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81st Year

TOP NEWS IN BRIEF

Jews, Swiss meet at State Dept.

Jewish and Swiss representatives are scheduled to meet at the State Department to discuss the status of negotiations on a settlement to Holocaust-era claims. Both sides have accused each other of jeopardizing the negotiating process by violating confidentiality agreements.

The banks last week said their best offer for settling claims was \$600 million, an amount rejected by Jewish negotiators.

The talks are running up against a June 30 deadline — a date set by U.S. public finance officers to review the negotiations and possibly impose sanctions on the Swiss.

Ministers develop vote on peace

Israeli Cabinet ministers developed a plan for a possible nationwide referendum on a further Israeli redeployment from the West Bank.

The ministers said they would recommend a non-binding referendum.

Communications Minister Limor Livnat said such a referendum, which according to one newspaper report would cost \$29 million, could be held within two months. Polls indicate that a majority of Israelis support a pullback. [Page 4]

Rubin tones down remarks

The U.S. State Department continued to criticize Israel for plans to expand the borders of Jerusalem. "The last thing we need from either party are statements or actions that raise suspicions and make it even more difficult to get the process back on track," said State Department spokesman James Rubin.

But Rubin toned down his comments after Netanyahu clarified the plans in three separate phone calls with U.S. Secretary of State Madeleine Albright.

Reform rabbis meet

The president of the Reform movement's rabbinical arm called on Reform rabbis to renew the bond among all Jews "who stood at Sinai" and "to proclaim that Torah is our center."

Addressing 600 rabbis at the annual convention of the Central Conference of American Rabbis, Rabbi Richard Levy said the movement's rabbis should give their congregants the option of keeping a kosher home and observing the commandments.

BEHIND THE HEADLINES

U.S. move to engage Iran worries supporters of Israel

By Matthew Dorf

WASHINGTON (JTA) — Now that the United States is willing to engage Iran — both on and off the soccer field — Israel and its supporters in Washington are determined to ensure that the Clinton administration does not sugarcoat Tehran's support for terrorists and its efforts to obtain weapons of mass destruction.

In a groundbreaking policy speech last week, U.S. Secretary of State Madeleine Albright laid out a "road map" to improve relations between Washington and Tehran.

In what the State Department called the most conciliatory policy statement on Iran since the 1979 Islamic Revolution, Albright urged Iran to pursue a series of confidence-building measures.

Albright called Iran by its preferred name — the Islamic Republic of Iran — and praised Iranian President Mohammed Khatami, who she said "publicly denounced terrorism and condemned the killing of innocent Israelis."

She also praised Iran for saying it would not "impose their views" on the Middle East peace process and would "accept what the Palestinians would accept."

Despite the apparent rapprochement, America's top diplomat promised to keep economic sanctions against Iran in place until Iran's actions match its words.

But the shift from the State Department's usual language referring to Iran as a "rogue state" spoke volumes about how the Clinton administration hopes to pursue a warming of relations with Iran under Khatami, who is seen as a relative moderate.

State Department officials said the American shift — which included a televised message to the Iranian people from President Clinton broadcast during Sunday's U.S.-Iran World Cup soccer match — marked the beginning of the end for the policy of dual containment under which Iran and Iraq, both sworn enemies, would keep each other in check.

For Jewish activists, who have fought for legislation that would limit Iran's ability to obtain weapons of mass destruction, the change in tone prompted some anxiety. The concern is particularly acute because of what activists see as the Clinton administration's history of trying to fudge objectionable practices in order to further foreign policy goals.

As example, they point to Palestinian non-compliance with signed agreements and human rights abuses in China. "There need to be clear guideposts and road marks along the way so that one can measure Iran's policy," said Jess Hordes, Washington representative of the Anti-Defamation League.

In her speech, Albright held out the hope of improving relations, but said there is a long way to go before the United States would reconsider its economic embargo or re-establish diplomatic relations.

