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TOP NEWS IN BRIEF

Shelling wounds 13 Israelis

Thirteen Israelis were wounded, most of them lightly, after Hezbollah fired Katyusha rockets into northern Israel in a retaliatory attack for the deaths of seven Lebanese civilians.

After the Israeli attack, the Jewish state apologized for the deaths of the Lebanese civilians, and Israeli Defense Minister Yitzhak Mordechai sent a message to Syria and Lebanon warning against an escalation of hostilities. [Page 3]

Palestinians free Hamas leader

The Palestinian Authority freed Hamas spiritual leader Sheikh Ahmed Yassin from house arrest. Yassin was placed under house arrest shortly after the signing of the Wye accord in October during a crackdown by the self-rule authority on Islamic militants who had threatened to undermine the accord and attack Palestinian leaders. [Page 3]

VW pays slave laborers

Volkswagen became the first German company to make payments to those who worked as slave laborers during World War II.

The company made one-time payments of just over \$6,000 to 17 Poles and 31 Dutch nationals. An estimated 15,000 to 20,000 slave laborers worked for the firm during the war, including about 1,500 Jewish prisoners.

Candidates jostle for election

Israeli Likud Knesset member Dan Meridor, who has announced he would run for prime minister in Israel's upcoming elections, met with members of the Third Way Party and former Tel Aviv Mayor Ronni Milo to discuss a new, centrist political party.

Meanwhile, Communications Minister Limor Livnat and Jerusalem Mayor Ehud Olmert discussed the possibility of challenging the Likud Party's current leader, Prime Minister Benjamin Netanyahu. Another senior Likud member, Ze'ev "Benny" Begin, held talks with other politicians on forming a new right-wing party.

The JTA DAILY NEWS BULLETIN will not be published Monday, Dec. 28.

NEWS ANALYSIS

Arafat will be major player in Israeli election campaign

By Gil Sedan

JERUSALEM (JTA) — Palestinian Authority Chairman Yasser Arafat will have to muster all his political skills for the coming months — because he is about to play a major role in Israel's election campaign.

It is no secret that the Palestinian leader would far prefer that an Israeli politician more moderate than Prime Minister Benjamin Netanyahu emerge victorious from Israel's round of early elections.

Already keenly aware that what he says and does in the coming months could have an impact on the election's outcome, Arafat will therefore have to play a careful game.

Perhaps first and foremost, he will have to keep a watchful eye on the extremists operating within his own backyard.

When Israel had its previous election campaign in 1996, then-Premier Shimon Peres held a comfortable margin in the polls over opposition leader Benjamin Netanyahu — until Hamas launched a series of terror attacks.

Those attacks helped give meaning to Netanyahu's campaign slogan, "Peace With Security," and were widely credited with helping him win the election by a razor-thin margin.

One of the questions now confronting Arafat is whether he will be able to keep a lid on terrorist operations.

He will have to position himself as a champion of peace with Israel — but at the same time convince his own people that he is an equally staunch supporter of Palestinian rights.

He will need to continue speaking of the "Peace of the Brave," but at the same time promise that a Palestinian state is just around the corner.

The problem is that his position on Palestinian statehood could have as much impact on Israel's elections as a terror attack.

While the date for new elections in Israel has not yet been determined, another date is very much on the minds of many Israelis — May 4, 1999.

Arafat has stated repeatedly that he would declare statehood unilaterally at that time, the end of the interim period specified in the Oslo accords.

If he repeats that statement in the coming months, he could play into the hands of the Israeli right.

This week, Netanyahu got his Cabinet to suspend the Wye agreement until the Palestinian Authority lives up to five conditions. One of them was that Arafat recant his statements regarding next May.

On Tuesday, one day after the Knesset voted to hold early elections, Netanyahu returned to the issue of Palestinian statehood when he kicked off his campaign for the premiership.

