



# Daily News Bulletin

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81<sup>st</sup> Year

## TOP NEWS IN BRIEF

### Reform leaders arrive in Israel

Nearly 200 lay leaders and rabbis from the North American Reform movement held a peaceful opening ceremony at the Western Wall when they arrived for their jubilee mission to Israel.

Dozens of police protected the delegation, anticipating possible harassment from fervently Orthodox Jews who had attempted to disrupt a Conservative movement prayer service on Shavuot. Still, Rabbi Eric Yoffie, president of the Union of American Hebrew Congregations, expressed disappointment at "being relegated to the far corner" of the Western Wall plaza. Yoffie also urged the government to prevent passage of any conversion legislation. The Absorption Committee of the Knesset is slated to hold a meeting Tuesday on the conversion issue with all the streams.

### U.S. plans no assurances

The United States does not intend to give Israel any commitment regarding a third redeployment of Israeli troops in the West Bank, according to the Israeli daily Ha'aretz. A senior Clinton administration official cited in the report said the refusal stemmed in part from frustration in Washington over the current standoff between Israel and the Palestinians regarding the extent of the second further redeployment.

Israeli Prime Minister Benjamin Netanyahu has sought assurances that his agreement to carry out the second withdrawal would be accompanied by American support for a reduced third redeployment.

### Religion bill to be introduced

U.S. House and Senate lawmakers are planning to introduce bipartisan legislation on Tuesday aimed at restoring some of the protections that existed under the Religious Freedom Restoration Act.

Like that law, which the Supreme Court struck down last year as unconstitutional, the new legislation, known as the "Religious Liberty Protection Act," is designed to make it harder for government to interfere with the practice of religion.

### Paper: Iran needs nuclear option

An Iranian newspaper said the Islamic republic needs atomic weapons to protect its national security. The daily Kar-va-Kargar said the need for nuclear weapons was a "vital necessity," particularly "because of the Zionist regime's proven hostility toward Iran."

## BEHIND THE HEADLINES

### Israelis opposed to withdrawal mount public relations campaign

By David Landau

JERUSALEM (JTA) — Another week, another sigh of relief from the far right of the Israeli political spectrum.

Despite a recent flurry of speculation, largely fueled by Israeli officials, the United States let it be known this week that a deal to revive the Israeli-Palestinian peace process is still not in sight.

Prime Minister Benjamin Netanyahu even admitted that the speculation had been premature while at the same time insisting that he was working diligently to reach an agreement.

But despite their temporary relief, those who oppose any further withdrawal from the West Bank — an inevitable component of any deal — are not passively watching events unfold.

They still believe that an agreement is imminent, and they are doing their utmost to prevent it.

Their angst was no doubt further fueled by last week's publication of details of the plan the United States is pressing Israel to accept.

The plan calls on Israel to pull back from an additional 13 percent of the West Bank in exchange for a series of Palestinian steps to crack down on terrorism. Israeli media reported last week that under the proposal, Israel would also have to curtail settlement activity.

Spearheaded by the Yesha Council, which represents settlers in the West Bank and Gaza Strip, and by political leaders who support the Greater Israel ideology, the anti-redeployment lobby has launched a massive, last-ditch effort to turn Israeli public opinion against an agreement with the Palestinians.

At a cost of millions, the Yesha Council has sent glossy pamphlets to 1 million households throughout Israel.

Published by the council's research department, the pamphlet provides details about the water aquifer that lies beneath part of the West Bank, attempting to drive home the point that a transfer of land could affect Israel's water supplies.

The pamphlet lists the settlements likely to be turned into isolated enclaves by an Israeli pullback.

It also sets out the security reasons that explain, in the view of its authors, why such a withdrawal is dangerous.

In addition, the council is running hourlong flights up and down the West Bank, offering a bird's-eye view of the territory and the strategic considerations against Israeli withdrawal.

