



Daily News Bulletin

Vol. 76, No. 154

Friday, August 21, 1998

81st Year

TOP NEWS IN BRIEF

Official: Targets included Israel

Compelling information that Islamic terrorist Osama bin Laden planned additional terror attacks against Americans and others is "presumed to include Israeli targets," according to a Clinton administration official.

U.S. forces attacked terrorist targets in Afghanistan and Sudan, President Clinton announced shortly before cutting short his vacation to return to Washington. A Saudi living in Afghanistan, bin Laden is suspected of being behind the terrorist bombings of the U.S. embassies in Kenya and Tanzania earlier this month. [Page 1]

U.N. maintains Iraqi sanctions

The U.N. Security Council decided to maintain sweeping sanctions on Iraq, declaring that Baghdad's latest refusal to cooperate with U.N. arms inspectors was "totally unacceptable." This marked the 40th time that the council refused to lift the sanctions, imposed at the time of Iraq's 1990 invasion of Kuwait.

Second insurer may settle

A German insurance firm will soon reach a settlement of unpaid claims from the Holocaust era, said a company spokesman. The announcement from Allianz came as Italy's largest insurance firm, Assicurazioni Generali, agreed to pay \$100 million as part of a settlement of a class-action lawsuit filed by Holocaust survivors. Generali's settlement involves opening its records.

Meanwhile, a private lawsuit for \$135 million against Italian insurance giant Assicurazioni Generali will go forward, despite an agreement by the firm to settle a separate class-action suit on Holocaust-era claims. Attorneys for the Stern family, which filed the private suit, said they will pursue their action in a Los Angeles court on a "fast track." [Page 2]

More crosses appear

More crosses appeared near the site of the Auschwitz death camp. Fundamentalist Polish Catholics added to the more than 100 crosses already at the site one day after the Polish government took legal control of a field outside the camp as a first step toward removing them.

Jewish groups, along with Polish state and church officials have called for the crosses' removal. [Page 4]

U.S., Israel prepare for more terror attacks by Islamic group

By Matthew Dorf

WASHINGTON (JTA) — The prospects of retaliation against American and possibly Israeli targets is high in the wake of U.S. military attacks against terrorist targets in Afghanistan and Sudan.

Compelling information that Islamic terrorist Osama bin Laden planned additional terror attacks against Americans and others is "presumed to include Israeli targets," according to a Clinton administration official.

U.S. forces attacked terrorist targets in Afghanistan and Sudan on Thursday after receiving information that Saudi millionaire bin Laden, who lives in Afghanistan, orchestrated the Aug. 7 bombing of the U.S. embassies in Kenya and Tanzania.

Bin Laden, whose fortune is estimated by U.S. officials at \$300 million, founded the World Islamic Front for Jihad Against Jews and Crusaders. President Clinton called bin Laden "perhaps the pre-eminent organizer and financier of international terrorism in the world today."

Clinton, in a televised address, said, "With compelling evidence that the bin Laden network of terrorist groups was planning to mount further attacks against Americans and other freedom-loving people, I decided America must act."

In a telephone interview with a Pakistani journalist Thursday before the U.S. attacks, bin Laden urged "Muslims all over the world to continue their jihad against the Americans and Jews." Bin Laden has spoken out in the past against Israel for "occupying Muslim land," against America for supporting the Jewish state and has called on his followers to oppose Arab rulers who made peace with Israel.

According to two Israeli officials in the United States, security is "ongoing" at Israeli sites across the world but in instances such as this, some sites go on higher alert.

Jewish groups in the United States and abroad were expected to beef up security, Jewish officials said, calling this move "routine."

U.S. officials take threats seriously from bin Laden, who U.S. intelligence believes bankrolled the World Trade Center bombing and has had a role in numerous attacks against U.S. forces overseas. "There is a high probability of retaliation somewhere in the world by this network or others who may seek to retaliate," said a senior U.S. intelligence official hours after American forces bombed a Sunni Muslim terrorist training camp in Afghanistan and a suspected chemical weapons factory in Sudan.