Warning that the Palestinian leader will "decide unilaterally on our future," Netanyahu told Israel Radio that the Israeli "people will give us the support to achieve peace with security."

The prime minister's comments prompted Palestinian officials to criticize him for running against the Palestinian Authority instead of his own political opponents.

"Thanks, Netanyahu," Palestinian negotiator Saeb Erekat said sarcastically in an interview, referring to the premier's comments.

"You strengthen extremist elements in Palestinian society. It is not a good idea to

MIDEAST FOCUS

Radio to play more Hebrew music

The Israeli Knesset passed a law requiring Israeli radio stations to devote at least half of their playlists to Hebrew music.

The bill's sponsor, Labor Knesset member Yona Yahav, said it was intended to preserve Israeli culture from "encroaching Americanization."

The sole opponent of the bill, Knesset speaker Dan Tichon, said there are better ways to nurture Israeli culture.

Did firm bribe Palestinians?

An Israeli court is considering whether to bring charges against an Israeli fuel company for allegedly bribing senior Palestinian Authority officials in order to maintain its contract with the Palestinian self-rule areas in the West Bank.

The company is suspected of fraudulent bookkeeping during the past two years in order to pay \$3 million to the Palestinian officials.

Israel makes prostitution arrests

Israeli police arrested a man and a woman with links to a crime ring that allegedly forced Ukrainian immigrants into prostitution.

The ring reportedly used forged passports from Jews in Ukraine and gave them to other people, who were forced to work for the ring after they arrived in Israel.

Museum buys Jerusalem painting

The Israel Museum recently acquired a painting of Jerusalem that had been lost for more than 300 years.

The gift of Nicolas Poussin's "The Destruction and Sack of the Temple of Jerusalem," which depicts the Roman destruction of the city in 70 C.E., was made possible with a grant from the Rothschild Foundation in honor of the recently deceased Jewish intellectual Isaiah Berlin.



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Caryn Rosen Adelman, *President*
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put us in the focus of the election campaign. It destroys whatever we had tried to build in recent years," he said.

Following Monday's dramatic Knesset vote, the governing coalition and opposition were expected to begin discussions aimed at setting a date for new elections. Netanyahu is widely reported to be seeking a date shortly before May — presumably so that he can milk Israeli fears about a possible Palestinian declaration of statehood to their fullest.

But Arafat can pull the political rug out from under Netanyahu by postponing any decision about statehood. The more political options he leaves open, the more the Israeli left will have to gain.

Along with the other challenges facing him, Arafat will have to find the right posture regarding the peace process.

The Palestinian leader was briefed by his Israeli Arab adviser, Dr. Ahmed Tibi, on Monday's Knesset vote to hold early elections. After the vote, Arafat urged Israel to continue implementing the Wye accord.

Erekat adopted a similar stance, dismissing the elections as an internal Israeli matter that should not affect the peace process.

"We shall respect the choice of the Israelis and will continue to make peace with all Israelis," he said. But he added, "Is the Israeli public that extreme that it will not tolerate making peace during the elections campaign?"

Erekat warned that an interruption of the peace process would only serve extremists in the Palestinian camp.

On Tuesday, Netanyahu said Israel would adhere to the accord even as the country enters what promises to be a heated election campaign.

But, reiterating the stance adopted this week by his Cabinet, the premier added that Israeli implementation of the accord would depend on the Palestinian Authority's fulfilling the five conditions.

Palestinian officials said the offer means little because the conditions are unacceptable to them.

Beyond finding a political formula that will work with the Israeli and Palestinian public, Arafat will also have to find the right words for his big new friend: the United States.

A statement issued this week by the U.S. State Department urging Israel to continue with the implementation of the Wye accord and praising the Palestinian Authority for having fulfilled its part of the deal was music to Arafat's ears.

But the Palestinian leader was put in a difficult position by Operation Desert Fox, the four days of U.S. shelling of Baghdad.

