



Daily News Bulletin

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81st Year

TOP NEWS IN BRIEF

U.S. officials offer arms to Israel

American defense officials offered to sell 30 F-15 and 60 F-16 fighter jets to Israel for \$5 billion to help maintain the Jewish state's military advantage over potential regional foes. The proposed sale will help "improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in the Middle East," the Pentagon said.

'A lot of work to do'

U.S. Secretary of State Madeleine Albright said she and Israeli Prime Minister Benjamin Netanyahu had "made some progress" but still had "a lot of work to do." Albright made her comments after a 75-minute meeting at a New York hotel Wednesday afternoon with the Israeli leader. [Page 4]

Generali has second thoughts

Italy's largest insurance company backed away from an agreement to pay \$100 million to families of policy holders who died in the Holocaust. Assicurazioni Generali agreed to pay that money provided Holocaust survivors and their heirs relinquish all claims against the company.

But U.S. insurance regulators who have been working to resolve Holocaust-era insurance claims want assurances that the payment does not eliminate Generali's total liabilities, which some officials believe could reach into the billions of dollars.

Siemens to set up fund

A second German firm said it would set up a fund to compensate slave laborers who worked for the company during World War II. The decision by the electronics firm Siemens to establish the \$11.9 million fund comes two months after Volkswagen announced a similar move. Siemens is one of the defendants in a class-action lawsuit filed against German companies who allegedly profited from such labor during the war.

Vatican completes draft

The Vatican said it had completed the draft of a document in which the Roman Catholic Church might ask for forgiveness for its past treatment of Jews. It is unclear when the document, which will be presented to a commission for discussion next week, will be released.

BEHIND THE HEADLINES

Newly opened Jericho casino lures hundreds of Israeli players

By Avi Machlis

JERICHO, West Bank (JTA) — The biblical Joshua who led the Israelites' siege of Jericho could never have dreamed that stud poker would breathe life back into this dusty Palestinian-ruled town.

But last week, hundreds of Israelis made the short 30-minute drive down the winding road from Jerusalem to place their bets at Oasis, a new gambling complex in Jericho and the first big foreign investment in the Palestinian self-rule areas.

They found 35 gaming tables and 220 slot machines amid the classic casino-kitsch decor beneath a star-studded ceiling. The \$50 million casino is the first stage of a \$150 million investment in a tourist complex that will eventually include 800 hotel rooms, a golf course and conference facilities.

Paul Herzfeld, chief executive of Casinos Austria, which operates Oasis, said Jericho was chosen because of "the magical setting of the desert against the city."

His description of the setting made no mention of an impoverished Palestinian refugee camp directly across the road, perhaps because the camp is hard to see at night — it has no electricity.

The contrast between the casino's opulence and the stark poverty of the refugee camp is just one of several controversies surrounding Oasis, but it did not impede the action on opening night last week, when nearly all the gamblers were Israeli.

Most appeared to be experienced gamblers.

Until Oasis opened, they had to travel abroad, board a gambling ship off the southern resort town of Eilat or join illegal casino parties to bet.

Peering over the crowd gathered around a roulette table, a man who calls himself Mike, a clean-cut 38-year-old accountant from Tel Aviv wearing a rainbow-colored tie and a black kippah, prepared to wager up to \$5,000 on blackjack.

"It's a nice place, but a bit small," says Mike, a veteran of casinos all over the world. "Living in Israel is one big gamble. If you gamble with your life, you might as well gamble with your money."

It doesn't matter to Mike that he must go to a Palestinian area to bet.

"At least we get to kick the Arabs' asses when we win," he says.

"Anyway, this money is going to go straight into the pockets of Arafat's friends, not the Palestinian Authority," he adds, repeating a persistent rumor that senior Palestinian officials are casino shareholders and that the Palestinian Authority will see little tax revenues from the venture — revenues that were one of the justifications Palestinian Authority Chairman Yasser Arafat provided for supporting the casino.

At almost every table, at least one player wore a black skullcap.

