



# Daily News Bulletin

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81<sup>st</sup> Year

## TOP NEWS IN BRIEF

### Albright upbraids Sharon

U.S. Secretary of State Madeleine Albright told Israeli Foreign Minister Ariel Sharon that the Jewish state must fulfill its obligations under the Wye agreement.

Sharon, who is on a three-day visit to Washington, did not directly respond to the unusually blunt public comments made at a press conference by Albright, who aides said is incensed at the Israeli Cabinet's decision last week to suspend further troop redeployments until the Palestinians meet a set of conditions. [Page 3]

### Early election showdown avoided

Israeli Prime Minister Benjamin Netanyahu engineered a procedural move that delays by at least one week a vote that would force early elections. The move came after the premier failed to get former Foreign Minister David Levy and his Geshar Party to rejoin the governing coalition.

Making a statement on Israel Radio, Levy described his discussions with the premier as a "sham." Sources close to Netanyahu quoted the premier as saying that giving the Finance Ministry portfolio to Levy, an advocate of social spending, would be "disastrous" for the Israeli economy.

### Hevesi calls for merger delay

A New York City official called for a delay in a proposed merger between an American bank and a German bank that faces a class-action suit from Holocaust survivors.

City Comptroller Alan Hevesi's comments came a week after survivors involved in the suit against Deutsche Bank called for such a delay. Hevesi and other U.S. finance officials took an active role earlier this year in persuading Swiss banks to reach a \$1.25 billion settlement of Holocaust-era claims.

### Clashes continue on West Bank

More than 60 Palestinians were reportedly hurt in separate clashes with Palestinian police and Israeli soldiers in the West Bank.

Four Israeli policemen and an Israeli civilian were also injured. The clashes are part of ongoing confrontations in the West Bank prompted by Palestinian demands that Israel free Palestinian political prisoners.

## FOCUS ON ISSUES

### Drive for restitution prompts doubts about Holocaust legacy

By Daniel Kurtzman

WASHINGTON (JTA) — New momentum created by an international conference in Washington on Holocaust-era assets may help resolve some of the thornier areas in the ongoing restitution battle.

After the successes of the last few years in attaining compensation for looted gold and long-dormant bank accounts, Holocaust survivors may now see hundreds of millions of dollars more flow their way for looted artworks and unpaid insurance claims.

But at what cost?

That's a question at least one prominent Jewish official has been asking lately.

Abraham Foxman, national director of the Anti-Defamation League, has been increasingly outspoken in recent weeks about his concern that money has come to dominate discourse and activity regarding the Holocaust.

"A new 'industry' has sprung up, spearheaded by lawyers and institutions, in an effort to get what they call 'justice' for Holocaust victims. As a Holocaust survivor, I question for whom they speak and how they define 'justice,'" Foxman wrote in an op-ed piece published last week in the Wall Street Journal.

"The focus must remain on discovering the truth, on revealing and owning up to the past."

It is a concern that other Jewish leaders and Holocaust survivors have also expressed as the historic record unfolds, claims mount and lawyers traverse Europe and Israel looking to sign up new clients. For some, a brewing dispute over how to distribute a recent \$1.25 billion settlement with Swiss banks — some lawyers for Holocaust survivors have demanded attorneys fees — has only fueled the argument that focusing on financial matters risks damaging the memory of the Holocaust.

Nobel laureate Elie Wiesel, speaking at a ceremony at the U.S. Holocaust Memorial Museum that opened last week's conference, offered the delegates from 44 countries and 13 private non-governmental organizations something of a moral guidepost on the issue as they set about their work.

"Permit me to express my hope that we have not come here to speak about money. We have come here to speak about conscience, morality and memory," Wiesel said, adding that memory is "our only fortune."

"Usually anti-Semites say about us Jews that we speak about lofty things, but we mean money. Just the opposite: Here we speak about money, but we think of other things," Wiesel said in his most prolonged reflection to date on the restitution efforts of the past few years.