Iran remains subject to a host of U.S. economic sanctions because of its place on the annual State Department list of sponsors of terrorism.

But in a move opposed by Jewish activists and others, President Clinton has waived sanctions against foreign firms that are doing business in Iran's gas and oil fields.

In addition, Clinton was slated to veto a bill this week that requires the president to sanction companies involved in the transfer of missile technology to Iran.

The measure, which passed both the House and Senate by veto-proof margins, would primarily affect Russia.

For its part, the American Israel Public Affairs Committee, which has made the

MIDEAST FOCUS

Knesset to discuss conversion

An Israeli Knesset committee is scheduled to discuss a proposal to codify the recommendations of a committee regarding the crisis over religious pluralism.

The bill dealing with the Ne'eman Committee's recommendations proposes the establishment of a pluralistic conversion training institute, run under the auspices of the Jewish Agency for Israel, while also reaffirming the Orthodox establishment's sole authority to confirm conversions in Israel.

Artuz-7 workers may be arrested

Israeli police said they have collected enough evidence to arrest 10 employees of a right-wing pirate radio station, according to the Israeli daily Ha'aretz. Some members of Israel's governing coalition threatened to quit the government after an initial raid on Artuz-7 offices last week.

Bank Hapoalim plans offering

Bank Hapoalim plans to issue what is expected to be the largest stock offering of an Israeli company on Wall Street, according to Israeli media reports. The offering is expected to reach hundreds of millions of dollars.

Rabin assassin makes appeal

Israel's Supreme Court heard an appeal from Yitzhak Rabin's assassin, Yigal Amir, his brother Hagai and his friend Dror Adani, appealed their sentences for conspiring to assassinate the prime minister and attack Arabs.

The attorney for Yigal Amir, who is serving a life sentence for shooting Rabin at a Tel Aviv peace rally in November 1995, said contacts were currently underway with prison authorities to see if the two brothers could serve out their sentences in the same cell.

Prison officials denied that such a move was being considered.



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containment of Iran a top agenda item, refused to criticize Albright's remarks directly.

However, Howard Kohr, AIPAC's executive director, said of Iran: "We must not lose sight that they are the chief sponsors of terrorism today."

He said AIPAC would continue to fight for legislation that would curtail Iran's ability to obtain weapons of mass destruction.

In Israel, where intelligence estimates that Iran is less than two years away from developing a missile that could carry a nuclear warhead into Israel, government officials maintained an official silence on the American initiative.

Although Iran remains a sworn enemy of Israel and funds terrorism against Israel, Tehran's rhetoric has softened somewhat.

Albright's speech last week came hours after the new Iranian ambassador to the United Nations visited Washington for the first time. The State Department gave Ambassador Hadi Nejad Hosseini the special permission he needed to travel outside a 15-mile radius of the United Nations to deliver a speech sponsored by the policy magazine Middle East Insight.

While Hosseini broke no new policy ground, he built on Khatami's January CNN interview.

For example, instead of calling Israel the "Zionist entity," he twice referred to "Israel," even as he addressed the issues of "Israel's nuclear arsenal" and a withdrawal from southern Lebanon.

But in Israel, reaction remains mixed to the U.S. policy.

A senior political source, who insisted on anonymity, said in an interview that Israel had no reason to rejoice.

"One should measure Iran by its deeds and not by its words," he said, adding that Khatami is not the one who pulls the strings in Iran, it is still the hard-liners."

The source suggested a series of steps that Iran should have taken before the American initiative, such as the cessation of Iranian supplies to Hezbollah, of Iranian funding of Hamas, of Iranian support of fundamentalist Muslim organizations in 21 countries as well as a declaration that Iran supports the Oslo peace accords.

But leading academic experts said that now that the Americans have embarked on this course, there's a new reality that Israel cannot ignore.

"Until now, Israel rejected every possible contact" between the United States and Israel," said David Menashri, head of the department of Middle East studies at Tel Aviv University.

Now, he said, "I am not sure that we can oppose the process."