The flights were originally offered to members of the National Religious Party, whose votes could be pivotal when the time comes to decide whether to support the redeployment, but in practice anyone can go along.

The settlers and their supporters within Israel are also planning sit-down and hunger strikes at key locations in Jerusalem and Tel Aviv in a further effort to rivet public and media attention to their campaign.

While they instinctively shy away from and vehemently criticize extremist propaganda against Netanyahu, the Yesha hard-liners and their supporters intend to give the Israeli premier a hard time when and if he moves into the final stages of the negotiations. An example of such propaganda appeared this week in Jerusalem, where

## MIDEAST FOCUS

### Palestinian official injured

Clashes erupted in eastern Jerusalem after a Jewish group known as Elad took over buildings in the predominantly Arab neighborhood of Silwan.

At least two people were injured during the stone-throwing melee, including the top Palestinian official in Jerusalem, Faisal Hussein.

Some 20 members of Peace Now who arrived at the scene to protest the actions of Elad were later dragged away by police after they refused to disperse. Elad members, who strung barbed wire around the contended sites, claim they held legal title to the buildings.

### Israel debates Yassin's return

Israel's government is debating whether to allow the founder of Hamas to return to the Gaza Strip.

Sheik Ahmed Yassin, who has been on a tour of Arab states the past three months, is reported to have raised tens of millions of dollars for Hamas. Israeli Prime Minister Benjamin Netanyahu convened his Inner Cabinet to discuss the issue amid charges that Yassin had used a trip abroad, taken ostensibly to receive medical treatment, to promote terrorist actions against Israel.

Yassin was released from an Israeli jail in October as part of a deal to free two Mossad agents detained in Jordan after a failed attempt to assassinate a Hamas political leader.

### Ministers differ on service

Israeli Cabinet ministers sharply differed over a proposal to offer all those citizens exempted from army service, including Arabs, the option of doing national service.

Several of the ministers argued that allowing Israeli Arabs to do national service could endanger state security, according to the Israeli daily Ha'aretz. The Cabinet decided to form a ministerial committee to deal with the issue.

posters appeared depicting the Israeli premier in Arab headdress and calling him "The Liar."

Despite the vigor with which they are mounting their campaign, the Yesha forces are growing increasingly fearful.

While some of the more pragmatic among them have begun to talk of acquiescing to some withdrawal, the hard-core members are stating outright that they are against any further land concessions to the Palestinian Authority.

In a recent television appearance, former Prime Minister Yitzhak Shamir proclaimed proudly that during his 10 years in office he had not given away a single inch of the Greater Land of Israel. That, for him, is the ultimate test of a legitimate Zionist policy.

But these hard-liners have a problem: They know from public opinion polls that their rejection of any pullback is not widely popular.

They know, too, that they may not be able to muster more than a handful of votes in the Knesset for their position — far fewer than the 17 original members of the Land of Israel bloc who pledged to defend Greater Israel and oppose the redeployment accord.

Moreover, the hard-liners are not confident of the support, in a moment-of-truth vote, of two elements without which their cause is politically doomed: the National Religious Party and Ariel Sharon, the national infrastructure minister.

The NRP, with its nine Knesset seats, has the power to topple Netanyahu if all of its legislators vote against a redeployment accord submitted by the premier.

But with each passing day, that prospect seems less likely.

Shaul Yahalom, until recently one of the party's most volatile firebrands, has noticeably toned down his words since becoming transportation minister earlier this year.

Yahalom was quoted this week as saying the NRP would not walk out of Netanyahu's governing coalition over a redeployment as long as it did not hurt the settlements.

That leaves open the possibility for the NRP ministers to oppose the redeployment within the Cabinet, but for the party as a whole to later abstain in a Knesset vote, thereby signaling its tacit agreement to the deal.

Anticipating this possibility, some of the settlers and their supporters are already planning to form a new, rightist-religious party, which would be named Tekuma, or Resurrection.