Arafat did not want to harm relations with President Clinton, who only days earlier had become the first American leader to visit the Gaza Strip. But he also had to deal with his own political backyard, where the Palestinian people made no secret of their sympathy for Iraq.

In the end, Arafat's security apparatus did little to quell the violent demonstrations in the Palestinian streets that accompanied Desert Fox. But he did impose a crackdown on foreign news organizations covering the embarrassing demonstrations.

With his tacit acquiescence, protesters across the West Bank and Gaza called on Iraqi President Saddam Hussein to bomb Tel Aviv — a message certainly not lost on those Israelis who already have misgivings about the peace process.

The same American flags that Palestinian youths had waved proudly when Clinton visited Gaza were now burned during a series of angry protests against "American aggression."

The swift end of Desert Fox was just what Arafat needed — before the situation among Palestinian demonstrators got out of hand.

Asked for his reaction to the end of the air strikes on Baghdad, the Palestinian leader sighed with relief, stressing that what is important in his eyes is that the violence is over.

Arafat was not about to give up on a good friend like the United States very quickly. The end of the shelling spared him some difficult choices.

But the pro-Iraqi demonstrations highlighted the Palestinian leader's vulnerability among his own people. Their expectations and aspirations may ultimately determine how much political maneuverability Arafat will have in the coming months. □

JEWISH WORLD

Russia: Looting exaggerated

Western hopes that Russian museums have many artworks stolen from Jews by the Nazis are "exaggerated," the Foreign Ministry said in a statement.

But the ministry reaffirmed its commitment to return works of art stolen from Jewish owners during the Holocaust.

The Russian delegation at this month's conference in Washington on Holocaust assets announced that Moscow was ready to return such art.

But experts say restitution of these items will be difficult to achieve under a Russian art law passed last year.

Firms to look into Nazi past

General Motors said it hired a historian to investigate the company's dealings with Nazi Germany.

The move came after reports that the automobile giant's German subsidiary profited from the use of slave labor during World War II.

Meanwhile, the Bertelsmann publishing company hired an Israeli historian to look into its relationship with wartime Germany.

Nazi-hunting called into question

Denaturalization proceedings against 15 suspected Nazi war criminals in Canada may be in jeopardy after a Canadian judge wrote that immigration officials were under no directive to block the entry of Nazi collaborators into Canada after the war.

The statement came in a 150-page report in which Judge Marc Noel also criticized the government for what he called an attempt to denaturalize an alleged Nazi war criminal without credible proof.

Johann Dueck had been accused of lying about his wartime activities in Ukraine when he entered Canada in 1948.

JNF plants trees for Al Gore's dad

The Jewish National Fund is raising money to plant a forest of 10,000 trees in Jerusalem in memory of Vice President Al Gore's father, who died earlier this month.

President Clinton's mother received a similar honor when she died a few years ago.

NYU to publish encyclopedia

New York University Press agreed to publish a three-volume encyclopedia chronicling Jewish life before World War II.

The three-volume Encyclopedia of Jewish Life Before the Holocaust, which will be published in collaboration with the Yad Vashem Holocaust Memorial in Jerusalem and the Jerusalem Publishing House, is scheduled to be published in 2001.

Katyusha rockets from Lebanon injure 13 Israelis in retaliatory attack

By Naomi Segal

JERUSALEM (JTA) — Thirteen Israelis were wounded, most of them lightly, after Hezbollah fired Katyusha rockets from Lebanon into northern Israel in a retaliatory attack for the deaths of seven Lebanese civilians.

In response to the attacks, Prime Minister Benjamin Netanyahu convened his Inner Security Cabinet to discuss the situation and was due to tour the northern border later in the day.

The attacks came a day after Israeli air strikes caused the deaths of the Lebanese civilians — a mother and six of her children. Israel has apologized for those deaths, which it called an accident, and Israeli Defense Minister Yitzhak Mordechai had sent a message to Syria and Lebanon warning against an escalation of hostilities.