U.S. Undersecretary of State Stuart Eizenstat, who organized the conference, said the agenda was set with the goal of recognizing that money must not be the final word on the Holocaust. To drive home that point, he and Miles Lerman, chairman of the U.S. Holocaust Memorial Council, urged the nations gathered at the conference to agree to strengthen programs for Holocaust education.

At the same time, Eizenstat — who himself spoke out last year against class-action lawsuits against Swiss banks — emphasized that legal action has played an important role in the restitution process.

"Some of these issues would not have come to people's attention had it not been for suits having been brought, so I think it's not appropriate to have a sort of

## MIDEAST FOCUS

### Lawmakers oppose Clinton trip

Several Israeli ministers said they oppose President Clinton's planned visit to the region later this week. During the weekly Cabinet meeting, a number of ministers questioned the trip's timing, saying that it could put pressure on Israel to carry out another West Bank redeployment. Other ministers suggested that Clinton's planned visit to the Gaza Strip would be viewed as giving legitimacy to Palestinian ambitions for statehood.

Meanwhile, the speaker of the Israeli Knesset said he would boycott all official events for Clinton. Dan Tichon said he was protesting that the president had not included a visit to the Knesset on his itinerary.

### Palestinians expected to triple

The Palestinian population in the West Bank and Gaza Strip is expected to triple by 2025. The increase, which is based on the assumption that half a million Palestinians will return from abroad, would make their population in the territories roughly 7.4 million.

### Number of poor Israeli increases

The number of Israeli families living below the poverty line decreased slightly in Israel in 1997. But the rates remain high among large families, single-parent families, and the elderly. According to the latest figures, some 730,000 people lived below the poverty line in 1997.

### Marines train in Israel

Some 2,000 U.S. Marines are training for 10 days in Israel's Negev Desert. The annual program includes training in helicopters and armored vehicles.

### Drug rehab jail opened

Israel opened a jail that is designed to rehabilitate prisoners with drug problems. Security measures at the Hermon facility in central Israel are expected to be minimal.



## Daily News Bulletin

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broad-brushed argument against any class actions," he said in an interview.

For his part, Michael Hausfeld, one of the lead attorneys in the class-action lawsuit that resulted in the Swiss bank settlement, said he thinks Foxman is "misperceiving how the law interacts with these issues."

"He's looking at the money as being the objective," said Hausfeld, who is now pursuing litigation against firms accused of profiting from Jewish slave labor. "That's not so. The money is only the means of illustrating the symbol, and the symbol is still justice."

Foxman, who was traveling and could not attend the conference, said that despite Wiesel's words about conscience and memory, "the conference was still primarily on material claims."

"Hopefully we'll bring closure to that so we can have a conference solely devoted to the moral and ethical implications" of the Holocaust, he said.

Last week's four-day meeting in Washington, intended as a follow-up to a conference last year in London on Nazi gold, achieved some substantive progress on several key fronts not covered by last year's gathering.

- **Looted art:** The delegates agreed to a set of non-binding principles intended to provide a framework for identifying and publicizing artworks looted by the Nazis so that their rightful owners can claim them.

"The art world will never be the same in the way it deals with Nazi-confiscated art," Eizenstat said at the conclusion of the conference.

Russia, in a symbolic move following a commitment to identify and return looted art, turned over three secret documents detailing art looted from Austrian Jews.

France, stung by criticism from the World Jewish Congress and others for the way it has handled the looted art issue, said that if it had not tracked down wartime owners of looted art by the end of next year, it would consider proposals for providing restitution. It continued to reject calls by the WJC to auction more than 2,000 looted works to benefit Holocaust survivors.

- **Insurance claims:** Most of the nations gathered endorsed a newly created international commission, which would include insurance groups, government officials and Jewish representatives, as the best mechanism for dealing with unpaid life and property insurance claims dating back to the Holocaust era.

So far, six European firms have joined the commission and pledged \$90 million into an escrow fund from which future claimants will be paid. The delegates urged other companies to join the commission, adding that they want to see pending class-action lawsuits against insurance carriers resolved through the commission's activities.