Israeli media reports this week indicated that Rabbi Avraham Shapira, formerly the Ashkenazi chief rabbi and a spiritual mentor of the NRP, had given his blessing to the new political initiative.

For his part, Sharon is even harder to read than the NRP.

His relations with the prime minister seem to blow hot and cold at rapid intervals. Sharon has said repeatedly that to cede more than 9 percent of West Bank lands in a further redeployment would be dangerous for Israel.

Just the same, veteran Sharon watchers say the burly minister is likely to come around in the end and give the premier his vital support.

These two question marks leave the hard-liners in a difficult position. Without the NRP, they would not have the legislative numbers to bring Netanyahu down in a Knesset vote.

Without Sharon, they would not have the public leadership necessary to mount a sustained attack against a deal with the Palestinians.

Ironically, the chances of victory ultimately may depend not on debates among the hard-liners, but rather on differences among opposition members.

There was much rancor within the Labor Party this week over whether it should offer the prime minister its support in the Knesset on this issue should the far right seek to bring him down.

Party leader Ehud Barak put off the final decision until the redeployment deal becomes a reality.

But some Labor members made it clear that they would find it hard to raise their hands against progress in the peace process — despite the fact that it was Netanyahu who was making it happen. □



## Daily News Bulletin

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## JEWISH WORLD

### Moscow Jews mark jubilee

Some 6,000 Jews converged on a central Moscow park to attend a daylong celebration marking Israel's jubilee.

The event, organized by the Jewish Agency for Israel, included dancing, singing and a lottery drawing for a 10-day trip to Israel.

Dozens of Jewish communities throughout Russia have held jubilee celebrations in recent months.

### Gore receives O.U. award

U.S. Vice President Al Gore told Orthodox leaders that the U.S.-Israel relationship is "not in jeopardy" and "it never will be." Gore, the recipient of the organization's National Humanitarian Award as it celebrated its centennial, said that by engaging the world, the Orthodox Union had not only enriched the Jewish community, it had also enriched the world.

### Zundel decision applauded

The Canadian Jewish Congress applauded a unanimous decision by the country's House of Commons to bar a Toronto-based Holocaust denier from Canada's Parliament buildings for the rest of the current parliamentary session.

Ernst Zundel had booked a room last week on Ottawa's Parliament Hill that is usually available to persons wishing to hold a press conference on subjects related to federal government business.

Zundel was intending to publicly denounce a May 28 ruling of the Canadian Human Rights Tribunal, which is holding hearings to determine whether he is spreading hate via the Internet.

### Peace groups meet in Cairo

A delegation from Israel's Peace Now movement met in Egypt with members of a newly formed Egyptian peace movement.

In a joint statement issued after the talks, the two groups called on their respective governments to continue working to advance the peace process. The statement also said a comprehensive peace would be impossible without the dismantling of Jewish settlements. The two groups are planning to meet again this September in Jerusalem.

### Magazine to appear in Hebrew

National Geographic magazine is expected to begin publishing a Hebrew-language edition.

The Hebrew-language edition, being printed in coordination with Israeli publishers, will be available in Israel and the United States, the National Geographic Society said.

Other languages in which National Geographic currently appears include Japanese, Italian and Spanish.

## Banks in Germany deny they knew about looted gold

By Deidre Berger

FRANKFURT (JTA) — What did they know and when did they know it?

That's the question confronting two of Germany's largest banks, which were named in an \$18 billion class-action suit filed in New York last week by three Holocaust survivors.

Two of the claimants, Harold Watman, 77, and Michael Schonberger, 69, are charging that the banks dealt in stolen goods — including gold and other valuables — that the Nazi SS had looted from their families at Auschwitz.

Both Deutsche Bank and Dresdner Bank, the targets of the suit, say they did not know the origin of gold bars they purchased from the Nazis during World War II.

Another claimant, 85-year-old Ruth Abraham, says Dresdner Bank confiscated her father's bank account and never returned the money.