Netanyahu, after touring the areas that were hit, vowed that Israel would respond. Mordechai, who also toured the region, said the attack violated the understandings reached in the 1996 cease-fire that followed Operation Grapes of Wrath.

"I said clearly yesterday that what happened was a mishap; there was no intent to hit civilians. But the purpose of the Hezbollah attack was to hit civilians," he said.

Most residents of northern Israel spent Tuesday night in bomb shelters. The state of alert continued Wednesday, as schools were closed and residents allowed to leave shelters only to stock up on supplies.

The army estimated that 20 to 30 rockets fell across the Galilee, causing property damage and bringing down electric lines.

"I heard a huge boom, a number of huge booms," Dahlia Misri told Israel Radio. "I knew it was very close to us. Glass flew everywhere, I was hurt in the hand. I lay on top of my son, because last time he was almost killed by the Katyusha rockets. Afterward, I got up and saw my house had been shattered to pieces."

The attack only further fueled the controversy over Israel's 9-mile-wide security zone in southern Lebanon.

Labor Knesset member Yossi Beilin, a leading advocate for an Israeli withdrawal from Lebanon, said Wednesday's attacks were further proof that the security zone does not prevent attacks on northern Israel.

Cabinet minister Rafael Eitan, meanwhile, pointed to the incident as a sign that Israel should widen the zone. □

Palestinian Authority frees Hamas leader

By Naomi Segal

JERUSALEM (JTA) — The Palestinian Authority has freed Hamas spiritual leader Sheik Ahmed Yassin from house arrest.

The measure was seen as a goodwill gesture for the Muslim holy month of Ramadan, which began over the weekend. Some observers also noted that it could also be a warning signal to Israel, which suspended implementation of the U.S.-brokered land-for-security accord.

The wheelchair-bound Yassin was placed under house arrest shortly after the Wye agreement was signed in October.

During his imprisonment, the fiery cleric was prevented from attending Friday prayers, his phone lines were cut off and police were stationed outside his home in the Gaza Strip.

The arrest was considered a blow to Hamas — and considered to be a clear message from the self-rule authority to the Islamic militant group, which opposes the peace accords with Israel.

Hamas has vowed to launch terrorist attacks against Israel. The group has also threatened Palestinian officials and security forces.

Yassin was freed from an Israeli prison more than a year ago as part of a deal to secure the release of two Mossad agents who were arrested in Jordan following a botched assassination attempt on a Hamas political leader. □

Camp David participants revisit the art of diplomacy

By Tom Tugend

BEERSHEBA, Israel (JTA) — Listen to more than 30 veteran Israeli, Arab and American diplomats discuss their craft for two days, and it is surprising and somehow reassuring to learn that even at the highest summits, success or failure ultimately comes down to plain old human relationships.

The diplomats, in this case, were linked by the historical bond of having served their respective countries in forging the Camp David Accords, which were signed by Israel and Egypt on Sept. 17, 1978. That pact, hammered out by U.S. President Jimmy Carter, Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin, secured an end to Israeli-Egyptian hostilities.

Twenty years later, some of the participants in those historic discussions gathered here earlier this month for a conference hosted by Ben-Gurion University of the Negev to measure the distance traveled since Camp David — and perhaps to derive some lessons for their present-day successors.

Among the participants were two of the key players at Camp David: former U.S. Secretary of State Cyrus Vance and former Egyptian Prime Minister Mustafa Khalil.

Prominent Jordanian and Egyptian peace advocates also participated, as did such Israeli veterans of Camp David as Simcha Dinitz, Elyakim Rubinstein and Meir Rosenne.

The president of Ben-Gurion University, Avishay Braverman, said he had extended an invitation to Carter, but that the former president was not able to attend.