One of the more optimistic assessments came from reserve Brig. Gen. Yitzhak Segev, the last Israeli military attache to Iran, who served prior to the 1979 revolution.

Segev suggested that the changes under way in Iranian society are deep and radical, and they are not merely a change of political terminology by Khatami and his followers.

Iran faces economic difficulties, said Segev, particularly in view of the sharp cuts in oil revenues and American efforts to join Iran's northern neighbors, such as Turkmenistan and Azerbaijan, in a Turkish sphere of influence.

Many Iranians now realize that the Islamic Revolution did not deliver the goods, and it is therefore time to change the hostile policy toward the United States.

"We need to be patient," said Segev. "Once Iran resumes relations with the Great Satan — the U.S. — it may turn to mend relations with the Little Devil, Israel."

Therefore, suggested Segev, Israel should not oppose the American-Iranian rapprochement.

"At the end of the day, we shall reap the benefits as well," he said. □

(JTA correspondent Gil Sedan in Jerusalem contributed to this report.)

Court refuses to hear school prayer case

WASHINGTON (JTA) — The U.S. Supreme Court turned away an appeal by the governor of Alabama to overturn a lower court's decision to limit religious practices in public schools. The judges, without comment, refused Gov. Fob James' request to rescind a ruling made by Judge Ira DeMent which struck down a state law that would have allowed voluntary prayers at public school events. James is still challenging DeMent's decision to a federal appeals court. □

JEWISH WORLD

D'Amato denounces offer

Sen. Alfonse D'Amato (R-N.Y.) denounced a \$600 million offer by Swiss banks to settle Holocaust-era claims.

D'Amato said the Senate Banking Committee which he chairs plans to reopen a 50-year-old accord signed with Switzerland on the return of Nazi-looted gold.

In the 1946 Washington agreement, Switzerland agreed to return \$58 million to the Allies despite records which showed Switzerland accepted about five times that amount in looted gold.

Will Swiss open books?

A lawyer representing Holocaust victims in a class-action suit against Swiss banks threatened to take court action.

Edward Fagan said he would ask a New York judge to force the three banks — Swiss Bank Corp., Credit Suisse and Union Bank of Switzerland — to open their books.

The threat comes after Jewish leaders and lawyers representing survivors rejected a \$600 million offer made by the three banks to settle claims dating from the Holocaust era.

Estonia orders newspaper inquiry

Estonia's president ordered an investigation into the printing of neo-Nazi newspapers in the Baltic country.

Lennart Meri also requested that investigators identify who in Sweden financed the printing of the newspapers.

According to a Swedish television report, a privately owned printing house in Estonia printed various neo-Nazi publications ordered from Sweden.

The printing house in question has acknowledged that issues of two extremist newspapers were printed there early last year.

But officials pointed out that since none of its staff speaks Swedish, the company was unaware of the newspapers' contents.

Italian Jews meet

The president of the Assembly of Italian Rabbis said he is disturbed over divisions about "Who Is a Jew?"

Giuseppe Laras made his comments at the quadrennial meeting of the Union of Italian Jewish Communities, an umbrella organization that represents Italy's 35,000 Jews.

The three-day congress, which opened Sunday, is held every four years.

At the congress, Tullia Zevi is expected to step down as head of the organization after 15 years as president.

Zhirinovsky sympathetic to Jews at benefit for Moscow synagogue

By Lev Krichevsky

MOSCOW (JTA) — Vladimir Zhirinovsky has made a surprise appearance at a benefit concert for a Lubavitch synagogue here that was bombed last month.

After the concert, the leader of the ultranationalist Liberal Democratic Party got up on stage, said he was outraged by the synagogue bombing and added that he would support any anti-vandalism bill brought before Russia's Parliament. Zhirinovsky, who heads the third largest faction in the Duma, the parliament's lower house, also spoke positively about the Jewish contribution to Russian culture, economy and politics.