Mike is not surprised at the number of observant Jews at the tables. Surmising that there are probably many more who have removed their kipot when they entered, he predicts that many American yeshiva students will become regulars.

"The yeshivas will have to put a checkpoint here sooner or later," he jokes, recalling how rabbis often try to keep their overseas students away from pubs and clubs in downtown Jerusalem.

Some Israeli rabbis have already criticized the casino — a move that puts them on rare common ground with Islamic spiritual leaders who condemned Oasis, since Islam forbids both gambling and alcohol.

Hamas, the fundamentalist Islamic movement, was quick to lash out at the "devil"

MIDEAST FOCUS

Khatami stresses dialogue

Iranian President Mohammad Khatami denied Iran's role in sponsoring terrorism and anti-Israel guerrillas in Lebanon.

Speaking at the United Nations on his first trip to New York, Khatami stressed instead the need for "dialogue among civilizations." While Khatami also said that "Palestine" is the homeland of Muslims, Christians and Jews and "not the laboratory for the violent whims of Zionists."

Two Israeli soldiers killed

Two Israeli soldiers were killed in a tank accident near the Litani River in southern Lebanon. Three other soldiers were wounded when the tank overturned and fell into the river. Israeli Knesset members demanded that a committee review army accidents.

Israel eases closure

Israel eased a closure imposed on the West Bank and Gaza Strip, allowing entry to 22,000 Palestinian workers and businessmen. The closure came in the wake of threats by Hamas officials to retaliate for the recent killings of two leaders of the group's military wing by Israeli security forces.

Israelis back Clinton

Approximately 80 percent of Israelis believe President Clinton should not be impeached, according to a new poll. The survey was conducted immediately after Israel Television broadcast Clinton's grand jury testimony regarding the Monica Lewinsky affair.

Secular studies to be excluded

Yeshiva high schools being established by Israel's fervently Orthodox Shas Party will not include secular studies. The director general of the body administering the yeshivot, Rabbi Ya'acov Hemed, was recently quoted as saying there is no need "to waste" four years on secular subjects.

casino as an enterprise serving "the Zionists and those who became rich over the suffering of our people."

Though some residents of Jericho will find jobs at the resort, many are uncomfortable with the project and fear it could bring crime and prostitution to their quiet town.

Herzfeld of Casinos Austria insisted that the casino took into consideration the "spiritual, religious and cultural specificities of the region."

But Arafat was taking no chances. Eager to avoid confrontation with an increasingly powerful Hamas, he prohibited Palestinians from the premises. Nevertheless, several Palestinians used foreign passports to come in on opening night.

Inside, the casino provided rare glimpses of what the "new Middle East" envisioned by former Prime Minister Shimon Peres could look like, even though that vision of regional peace and prosperity has virtually vanished in the peacemaking crises of the past two years.

Around the tables, drinks in hand, Israelis rubbed shoulders with wealthy Palestinians who defied Arafat's orders to stay away. To enter the casino, Israelis nonchalantly submitted themselves to security checks by polite, smiling, Hebrew-speaking Palestinian security guards.

Security guards were less pleasant when they ordered this reporter to leave the premises for "disturbing" the gamblers. They also attacked an Israeli photographer from Kol Ha'ir, a weekly newspaper in Jerusalem, who photographed a senior Palestinian Authority member with close ties to Arafat who is rumored to be an Oasis investor.

Casinos Austria officials refused to discuss the ownership structure of Oasis. In addition, they would not say how much taxes would be paid to the cash-strapped Palestinian Authority from casino revenues. They did say that the agreement under which the casino was built was "favorable" to the company, one of the biggest casino groups in the world.

The tight ring of security also reminded gamblers that Oasis was far from European, despite intense efforts by Gitam BBDO, an Israeli public relations and advertising agency, to create such an image.

A two-page centerfold spread in the weekend magazine section of Yediot Achronot, Israel's most popular daily, shows blonde, stylishly dressed European-looking women placing their bets next to dapper, smiling men in suits.