The United States plans more action in its aggressive campaign against the terrorist threats. "People should understand that this is not a one-shot deal here," the U.S. senior intelligence official said. "We are engaged in a real war against terrorism."

Israeli officials hailed the U.S. action. Defense Minister Yitzhak Mordechai praised the "decisive, brave action" of the United States. Israel did not supply military assistance to the United States for the attack, according to an Israeli official who said it is "highly likely" that the Jewish state provided intelligence support.

"Israel salutes the United States, which has proven once again that it will fight the scourge of terrorism," said Zalman Shoval, Israel's ambassador to the United States.

U.S. Jewish groups were quick to praise the attack. The leadership of the Conference of Presidents of Major American Jewish Organizations praised Clinton for ordering the raids. This attack "gives credibility to the U.S. policy that those who kill Americans abroad will be pursued," said Malcolm Hoenlein and Melvin Salberg, the group's executive vice chairman and chairman, respectively. □

MIDEAST FOCUS

Sex scandal's impact debated

Israeli and Palestinian officials disagreed about the impact the sex scandal plaguing President Clinton would have on the Middle East peace process.

Countering Israeli claims, several Palestinian officials said the scandal would leave Clinton weakened and unable to push peace moves forward.

Sharon counters water charges

Repeated Palestinian claims that Israel is not providing the self-rule areas with sufficient water are "baseless," according to Israel's infrastructure minister.

"Israel has fulfilled all its obligations according to the Oslo Accords — and more," said Ariel Sharon. He called the claims "another excuse to suspend the peace process."

Israeli tourism posts losses

The deadlocked peace process has led to a 20 percent drop in tourism during the past three years, Israel's Hotel Association said.

The group added that tourism revenues decreased by \$400 million during the same period.

Transfer plan to reach committee

A plan to transfer some \$20 million from secular to religious schools in Israel will soon be submitted to a Knesset committee, according to the Israeli newspaper Ha'aretz.

A member of Knesset from the Labor Party, Ophir Pines, said the transfer would be the equivalent of switching 700 job slots to the religious school system.

Scientists develop birthing probe

Scientists at the Technion in Israel have developed electronic probes that monitor the progress of a baby's delivery. The probes, which still have to be tested and approved, check a woman's uterine contractions during delivery.



Daily News Bulletin

Caryn Rosen Adelman, *President*

Mark J. Joffe, *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.

State official, survivors voice concerns over Generali deal

By Avi Machlis

JERUSALEM (JTA) — A day after Italy's largest insurer agreed to pay \$100 million as part of a settlement of Holocaust-era claims, concerns have emerged about the deal.

Those concerns were voiced Thursday by a U.S. state official visiting here and Holocaust survivors in Israel. Deborah Senn, the insurance commissioner of Washington state, said claims by Holocaust survivors against Assicurazioni Generali could top \$1 billion. Senn told reporters that she would "absolutely not" sign the agreement with Generali if the company would not agree to pay more than \$100 million.

The settlement is subject to the approval of a U.S. federal judge and the U.S. National Association of Insurance Commissioners, a task force headed by Senn that has been investigating claims that European insurance firms blocked payments to the families of death camp victims.

Generali's board of directors is expected to meet Aug. 28 to approve the settlement.

Senn was visiting Jerusalem for meetings with senior Israeli officials about the Generali settlement. Bobby Brown, the prime minister's adviser on diaspora affairs, was among those meeting with Senn.

"The insurance chapter is beginning to unfold," said Brown, calling the settlement agreement a "substantial step forward in the claims of Holocaust victims."