One of the organizers of the concert said nobody invited Zhirinovsky to the event, but that he was allowed to speak in order to avoid a scandal.

Berel Lazar, the rabbi of the bombed Marina Roscha synagogue, said he was bewildered by Zhirinovsky, who has often been quoted making anti-Semitic statements.

"I'm not sure exactly what it was," Lazar, the chief emissary of the Lubavitch movement in Russia, said of Zhirinovsky's appearance at the concert.

The speech was a striking contrast to an hourlong anti-Semitic tirade the ultra-nationalist leader delivered in April. At a news conference in Moscow, Zhirinovsky blamed Jews for starting World War II, provoking the Holocaust, sparking the 1917 Bolshevik revolution — and destroying the country ever since.

Rumors have circulated for years that Zhirinovsky's anti-Semitism is a response to his own Jewish background. Zhirinovsky has repeatedly denied that his father, who had a Jewish-sounding name, was Jewish.

Meanwhile, Russian President Boris Yeltsin said Russia must stop the spread of neo-Nazism. Yeltsin's comments in a nationwide radio address Monday came as Russia marked the 57th anniversary of the Nazi invasion of the Soviet Union and after reports of recent attacks on Asians and Africans in Russia. Referring specifically to anti-Semitism and the idea of national supremacy, Yeltsin asked, "Will the Russians allow the most fearful ideology ever known to mankind to take root on our soil?" □

Israeli designer rises in Paris fashion world

By Lee Yanowitch

PARIS (JTA) — An Israeli fashion designer, whose creations first hit the Paris catwalk last year, has just snagged one of the most-desired jobs in the industry — producing Yves Saint Laurent's ready-to-wear clothes.

Alber Elbaz, 37, who cut his teeth as U.S. designer Geoffrey Beene's right hand for seven years, will unveil his first collection for the house of Saint Laurent in March of next year.

The news came as a shock to the Paris fashion world, where the reclusive, 61-year-old Saint Laurent enjoys the status of nothing less than a god. After 36 years at the helm of one of the most famous fashion labels of all time, Saint Laurent's withdrawal from the label's mass-produced, off-the-rack ready-to-wear — he will continue designing the haute couture — could mean an early retirement.

But perhaps more surprising was the choice of Elbaz, who was virtually unknown until the staid house of Guy Laroche snatched him out of obscurity and made him one of Paris' new rising stars.

Although the Moroccan-born designer, who is short, round and agreeably humble, is far from all that fashion is about these days — flash, theatricality and decadence — his flair for taking the basics and giving them quirky and whimsical touches could be just the right thing for Saint Laurent: dusting off the classic label without scaring off the house's clientele.

Elbaz, who is also an American citizen, has refused any interviews until he leaves Guy Laroche after his final collection there is presented in October of this year. But when a reporter accidentally ran into him at a Paris airport, where he was about to board a plane for New York the day after the news was announced, he merely said: "I got a thousand calls yesterday. Of course I'm nervous but I don't want to talk about it." □

Palestinians, Israelis deride possible referendum proposal

By Naomi Segal

JERUSALEM (JTA) — Israeli Prime Minister Benjamin Netanyahu appears to want the Israeli public to decide on the next redeployment of troops from the West Bank.

But the plan to hold a national referendum has already prompted sharp criticism from the Palestinian Authority and from the Israeli opposition — and even ridicule from Netanyahu's own defense minister.

Israel has been under pressure for months to carry out a 13 percent further redeployment in the West Bank as part of an American compromise proposal aimed at breaking a deadlock in Israeli-Palestinian negotiations.

Recent polls have indicated that a referendum would show a majority of Israelis support such a redeployment, and would counter threats by far-right members of Netanyahu's coalition to bring down the government if any more territory is transferred to Palestinian control.

Justice Minister Tzachi Hanegbi said this week that he would recommend holding a non-binding referendum on the issue.

"This also has weight, the government cannot ignore its results," he said. Hanegbi announced his intentions after consulting with legal advisers and other Cabinet members on the matter.