- **Communal property:** No consensus was reached on how to expedite the process of settling claims to religious and other communal properties confiscated by the Nazis.

Eizenstat said that while some countries have recognized their obligation to return confiscated property, "there remains in some countries a lukewarm commitment to completing quickly the work at hand."

Poland said it would consider hosting a conference on communal property restitution — a move that Eizenstat called "encouraging."

- **Archival access:** The United States urged all the delegations to open all public and private archives pertaining to the Holocaust by the end of next year. Most nations pledged cooperation, but the Vatican continues to resist appeals for disclosure.

- **Holocaust education:** Officials from the United States, Israel, Sweden, Britain and Germany announced the first intergovernmental effort to promote Holocaust education, remembrance and research around the world.

Sweden offered to host an international conference next year or in early 2000 on international Holocaust education.

- **More conferences:** In addition to conferences on Holocaust education and communal property, follow-up conferences were proposed for dealing with looted art, slave labor, and racism and anti-Semitism on the Internet.

The possibility remained open that a third international conference on Holocaust assets could be convened next year, perhaps in Jerusalem.

Officials also proposed creating a comprehensive Internet site that would pool all reports and documents on Holocaust-era assets. □

## JEWISH WORLD

### Iran removed from sanctions list

The United States removed Iran from its list of states subject to sanctions for being a drug producer or a major drug transit country. Iran is still subject to a host of economic and political sanctions because of its place on the State Department's list of nations that sponsor terrorism.

Last year Clinton removed Syria from the drug list, eliciting howls of protest from some members of Congress.

### Britain to move on compensation

Britain will soon unveil plans for a \$41 million fund aimed at compensating Holocaust victims for assets confiscated by the government during World War II. Thousands of Jews from Germany and Eastern Europe transferred their assets to Britain during the 1930s. When war broke out, Britain classified the moneys as property of the enemy and seized the accounts.

Meanwhile, Volkswagen said it would make the first payments later this month from a \$12 million fund it established to help slave laborers who worked for the firm during World War II. Company officials have declined to say how large individual payments would be.

### Spokesman: Yeltsin fires aides

Russian President Boris Yeltsin fired most of his top aides because they failed to stem crime or respond to several incidents of extremism, including anti-Semitic statements by a Communist member of Parliament, according to Yeltsin's spokesman. The anti-Semitic statements by Gen. Albert Makashov have been a continuing source of controversy in Russia, as was the recent killing of a liberal lawmaker, Galina Starovoitova, who had spoken out against Makashov.

### Hungarian Jews protest

Hungarian Jewish leaders are protesting a government plan to cut one-time payments to relatives of Holocaust victims. The plan is "discrimination against the Jews," said Peter Feldmayer, president of Hungary's Jewish community. The plan, part of the government budget for next year, would reduce the payments to about \$140 from the approximately \$4,600 originally planned.

### Soccer fans to be investigated

Italy's soccer federation launched an investigation against two soccer teams after fans unfurled anti-Semitic banners at a match last week in Rome. The two teams could face fines of the equivalent of \$30,000. Meanwhile, a senior Italian politician suggested that soccer matches where fans display anti-Semitic or racist banners should be suspended.

## Netanyahu gets reprieve from early elections vote

By Naomi Segal

JERUSALEM (JTA) — Prime Minister Benjamin Netanyahu has managed to give himself a reprieve by delaying a Knesset vote that threatened to topple his government this week.

The reprieve came with the help of one of his coalition members, the fervently Orthodox United Torah Judaism bloc, which requested that a Knesset vote on a bill calling for early elections be considered a no-confidence motion.

Under Knesset rules, the group's request put off Monday's Knesset vote by at least one week.

But the Labor Party, which submitted the bill calling for new elections, agreed to a delay of an additional week in order to avoid holding the vote during President Clinton's planned visit to the region next week.