The suit was filed one day after the U.S. State Department published the second of two reports about the extent and importance of trade in gold and war materiel that Nazi Germany engaged in with six neutral nations during the war.

The report charged that the two banks sold gold to Turkey that had been looted from concentration camp victims in order to supply Germany with the hard currency needed to purchase war supplies.

Deutsche Bank counters that a group of historians it has commissioned to investigate the bank's activities during the war has come to the preliminary conclusion that the financial institution was unaware of the origin of the gold it bought from the Nazis. The historians, who are trying to trace the bank's gold transactions, expect to finish their report in the fall, according to the bank.

One German historian, however, attacked the bank's stance.

Christopher Kopper, who has done extensive research on German banking activities during the war, said in this week's issue of the news magazine *Der Spiegel* that the bank's managers must have known the gold was stolen property because the Reichsbank had used up its own gold reserves to finance the war. Nazi Germany looted gold both from the central banks it overran and from death camp victims.

The so-called Melmer Account — named for the SS officer in charge of the gold that was stripped from concentration camp victims and resmelted at the German metal refinery Degussa — is worth more than \$40 million in today's dollars, according to the State Department report issued last week — double the amount of earlier estimates.

Two months ago, Deutsche Bank admitted that gold reserves it sold in 1995 possibly came from Holocaust victims, and subsequently donated the more than \$3 million in proceeds to Jewish institutions that support Holocaust victims.

Some German lawyers have expressed skepticism that the class-action suit against the banks will be successful because of the difficulty in tracing the origins of the gold bars purchased by the banks during the war.

However, the suit could focus attention on bank cooperation in the so-called Aryanization process, when the Nazi regime forced Jewish property owners and businesses to sell their belongings at bargain prices.

Both Deutsche Bank and Dresdner Bank earned money on these transactions by facilitating and financing the sales and, in some instances, by buying the property outright. Although some Jewish property owners were able to reclaim their property after the war, others were prevented from doing so.

Many prewar Jewish-owned businesses, including some major department stores and hotels, were never returned to the rightful heirs.

The role played by German banking and industry during the Nazi regime has begun receiving more academic and public attention during the past few years.

Deutsche Bank only began to acknowledge the bank's role during the Third Reich in 1995, during the company's 125th anniversary.

Both it and Dresdner Bank, as well as the Degussa refinery, set up historian commissions last year after Swiss banks came under widespread international criticism for their role in purchasing gold looted by the Nazis. □

## NEWS ANALYSIS

**Arab disunity thwarts Arafat quest for 'cooperation' summit***By Gil Sedan*

JERUSALEM (JTA) — Yasser Arafat is not giving up.

As the faltering Middle East peace process continues its course, the chairman of the Palestinian Authority is pursuing his grand tour of the Arab world, trying to convince fellow Arabs to unite for a summit.

Arab leaders must come together "not just to face the stalemate in the peace process," Arafat said this week, "but also to renew Arab cooperation." However, by mid-week, there was no summit in sight. As has happened so often in the past, the Arabs appeared to be too divided to form a united front.

Arab leaders have been unable to agree on a date, an agenda or even the participants for a summit. Moreover, not everyone in the Arab world shares the enthusiasm of Arafat and Syria's President Hafez Assad for such a meeting.

Take Jordan, for example, the Arab country with the closest ties to Israel. For the record, King Hussein is paying lip service to the cause of Arab unity. But at the same time he said this week that "divisions stemming from the 1990-91 Gulf Crisis" were blocking the road to a summit.

Hussein was referring to objections raised in the Gulf regarding the participation of Iraq in the proposed summit. The Kuwaitis still remember the Iraqi invasion, and they officially expressed concern this week over a statement attributed to Iraqi Vice President Taha Yassin Ramadan, doubting the legality of the United Nations demarcation border between the two countries.