"The dream is already here," proclaims the ad, boasting an "international atmosphere" between the Dead Sea and Jericho. The word "Palestinian" does not appear once.

Inside the casino, the scene was far less glamorous, despite the shine of the new premises. There were few women to be seen, most of the male gamblers looked intense as losses mounted, and they dressed far less finely than the models in the ads.

The only hint of Europe was the staff brought in to train the Palestinian dealers and oversee the operation. They are being housed at Ma'aleh Adumim, a Jewish settlement just outside Jerusalem. Casino officials said there was simply no room in Jericho.

None of these issues mattered much to Israeli gamblers. In fact, as Israeli lawmakers heard about the heavy action and a potentially high tax windfall, some even talked about legalizing gambling in Israel.

Yossi, an Atlantic City veteran who did not give his last name, would certainly give them his vote. "It's nice here," he says, looking around and puffing on a cigarette as he heads back for the tables with several thousand dollars in his pocket. "But it would be better if we could spend our money in Israel." □

Thousands of Russians attend shul

MOSCOW (JTA)—Some 11,000 Jews attended services at Moscow synagogues and a concert hall on the first night of Rosh Hashanah in what was believed to be the largest turnout for services in the Russian capital since the fall of communism.

More than 5,000 gathered at the unfinished building of a Jewish community center, according to Moscow police sources. Jewish leaders said they were also pleased to see about 1,300 young Jews attend a holiday service organized by the Moscow Hillel organization and the American Jewish Joint Distribution Committee at the local Radisson hotel. □



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JEWISH WORLD

Israel, Palestinians prepare to face off at United Nations

By Julia Goldman

UNITED NATIONS (JTA) — The Palestinians are bringing their campaign for statehood to the United Nations.

A draft Palestinian resolution, which will be presented to the U.N. General Assembly during its current session, would recognize the Palestinians' "right to establish an independent state."

The Palestinian representative at the U.N., Nasser al-Kidwa, said he is confident the resolution will succeed.

"The challenge is not to pass the resolution. It will pass anyway," al-Kidwa said in an interview. "The challenge is to maintain support to pave the way for what is to follow."

But Israel's U.N. ambassador, Dore Gold, maintains that such a resolution "will introduce anarchy into international agreements."

Warning that any declaration of statehood in the absence of a final-status accord would violate already signed agreements, Gold said, "The Oslo agreements do not expire on May 4, 1999."

The question of Palestinian statehood, according to the Oslo accords, is one of the final-status issues that was expected to be resolved in direct Israeli-Palestinian talks no later than that date, which is the end of the interim period spelled out in the accords.

But with the peace process deadlocked for more than 18 months, it appears that final-status talks, which also include such highly contentious issues as the status of Jerusalem, Israeli settlements and Palestinian refugees, will not be concluded in the next eight months.

Earlier this month in South Africa, Palestinian Authority Chairman Yasser Arafat appealed to the 113 non-aligned U.N. member-nations for support during "this fateful phase of the militant march of our people" in making a "historic decision."

When Arafat addresses the U.N. General Assembly next week, Israel expects him to repeat that speech, in which he declared that the decision to be made "is the establishment of the state of Palestine in the territories occupied since 1967."

Arafat's appearance will come just days after Israeli Prime Minister Benjamin Netanyahu's address to the world body, which was scheduled for Thursday.

During last year's U.N. session, the Palestinians stepped up their efforts to bolster their status in the world body.

Their efforts culminated in July, when the Palestinians were granted "additional rights and privileges of participation" in the General Assembly by an overwhelming vote.

The new status grants the Palestinians the right to participate in the General Assembly's general debate and the right to co-sponsor draft resolutions and decisions on Palestinian and Middle East issues. But the Palestinians are excluded from the right to vote or to put forward candidates for U.N. committees.

Long ostracized at the world body — it has never been Israel's "home field," in Gold's words — Israel enjoyed a brief respite from attacks after the Oslo accords were signed in 1993. But since the peace talks stalled, Israel has once again been put on the defensive here.