"It doesn't matter when the vote is held, Prime Minister Benjamin Netanyahu's days are numbered as head of the government," said Labor Knesset member Haim Ramon, who submitted the bill.

A majority of legislators appeared ready to support the bill before Netanyahu managed to engineer the postponement.

Among those supporting early elections was former Foreign Minister David Levy. The last-minute efforts by Netanyahu to secure a postponement came after the premier failed to get Levy and his Geshet Party to rejoin the governing coalition.

Making a statement on Israel Radio, Levy described his discussions with the premier as a "sham." Sources close to Netanyahu quoted the premier as saying that giving the Finance Ministry portfolio to Levy, an advocate of social spending, would be "disastrous" for the Israeli economy.

Reacting to Labor's attempt to call early elections, Netanyahu accused the opposition of adopting a divide-and-conquer mentality for the sole purpose of making a bid for power.

Hard-line members of Netanyahu's coalition, opposed to the further West Bank redeployments the government agreed to under the Wye accords, had said they would vote with the opposition to dissolve the Knesset and force national elections.

These threats presented a serious challenge to Netanyahu's coalition, which has a razor-thin majority of 61-59 in the Knesset.

As the debate on the bill got under way in the house, Netanyahu held marathon consultations with representatives from the different Knesset factions, hoping to secure their support to defeat the bill. But the prime minister angered coalition members when it was reported that he had made contradictory pledges to different factions.

According to legislators, Netanyahu promised Arab Knesset members that Israel would move ahead with the further redeployments following Clinton's visit to the region, while telling members of the far-right Moledet Party that relations with the Palestinians were essentially frozen. In an address Monday before the Knesset, the prime minister repeated his accusations that the Palestinian Authority had lied about implementing its part of the Wye agreement and that no additional territory would be handed over until there was Palestinian compliance with the accord.

In Washington, meanwhile, U.S. Secretary of State Madeleine Albright told Israeli Foreign Minister Ariel Sharon on Monday that the Jewish state must fulfill its obligations under the Wye agreement.

Sharon, who was on a three-day visit to Washington, did not directly respond to the unusually blunt public comments made at a news conference by Albright, who aides said is incensed at the Israeli Cabinet's decision last week to suspend further troop redeployments until the Palestinian Authority meets Israel's conditions.

The Labor Party had vowed to provide Netanyahu with a safety net in the Knesset as long as the government continued to implement the Wye agreement. Last week's Cabinet decision changed Labor's stance and prompted the submission of the early elections bill. □

(JTA correspondent Matthew Dorf in Washington contributed to this report.)

## Gov. Bush shores up image with Jews by visiting Israel

By Matthew Dorf

WASHINGTON (JTA) — George Bush was on track to prolong his family's stormy relations with the Jewish community when he said four years ago that people who do not accept Jesus as their personal savior cannot go to heaven.

Now the Texas governor and son of the former president by the same name has moved to repair relations with American Jews in advance of a widely anticipated run for the Republican presidential nomination in 2000.

As part of this effort, Bush and his wife, Laura, toured Israel last week, along with three other Republican governors, on a trip sponsored by the National Jewish Coalition, a Republican Jewish group. The trip came on the heels of a spate of national media reports about Bush's possible presidential aspirations which included his comments that would exclude Jews and a host of others from heaven.

At an Austin, Texas, news conference following the five-day Israel trip, the governor sought to clarify his position.

"My faith tells me that acceptance of Jesus Christ as my savior is my salvation, and I believe I made it clear that it is not the governor's role to decide who goes to heaven," Bush said in response to a question. "I believe God decides who goes to heaven, not George W. Bush," he said.

The governor conveyed a similar message in an exchange of letters with the Anti-Defamation League.

"I regret the concern caused by my statement and reassure you and the Jewish community that you have my deepest respect," Bush wrote in a letter received by ADL earlier this month.

"I am staunchly committed to the principles of religious freedom, tolerance and diversity that are embodied in the First Amendment," he wrote.