Hanegbi said a referendum, if held, could be organized in about two months.

However, Palestinian officials accused the prime minister of using the referendum as another attempt to delay carrying out a further redeployment.

Ahmed Abdel Rahman, secretary-general of the Palestinian Authority, termed the idea a violation of the "spirit and letter of the agreements" between Israel and the Palestinians.

The concept of turning to the public in an advisory capacity also drew reservations — and ridicule — from some coalition and opposition members.

"I don't know what a national referendum is, how it is done, over what period of time, what it costs, what is needed," Defense Minister Yitzhak Mordechai told reporters in the Knesset. "The main thing is to keep the momentum and progress going in the process with the Palestinians."

Labor Party leader Ehud Barak said national elections were the only kind of referendum that is justified.

"The only referendum which is called for is one on the continuation of the government — meaning elections. Let us do the straight and simple thing — call on the government not to hide behind gimmicks, non-binding referendums and ridiculous stalling maneuvers," but to put its policies to the test of elections, he said.

Israel has never held a referendum. The late Prime Minister Yitzhak Rabin had spoken of holding a national referendum on a future peace treaty with Syria.

Legal experts said holding a binding poll would require a change in the country's basic laws.

David Libai, a former Labor justice minister, said such a move would be time-consuming and costly. He added that proponents of a non-binding referendum would be hard-pressed to find the support in the Knesset needed to pass legislation on the matter.

Libai said there was no government in the world that would

summon the entire country as advisers on a policy issue.

"In a democratic country, we elect our leaders, the Knesset and the government, which is authorized to hold negotiations on agreements and bring them for approval before the Parliament," he said. □

Far-right Czech party ousted from Parliament

By Richard Allen Greene

PRAGUE (JTA) — A far-right party has failed to capture enough votes to enter the Czech Parliament.

The Republican Party, known for its anti-Gypsy and anti-Semitic rhetoric, and for opposition to the Czech Republic's joining NATO, polled only 3.9 percent during parliamentary elections this week.

Political parties must claim at least 5 percent of the popular vote in order to be seated.

In the outgoing Parliament, Republicans held 18 seats out of 200, having won just over eight percent in the 1996 elections.

The failure of the Republicans to be seated in the Parliament was "the biggest news of the election," said Jiri Pehe, a senior political adviser to Czech President Vaclav Havel.

"The most positive result of the election is that voters, although dissatisfied and distrustful of politicians, rejected extremism," said Pehe, who is Jewish.

The main reason voters turned away from the Republicans was that "they have exhausted their rhetoric," said Pehe. "Their billboards were very simplistic; they abandoned any attempt to have a comprehensive program and just relied on their hard-core voters."

Pehe added that mainstream parties had successfully appropriated some of the Republican Party's themes.

"Other parties adopted their anti-crime rhetoric, so people voted for parties that had a chance to actually implement those programs," he said.

Tomas Kraus, executive secretary of the Federation of Jewish Communities of the Czech Republic, said the election results show that anti-Semitic rhetoric was "useless" to the Republicans.

"It didn't help them, and maybe it even hurt them," said Kraus.

He pointed out that the federation has sued the newspaper *Republika*, which is closely associated with the Republican Party, for spreading hatred against Jews.

About 6,000 Jews are estimated to live in the Czech Republic.

Other than the failure of the Republicans to get into Parliament, the election results were predictable. The left-of-center Social Democrats won the largest number of seats, 74, but they must form a coalition government.

The Civic Democratic Party of Prime Minister Vaclav Klaus won 63 seats, the Communists 24 and the Christian Democrats 20.

Kraus said the Jewish community would be equally happy with any government that is formed and would approach any new government with the same demand: Complete the restitution of formerly Jewish properties.

The logic of coalition-building gives him reason to be hopeful.

The centrist Christian Democrats, among the country's strongest supporters of restitution of Jewish property, are almost certain to be in the next government. □