Meili had noticed a pile of documents sitting by the bank's shredder and turned the documents over to the Swiss Jewish community. For this action, he was fired from his job and publicly criticized by top bank officials.

Meili, who moved his family to the United States after saying he had received death threats in Switzerland, filed a lawsuit against the bank in January for \$60 million in compensatory damages and \$2.5 billion in punitive damages.

Accompanied by his lawyer, Ed Fagan, Meili is back in Switzerland trying to prove that the documents he saved from the shredder pertained to Jewish-owned buildings that had been confiscated by the Nazis.

Meili, who is now working as a security guard in New York City, told a local television station here that he would consider coming back to Switzerland "but not before a year or two." □