Senn and Brown noted that the agreement calls for Generali to open all its wartime records — which could include important information about the wartime activities of other European insurers. Generali recently gave the Yad Vashem Holocaust Memorial a CD-ROM containing more than 300,000 names of policy holders from the World War II era. The majority of those names are Jews, Yad Vashem officials said Wednesday. But Generali gave the CD to Yad Vashem on condition that it does not publicize the lists. Before reaching the settlement, Generali was one of 16 insurers facing a class-action lawsuit for \$16 billion filed on behalf of survivors.

Lawyers for the survivors estimate that the lawsuit, pending in New York federal court, could affect 10,000 claimants and involve billions of dollars in damages.

There is another potential pitfall in the Generali settlement — how a value will be placed on the insurance policies for which claims have been filed.

Senn said most of Generali's files contained life insurance policies that were originally worth between \$1,000 and \$10,000 — and which are now worth ten times that amount in current valuation rates.

She said Generali and other insurers may try to limit their liability by saying that deflated postwar currency rates should be used to value the policies.

Some Holocaust survivors in Israel also expressed concerns about the settlement.

Moshe Sanbar, chairman of the Center of Organizations of Holocaust Survivors in Israel, representing 29 groups and some 300,000 survivors, said the agreement was reached too fast. "I still have no idea whether they will make sure that every survivor will be able to access information necessary to submit a claim," he said.

Meanwhile, a private lawsuit for \$135 million against Generali will go forward, despite Wednesday's settlement. Attorneys for the Stern family, which filed the suit and resides in the United States, Israel and Britain, said they will pursue their action in a Los Angeles Superior Court on a "fast track."

The plaintiffs are the children and grandchildren of Moshe "Mor" Stern, a wine and spirits producer in Hungary before the war who took out insurance policies with Generali that are now said to be worth \$10 million.

He perished in Auschwitz, together with his wife and three of their six sons.

Lisa Stern, a member of the family and co-counsel in the case, said the suit asks for \$125 million in punitive damages, in addition to the \$10 million in actual damages.

Under a recent California law, plaintiffs against European insurance companies that do business in the state can sue in California state courts. The law extends the statute of limitations for such claims to the year 2010. □

(JTA correspondent Tom Tugend in Los Angeles contributed to this report.)

JEWISH WORLD

Israeli ministers bracing for stormy budget battle

By Avi Machlis

JERUSALEM (JTA) — Vacationing Israeli Cabinet ministers are gathering strength before a new round of meetings on the government's 1999 budget.

The meetings, which are slated for later this month, are expected to be stormy as individual ministers, representing different political parties, fight for their particular interests.

The main objective of government spending for next year is to boost economic growth while at the same time trimming the budget deficit.

Israel's economy grew by only 1.7 percent during the first half of 1998, as a prolonged economic slowdown continued, according to data released this week by Israel's Central Bureau of Statistics.

Boosting growth is one of Prime Minister Benjamin Netanyahu's biggest concerns. The slowdown has caused unemployment to rise from 7.7 percent last year to 9.3 percent, according to recent statistics.

Netanyahu confidently headed out on his summer holiday in the northeastern Israeli city of Tiberias this week after pushing the general framework of next year's budget through the Cabinet earlier this month.

The government has approved a budget of about \$51 billion for 1999 and an inflation target of 4 percent, compared to a 7 percent to 10 percent target this year. It also seeks to reduce the budget deficit, from a planned 2.4 percent of gross domestic product this year to 2 percent next year.

This involves cuts of some \$66 million, and each ministry will be asked to contribute equally.

Finance Minister Ya'acov Ne'eman is intent on resisting pressures from ministers to break the budgetary framework.

Finance Ministry officials say cutting the deficit is a key to boosting growth, since lower government spending frees up more funds for the private sector. In addition, planned budget cuts aim to reduce inefficiency at ministries in manpower and general administrative expenses.

Funds will not be cut from infrastructure projects, which analysts and officials agree is a key tool for reviving economic growth.

However, while ministers agree that steps to boost growth are badly needed, they are unlikely to sit quietly when asked to tighten their belts. Indeed, there are rumblings of conflict in the air, with the Ministry of Defense already asking for additional funds for specific strategic goals.