With debates set to begin next week among the U.N.'s 185 member-nations, Israel is preparing for "a very clear international agenda that is emerging," Gold said.

In addition to the Palestinian agenda, among the issues of greatest concern to Israel are international terrorism and arms control in the wake of nuclear tests by India and Pakistan.

The Palestinians are also expected to challenge Israeli sovereignty over Jerusalem and to focus attention on what they see as Israel's illegal settlement activities there, which last session drew criticism in the form of two resolutions passed in an emergency special session of the General Assembly and a presidential letter from the U.N. Security Council.

A harsher, Arab-sponsored Security Council resolution was rejected, largely due to pressure from the United States. □

Zyuganov sends greetings

The leader of Russia's Communist Party sent Rosh Hashanah greetings to the country's Jewish community. In his letter read during this week's celebrations at the Moscow Choral Synagogue, Gennady Zyuganov noted the Jewish contribution to the defeat of Nazi Germany and condemned anti-Semitism in Russia. On several occasions in the past, Zyuganov has made thinly veiled racist and anti-Semitic statements.

Saatchi brothers launch shul

Two British Jewish brothers known for the advertising firm they founded are opening a synagogue that will be named after them.

Charles and Maurice Saatchi, whose campaigns helped former British Prime Minister Margaret Thatcher win three electoral races, have launched a full-blown advertising campaign for their own Orthodox synagogue. The Saatchi Synagogue is scheduled to open in October.

U.S. calls for Lileikis trial

The United States called on Lithuania to have a former U.S. citizen stand trial for war crimes. The call to "take whatever steps are necessary" to bring Aleksandras Lileikis to justice came after his trial was suspended indefinitely earlier this month and postponed three times earlier this year.

Lileikis, 91, is accused of having given Jews over to Nazi death squads when he was head of the Nazi-sponsored Lithuanian security police during World War II.

Court rules against officer

A Canadian court ruled that the country's military was within its rights to turn down a Jewish naval officer who wanted to serve in the Middle East during the 1991 Gulf War.

Andrew Liebmann had contended that he was the victim of religious discrimination when he was rejected for an important position in the Gulf because he was Jewish. Military officials had argued that his religious background might have caused friction during dealings with Arab officials.

Dutch Jews criticize researcher

Dutch Jewish leaders criticized a researcher for saying he wanted money before he releases five newly surfaced pages from Anne Frank's wartime diary. The leaders said Cor Suijk's demand "makes people sick." Suijk said he needed the funds to support the activities of the New York-based Anne Frank Center.

He created a stir last month when he disclosed the existence of the pages, in which Anne criticized her parents' marriage.

Progress, but no breakthrough, after Netanyahu meets Albright

By Julia Goldman and Mitchell Danow

UNITED NATIONS (JTA) — Expectations of a breakthrough in the long-deadlocked Israeli-Palestinian talks remain in the air after inconclusive talks this week between Israeli Prime Minister Benjamin Netanyahu and U.S. Secretary of State Madeleine Albright.

Emerging from the 75-minute meeting at a New York hotel Wednesday afternoon, Albright said the two leaders had "made some progress" but still had "a lot of work to do."

State Department spokesman James Rubin called the session "very constructive."

The two leaders were in New York to attend the U.N. General Assembly, which Netanyahu was scheduled to address Thursday. Albright is also expected to meet here with Palestinian leader Yasser Arafat, who arrives Sunday.

But a meeting between Arafat and Netanyahu is unlikely, since the Israeli leader leaves New York that same day after meeting with Jewish organizational leaders, journalists and community activists.

Israeli officials said a meeting between the two men had not been scheduled.

Despite intermittent phone calls — including one this week, when Arafat called Netanyahu to wish him Jewish New Year's greetings — the two have not met since last October.

There had also been word of a possible breakthrough late last week, when U.S. Middle East envoy Dennis Ross extended his stay in the region for additional talks with the two sides.