The case for human relationships as the ultimate force in diplomacy was put forward in an address by Harold Saunders, who in 1978 served as U.S. assistant secretary of state for Near Eastern and South Asian affairs. In diplomacy, and especially peacemaking, “we must widen the angle of our lens from the traditional focus on government and institutions to include human beings outside government,” Saunders said.

“Many of today’s deep-rooted conflicts are beyond the reach of government,” he said, adding that negotiations are “not just about concrete issues, they are about human relationships.”

The importance of the human factor was well acknowledged by Carter, who before the Camp David summit was convened, told the CIA that he wanted to be “steeped in the personalities of Begin and Sadat” and asked for exhaustive personality profiles of the two leaders, said Saunders.

The task fell to psychiatrist Jerrold Post, who found that Sadat and Begin’s personalities could hardly have been further apart.

Sadat was a “big-picture” man who detested details and felt he was destined to play a transcendent role in history.

By contrast, Begin’s mind focused on details, legal precision and nuances of language. In addition, he was marked by the searing impact of the Holocaust, and he instinctively recoiled from what he felt as pressure exerted by a superior force.

How the two leaders were perceived, especially by their domestic enemies, bears considerable resemblance to the current situation in the Middle East, Post said in an interview with JTA during the conference. When Sadat came to Jerusalem in November 1977, he “was seen by the radical Arab world as a traitor,” Post said. “Begin was expected to cement the Greater Israel, and when

instead he compromised, many of his followers felt that he had betrayed them.”

Now, 20 years later, Arab rejectionists rail at Palestinian leader Yasser Arafat as a traitor,” said Post. “On the other side, many who voted for Prime Minister Benjamin Netanyahu to reverse the Oslo agreement now feel that they have been betrayed.”

Despite the collegial and civil tone of the conference, current regional animosities occasionally broke through.

Israeli tempers frayed when Arafat adviser Bassam Abu Sharif recited a list of grievances against the Netanyahu government.

And when Abu Sharif later proclaimed that Palestinians and Israelis should walk hand in hand for peace, former Begin aide Yehiel Kadishai called out: “Say it in Arabic to your people, not here in English.”

While the conference did not uncover any new historical findings about what transpired at Camp David, participants got a chance to see once again, in terms of the Israeli-Palestinian peace track, how personalities affect the road to peace.

During separate sessions with Netanyahu and Arafat, participants heard the two leaders reiterate their list of complaints about the lack of compliance from the other side.

Bickering and threats of a walkout marked Camp David 20 years ago — events mirrored during the marathon negotiations that preceded the Wye agreement reached by Israel and the Palestinians in late October. Camp David secured an enduring — though largely frosty — peace between Israel and Egypt. The legacy of Wye, marked by angry recriminations both before and after the recent talks in Maryland, remains to be determined. □

German state releases papers on Nazi-seized Jewish property

By Deidre Berger

FRANKFURT (JTA) — German officials have handed over four files from the Nazi era to the country’s Jewish community that may help survivors reclaim their property.

The files were found recently in a German government office after the government of the state of Hesse launched a search for documents that provide information about property confiscated from German Jews.

The files contain, among other things, information on the household contents of about 100 apartments. The inventory was prepared by Nazi officials after the Jewish tenants were deported in 1941 from Frankfurt to Eastern Europe. The household goods were later auctioned by the Nazi government.

The files also show that auction houses and moving companies bid to get the contracts to dispose of Jewish-owned property.

The director of Hesse’s Finance Minister’s Office, Thomas Krauder, said the search was launched earlier this month after officials in Hesse became aware of similar efforts in the state of North-Rhine Westphalia to find documents listing Jewish property.

The finance minister for the state of Hesse, Karl Starzacher, told the head of Germany’s Jewish community, Ignatz Bubis, that he would pressure his counterparts in the other German states to prioritize Jewish property issues. Starzacher said he hoped that by handing over the documents, he was setting an example for additional documents to be made public in order to aid restitution claims. □