The Finance Ministry says it has the means of making special provisions for defense needs, but insists any additional allocations will not breach the budgetary framework.

But last year, Netanyahu caved in to several demands for additional funding from his coalition partners in extremely stormy budget discussions.

The budget was not approved by the Knesset until the first week of January 1998 — after the end-of-year deadline.

Controversy over budget cuts also led David Levy to resign his post as Netanyahu's foreign minister just a few days before the budget vote. □

Torture claim against Palestinian security

JERUSALEM (JTA) — A man's death in a West Bank jail is calling into question the human rights record of the Palestinian Authority.

Walid Mahmoud Kawasmeh's family charges that Palestinian intelligence officers tortured him to death during 10 days he spent in their custody.

Palestinian leader Yasser Arafat ordered an inquiry into the charges, which have reportedly prompted an outcry from Palestinian human rights groups and an angry public. □

Reimer trial ends

The trial of suspected a Nazi war criminal in Manhattan ended after two weeks of testimony. But the federal judge will accept further evidence before issuing a ruling, which is not expected for several months. The judge will leave open court records while defense lawyers locate three potential witnesses who may have known Jakob Reimer during the war.

Reimer is accused of lying about his wartime activities on a U.S. visa application and can be stripped of his citizenship if found guilty.

Russian immigration discussed

Israeli officials said they do not expect increased immigration from Russia because of that country's economic crisis. The chairman of the Jewish Agency for Israel, Avraham Burg, said he does not view Russia's decision to devalue the ruble this week — a move that will likely create widespread economic hardships for Russian consumers — as an opportunity to urge more Russian Jews to emigrate.

New Jordanian premier named

A former Jordanian ambassador to the United States was appointed the Hashemite kingdom's prime minister.

Fayez Tarawneh had also been leader of the Jordanian negotiating team that helped forge the historic 1994 peace treaty with Israel. The 49-year-old economist replaces Abdul Salam al-Majali.

Youths clearing camp site

Youths from across Europe are clearing the site of a long-neglected Nazi concentration camp.

The Elrich camp, which held an estimated maximum of 8,000, sat for decades on no-man's-land between the border separating East and West Germany. Many of the camp's inmates were worked to death digging tunnels for the Nazi's rocket program.

Religious leaders meet in Oslo

An interfaith group of religious leaders pledged to form an international coalition to eliminate intolerance and discrimination. The more than 100 delegates attending a four-day conference in Oslo said that religious differences were a common dominator in many armed conflicts around the world.

Ashcroft attends fundraiser

A Jewish conservative Republican fund-raising group hosted U.S. presidential hopeful Sen. John Ashcroft (R-Mo.) at a New York kosher steakhouse. Ashcroft told some 100 activists with the Young Jewish Leadership PAC that President Clinton lacked the moral authority to continue leading the nation. He raised \$5,000 from the group.

BEHIND THE HEADLINES**Forest of crosses at Auschwitz sparks tensions in Polish church**

By Ruth E. Gruber

ROME (JTA) — A growing forest of more than 130 crosses placed near the gates of Auschwitz has sparked a new crisis in the perpetually strained relations between Poles and Jews.

The crisis, however, reflects not only continuing friction between Jews and Polish Catholics over how the site of the former death camp should be viewed and how the memory of the more than 1.5 million people who were murdered there — 90 percent of them Jews — should be honored.

The conflict over the crosses, which were set up during the past few weeks by fundamentalist Catholics, also underscores tensions within Poland's Roman Catholic Church itself, within the country's center-right coalition government — and between the church and state.

"This is not a Catholic-Jewish war — yet," Konstanty Gebert, editor of the Polish Jewish magazine *Midrasz*, told JTA.

"So far, it is a conflict within the Catholic community itself, where a group of fundamentalist fanatics has hijacked the entire issue."