"Jordan cannot allow itself to act openly against an Arab summit," said Wadia Abu-Nassar, a political science lecturer at the Open University in Tel Aviv and a longtime observer of Middle East politics. "But at the same time, Jordan is well aware of the fact that not much good can come out of the summit. They are trying to abort the summit using all kinds of pretexts, like the problem of Iraq, and the need to convene an expanded summit which would include all the Arab countries."

Including all the Arab countries would mean inviting not only Iraq, but also Libya. The participation of these two countries would naturally lead to harsh anti-Israel resolutions — it would also anger the United States.

"The last thing Arafat wants to do at the moment is to aggravate the U.S.," said Abu-Nassar. For the first time in the history of the Israeli-Palestinian conflict, he said, the Americans seem to be closer in their positions to the Palestinians than to the Israelis.

Arafat would not give up that newly created alliance just to see Libya and Iraq at the summit table.

Syria, on the other hand, would. Aside from Arafat, the Syrians have been the main force behind the summit.

Realizing that the time is not ripe to demand that Arab states fully sever their diplomatic relations with Israel, the Syrians — who do not have ties to the Jewish state — wanted to push resolutions urging Jordan and Egypt to at least lower the level of diplomatic representation in Israel and to freeze all commercial contacts.

But Egypt and Jordan have too much to lose to take such actions, and their refusals have angered the Syrians.

"One can understand that Israel's prime minister adopts Zionism," the Syrian government-sponsored daily Tishrin wrote after Jawad al-Anani, Jordan's foreign minister, publicly said he was against cutting ties with Israel. "But that an Arab leader should adopt Zionism as well?"

The paper wrote that there was no point convening another Arab summit "when those who erred" at the last summit "have not yet admitted that they did."

The last Arab summit was held in Cairo in June 1996, immediately after Benjamin Netanyahu's victory in the elections for prime minister. The Arabs convened then amid apocalyptic speculations of a total freeze in the peace process.

However, just like now, Egypt and Jordan pressed for moderate resolutions. "The Arabs have opted for peace," Egyptian President Hosni Mubarak declared at the time. They had decided to give Netanyahu a chance.

Indeed, the Arabs have come a long way since the Khartoum Summit of 1967, following the Six-Day War, which produced the famous three "no's": No to peace, no to negotiations, no to recognition of Israel.

"One should look at it from the positive side," Eli Podeh of the Hebrew University suggested this week. "Thirty-one years ago the Arabs convened to negate any contacts with Israel. Now they want to discuss how to push the peace process forward."

Whether the Arabs convene at all depends largely on progress in the Israeli-Palestinian negotiations, said Abu-Nassar.

Mubarak said this week that any Arab summit must be well-prepared so that it can yield positive results. "We will wait and see what the Palestinians agree on before deciding."

The Egyptian leader said the United States did not pressure the Arabs into postponing a summit meeting.

If there is no progress, analysts say, the Arabs would have no choice but to put up a show of Arab unity. It would be mostly up to Egypt and Jordan to determine whether it would be merely a show — or a shift in policy toward Israel. □

**Israel, Lebanon near deal**

JERUSALEM (JTA) — Israel and Lebanon are reportedly close to an agreement under which the remains of an Israeli navy commando would be returned in exchange for the release of Lebanese prisoners.

Israeli security sources confirmed that a deal is close. The secretary-general of the fundamentalist Hezbollah movement said in a Lebanese television interview last week that Israel would release several dozen Lebanese prisoners, as well as the bodies of Hezbollah fighters held by Israel.

In return, Sheik Hassan Nasrallah said, the Lebanese government would transfer the remains of Itamar Ilya, a navy commando killed in a failed operation in Lebanon last September.

In the interview, Nasrallah was not specific on the number of prisoners that would be released, but said the discussions were about "far more" than 30.

Israeli security sources also refused to comment on the number of prisoners that would be released. However, the Israeli daily Ha'aretz quoted sources as saying it would be a "heavy price."

The sources added, however, that two top Shi'ite leaders, Mustafa Dirani and Sheik Abdel Obeid, who were kidnapped in commando operations, would not be freed. □