But Ross wrapped up his 11-day mission Saturday without achieving substantial progress in the talks.

Before leaving, he said, "We have made some headway, but there is still work to be done."

The talks have focused on a U.S. initiative that calls for Israel to redeploy from an additional 13 percent of the West Bank in return for a tougher Palestinian stance on security issues.

Israeli officials have said they reached agreement on the redeployment figure, but that the Palestinians are balking on a memorandum spelling out specific steps they would take to crack down on militants.

The gaps between the sides still appear wide, given Arafat's statement to reporters in the Gaza Strip on Tuesday that Netanyahu is destroying the peace process.

For his part, Netanyahu told reporters Wednesday that he believes Albright now understands that Israel is ready to move forward on the peace process, and he implied that the Palestinians are holding up the process.

"If it were up to Israel and the United States, we would make progress very rapidly," he said.

Netanyahu said the Palestinians have yet to carry out their responsibilities in making sure their territory will not become a haven for terrorists.

Observers say the two sides, reluctant even under the best of conditions to make concessions, are even less likely to do so at this point in time. They point to the perception that President Clinton, burdened with a sex scandal, is unlikely to pressure either of the two sides to live up to already-signed commitments. □

Swiss anger with Israel threatens joint conference

By Fredy Rom

BERN (JTA) — Angry at Israeli Prime Minister Benjamin Netanyahu, Swiss officials may cancel an economic conference aimed at improving bilateral business ties.

Their anger was sparked by a letter the premier recently wrote to Edgar Bronfman in which he thanked the president of the World Jewish Congress for his efforts to get Swiss banks to pay Holocaust-era claims.

The WJC campaign culminated last month with the announcement that Switzerland's two largest private banks would pay \$1.25 billion to settle survivors' claims that the banks withheld dormant accounts from their rightful owners and profited from wartime trade in looted Nazi gold.

"You have proved moral leadership in a long and tough struggle against those who profited from the unspeakable suffering of millions of Jews," Netanyahu wrote. "You have done this with great pride, dignity, skill and aplomb."

The letter, which was leaked to the Swiss daily newspaper *Blick*, prompted the Swiss government to re-evaluate whether the Nov. 25 conference will take place. Netanyahu and Swiss President Flavio Cotti were originally scheduled to open the conference.

"The government will have to decide if the conference and Netanyahu's visit to Switzerland can take place," a spokeswoman for the Swiss Foreign Ministry said.

Swiss officials feel betrayed by Netanyahu, who had distanced himself from Bronfman's efforts when Cotti visited Israel in May. Israeli officials are now engaged in damage control.

Last Friday, the director general of Israel's Foreign Ministry, Eitan Ben-Tsur, telephoned the Swiss ambassador to Israel, Pierre Monod, to explain that the letter was not meant as an insult.

But the Swiss government, which discussed the issue at its weekly Cabinet session Monday, is seeking more explanations about the letter so that "relations can return to business as usual," according to Cabinet Secretary Achille Casanova.

On Wednesday, the Swiss government ordered a high Defense Ministry official to cancel a trip to Israel scheduled for Sunday.

Israel's normally good relations with Switzerland suffered earlier this year, when Swiss police arrested a Mossad spy during a botched eavesdropping mission in Bern. Israel subsequently apologized for the incident. □

Lubavitcher leads Senate prayer

WASHINGTON (JTA) — Alluding to the Monica Lewinsky scandal and partisan conflicts in Congress, a Lubavitch rabbi has asked senators to "judge each other at least as favorably as we would like to be judged ourselves."

Rabbi Levi Shemtov, director of the Washington office of the American Friends of Lubavitch, led the Senate in its opening prayer Sept. 17, becoming the second rabbi to do so this year.

"As our nation faces tremendous challenges, we also possess a deep, enormous faith and capacity for healing," he said.

Commenting on his appearance, Shemtov said, "This is an opportunity people before me dreamed about." □