In an attempt to defuse that conflict, the Polish government took legal control Wednesday of the field where the crosses have been erected.

"This will make further actions possible," Prime Minister Jerzy Buzek was quoted as saying, without elaborating.

In addition, a government source in Warsaw told JTA that Polish Foreign Minister Bronislaw Geremek was meeting with Polish-born Pope John Paul II this week at the pope's summer residence near Rome.

Geremek's visit was private, but he was sure to discuss the issue and a possible papal response to it.

Polish Cardinal Josef Glemp, who has antagonized Jewish leaders in the past with his comments about the legacy of Auschwitz, has already called on Catholics not to erect new crosses, but to no avail.

A special meeting of Polish bishops scheduled for Aug. 26 may help resolve the issue.

Backed by some hard-line priests, radical Catholics began setting up the crosses just outside the walls of the former Nazi death camp at the end of July to protest the possible removal of a 21-foot cross that stands there.

That cross was used by the Pope in a mass at Auschwitz in 1979.

Kazimierz Switon, the radical Catholic activist who organized the actions, called this week for supporters to place even more crosses at the site — defying Glemp and other Polish bishops, local and international Jewish organizations, Polish media and other groups.

He said he wanted 152 crosses to stand there to commemorate Poles who were killed at the death camp.

Throughout the world, Auschwitz is regarded as the symbol of the Holocaust and the biggest Jewish graveyard.

Jews say no religious symbols should be allowed to be placed there.

But tens of thousands of Polish Catholics also were killed at

Auschwitz, and Poles regard the camp as the symbol of Polish suffering under the Nazis.

During the past decade, Auschwitz has been the scene of several conflicts between Jews and Polish Catholics, most notably over the establishment of a Carmelite convent in a building just outside the camp.

The nuns eventually were moved to a new convent after the conflict was resolved in 1993. The so-called papal cross stands in a fenced-in area near the building that had been used as the convent.

"The fact is that most of the people involved now in setting up the new crosses do not have any noble reason for what they're doing," a Catholic source who has followed the affair said in an interview.

"It's not about the Holocaust," he said.

"It's a provocation by reactionaries opposed to Polish integration into Europe and transformation into a modern democratic state. They are using anti-Semitism [in the guise of national pride]."

Gebert said it was "terribly disappointing" that Jews had to explain once again why crosses were not acceptable at Auschwitz and to restate Jewish determination to combat religious symbols there.

But, he said, the atmosphere surrounding the current crisis so far is different from that during the Carmelite crisis.

"It is important to note that there is none of the knee-jerk, rally-around-the-cross reaction characteristic of the previous conflict," he said.

"The opinions of the church leadership are diversified, and public opinion takes a much more relaxed stance."

Indeed, while a survey on Monday showed that more than 70 percent of Poles wanted to prevent removal of the large cross associated with the pope, only 32 percent of those surveyed supported the erection of new crosses.

Many Jewish groups in Poland and abroad have called for the crosses to be removed, but Jews so far have refrained from public demonstrations at the site.

During the convent crisis, Poles reacted with an outrage tainted with anti-Semitism when New York Rabbi Avi Weiss and his followers climbed over a fence outside the cloistered convent as part of a protest.

"Jewish reaction so far has been dignified and determined," Gebert said. "We need to keep it that way. Any demonstrations in front of the crosses would only inflame matters further. As long as there is hope for a negotiated solution, such measures should be avoided."

But, he added, "If that hope does dim, then we may have to reconsider." □

Abu Nidal arrest denied

JERUSALEM (JTA) — Egyptian security officials denied that they had arrested terrorist Abu Nidal.

Rumors of his arrest in Egypt have been circulating in Lebanon, the West Bank and Gaza Strip.

Abu Nidal, whose real name is Sabri al-Banna, is wanted for masterminding many terrorist atrocities, including the Dec. 27, 1985, twin attacks on the Rome and Vienna airports in which 17 people were killed. □