If Bush is going to attract Jewish support for a presidential run, he is likely going to have to convince the Jewish community that he would not govern like his father. Jewish voters abandoned President Bush's 1992 re-election bid in droves.

President Bush alienated Jewish voters through a series of events, including an attack on the Jewish community for lobbying on Capitol Hill. Israel's aggressive settlement drive at the time led to tempestuous relations with the United States. His chief of staff at the time cursed the Jews within earshot of White House aides.

While Bush and Govs. Mike Leavitt of Utah, Marc Racicot of Montana and Paul Cellucci of Massachusetts shunned media attention in Israel, the trip could prove a valuable asset if Bush does decide to run for president.

Citing a virtual news blackout while in Israel, the National Jewish Coalition argued that the trip was not politically motivated and sought to downplay, at least for now, its potential electoral implications.

"If George Bush decides to run for president, he's going to be judged on the positions he takes — not by what his father did," said Matt Brooks, executive director of the National Jewish Coalition.

For his part, Bush said he went to Israel to "listen and learn" about the strategic interests of "our strong friend and ally, Israel." He hailed the Jewish state as a "country of genius."

Bush offered mostly general observations during and after the trip, his first to Israel.

"It's been wonderful to see firsthand not only the challenges facing Israel, but also the opportunities," he said at a dinner with Israeli Prime Minister Benjamin Netanyahu.

"The relationship between Israel and the U.S. is a very special relationship," Bush said, adding: "It will always be that way."

While the group tried to downplay the politics of the trip, Israeli officials sought to capitalize on the opportunity to make their case to the governors. During a helicopter tour of the West Bank, Israeli Foreign Minister Ariel Sharon laid out the areas that Israel hopes to annex as part of a permanent peace agreement with the Palestinians, Sharon said in a statement.

"I was there to listen and learn, and I learned a lot," Bush said, without commenting directly on the tour. "The appropriate time to develop and lay out a comprehensive foreign policy will be when or if I decide to run for the presidency," he said.

National Jewish Coalition officials categorically denied an Israeli Foreign Ministry source who said the governors canceled a visit to two West Bank settlements under U.S. pressure. Sharon's offer of a helicopter tour was too good to pass up, they said.

But the most memorable moment for many participants did not come during one of the political meetings. It came on a mountain overlooking the Sea of Galilee, where Jesus is said to have delivered his Sermon on the Mount.

Each of the governors, with tears welling in their eyes, read a passage or prayer, participants said.

"To see them have the same type of attachment to this Holy Land, in the same way we do as Jews, was very moving to the group," Brooks said. □

## Arrest made in Argentina bombings

BUENOS AIRES (JTA) — An anti-terrorist squad here has arrested an Iranian woman on suspicion that she was involved in the bombings of the Israeli Embassy and the AMIA Jewish community center earlier this decade.

Nasrim Mokhtari was arrested last Friday as she was waiting to transfer flights at the local airport. The official in charge of the still-unsolved embassy bombing, Supreme Court Legal Secretary Esteban Canevari, interrogated Mokhtari.

Police sources told JTA that Mokhtari, 33, the only suspect currently under arrest for either attack, was found in possession of several passports, including an Argentine one.

Rogelio Cichowolsky, legal counsel to the Argentine Jewish umbrella organization DAIA, called the arrest a "breakthrough."

Federal Judge Juan Jose Galeano, who is in charge of the investigation of the AMIA bombing, reportedly suspects Mokhtari of also being involved in the March 1994 bombing, which left 86 dead and 300 wounded. The 1992 embassy bombing killed some 20 people and left 200 wounded.

Suspicions that Mokhtari was one of a number of Iranians who plotted the bombings were raised by Wilson Dos Santos, who allegedly met her in Buenos Aires in early 1994.

On July 8, 1994, Dos Santos warned the Argentine consulate in Milan, Italy, that "a major terrorist action" was going to be carried in Buenos Aires.

No one believed him. Some 10 days later, the AMIA building was leveled by a car bomb. □