



Daily News Bulletin

Vol. 77, No. 23

Thursday, February 4, 1999

82nd Year

TOP NEWS IN BRIEF

Conference elects Lauder

Ronald Lauder was overwhelmingly elected to serve in America's top Jewish communal leadership position. The Conference of Presidents of Major American Jewish Organizations voted on his nomination as chairman Wednesday. The vote came one day after the nominating committee met with Lauder to address its concerns about the philanthropist's political and financial ties to Israeli Prime Minister Benjamin Netanyahu. [Page 3]

Arafat evasive on statehood

Palestinian Authority Chairman Yasser Arafat reiterated his support for the peace process after meeting in Washington with Secretary of State Madeleine Albright.

At the same time, he refused to be pinned down regarding his earlier vow to declare statehood in May, when the peace accords with Israel expire. Albright discussed Israeli complaints about Palestinian security lapses during her 45-minute meeting with Arafat, who was scheduled to meet with President Clinton before his three-day visit ends. [Page 4]

Schools using anti-Semitic texts

Schools run by the U.N. agency responsible for Palestinian refugees in the Middle East are using anti-Semitic textbooks, according to the U.S. State Department. The textbooks are supplied by governments in Syria, Lebanon, Jordan and the Palestinian self-rule areas, said the report, which was made public Tuesday. [Page 4]

Extremists' sentences reduced

Israel reduced the sentences of five right-wing Jewish extremists serving prison terms for killing or planning attacks on Arabs. Israel's release of Palestinian prisoners in recent years justified the move, said Justice Minister Tzachi Hanegbi. Palestinian officials called the move a provocation.

Lawyers seek broker boycott

Lawyers representing Holocaust victims asked U.S. brokerage firms to cease business dealings with American and European firms accused of using slave labor during World War II. Among the firms the lawyers mentioned are General Motors, Ford and Daimler-Chrysler.

THE ROAD TO ISRAEL'S ELECTIONS

Israeli candidates go for gold in bid for American contributors

By Matthew Dorf

WASHINGTON (JTA) — Do you want to help make peace the central focus of the upcoming Israeli election? Donate \$2,160.

Your contribution will put a sign on the side of an Israeli bus for two weeks. For \$1,080 you can rent an illuminated sign for two weeks.

Too rich for your blood? How about \$540 for plastic signs, \$144 for posters or \$36 for stickers?

"Advance the cause of peace in ways that even Israeli political parties cannot," Americans for Peace Now urged in a Jan. 26 fund-raising solicitation to American Jews announcing the "centerPEACEcampaign."

The request is hardly unique. Across the country, Israelis and their American supporters are making the rounds to raise money from American Jews who seek to influence the outcome of the May 17 elections in Israel.

Although Americans for Peace Now is not publicly linking its message to any particular Israeli candidate or party, their effort is widely seen as an attempt to bolster support for Ehud Barak, the Labor Party's candidate for prime minister.

Most of the money raised outside of Israel is pledged behind closed doors.

In fact, most of the fund-raisers, donors and those involved in the transfer of money refuse to publicly discuss their activities.

Unlike contributors to American political candidates, where donors often seek access as well as influence, most contributors to Israeli candidates are American Jews passionately interested in the future direction of the Jewish state.

By the time Israeli voters go to the polls, fund-raising sources predict that millions of dollars will be funneled to Israel through legal contributions to movements such as Americans for Peace Now, which hopes to raise \$500,000.

Since 1994, Israeli law has banned direct contributions to political parties and their candidates. Money must instead be channeled through organizations in the United States and Israel not specifically linked to a candidate or party.

The hurdles have not stopped the candidates. During the 1996 election campaign, Israeli Prime Minister Shimon Peres spoke at two fund-raisers where \$1.7 million was pledged to the Peace Education Fund, one of these non-profit groups.

In total, American Jews gave more than \$6 million to groups supporting Labor and Likud candidates during the 1996 campaign, according to several sources involved in the fund-raising efforts.

Amnon Lipkin-Shahak, the No. 2 candidate in Israel's new centrist party, last week joined the list of Israelis to visit New York seeking money for groups supportive of their campaigns.

Both Israeli Prime Minister Benjamin Netanyahu and Barak have also visited the United States to raise money.

But some of those who led aggressive fund-raising campaigns in the past say the impact of the money has been exaggerated.

"It's not a great bang for your buck," said one knowledgeable fund-raising source, who like most of those involved spoke only on the condition of anonymity.

"If it were perceived as impactful, you'd have Israelis here every week raising money," the source said.

Indeed, many of those who were instrumental in raising millions during the 1996

MIDEAST FOCUS

Netanyahu to meet crown prince

Israeli Foreign Minister Ariel Sharon said he and Prime Minister Benjamin Netanyahu will meet next week with Jordan's Crown Prince Abdullah. The Israeli leaders will seek to "strengthen relations between the two countries," Sharon said.

Meanwhile, Jordan's King Hussein underwent a bone marrow transplant at the Mayo Clinic in Minnesota. Hussein was reported to be in stable condition.

Envoy mollifies Shas leader

Israel's ambassador to Germany, Avi Primor, mended fences with the leader of the fervently Orthodox Shas Party. Their talks centered on a newspaper interview in which Primor had described Shas as undemocratic. Party leader Aryeh Deri later said he believed the paper had taken Primor's comments out of context. Foreign Minister Ariel Sharon had recalled Primor from Germany after the interview appeared.

Court indicts Arafat adviser

An Israeli court indicted Palestinian Authority Chairman Yasser Arafat's adviser on Israeli affairs for allegedly attacking and insulting a border policeman who recently stopped his car at a West Bank checkpoint. Dr. Ahmed Tibi denied the charges, which he described as politically motivated.

Police: Close Avital investigation

Citing lack of evidence, police are recommending that an investigation of the Foreign Ministry's deputy director general be closed. The ministry had requested the investigation of Colette Avital after a classified document about Israel's negotiating stance with the Palestinians was leaked to an Israeli newspaper.

A former consul general in New York, Avital denied the allegations against her and took a leave when the inquiry began. She subsequently decided to participate in the Labor Party's upcoming primaries for a place on the party's Knesset roster.

campaign for both Labor and Likud are sitting out this year's race. Although party loyalists predict a record fund-raising year, there is no evidence that the same kind of concerted campaign that existed in 1996 is under way.

Because of the ban on direct funding to parties and candidates, American money instead goes "purely to atmospherics," said one source, downplaying its impact.

Party ads on television are paid for through public funding, so the donations generally go to buy newspaper and billboard advertising in Israel and to pay for rallies in support of certain issues rather than candidates.

Money also flows into the Israeli system from Russia, where Jewish business tycoons have funded the Russian immigrant rights party, Yisrael Ba'Aliyah, headed by Natan Sharansky, according to sources.

Likud is said to get a good chunk of its money from Joseph Gutnick, an Australian supporter of the Lubavitch movement.

Although many of the fund-raisers who have solicited the donations have become disillusioned with the lack of impact, American consultants working for the candidates believe that every dollar is crucial.

"Who does not want an extra couple of thousand dollars in a close race?" asked one such consultant.

Meanwhile, the candidates and their top American supporters are determined to persevere. Shahak is scheduled to return to the United States later this month for another crack at fund raising.

In a coup for the still-unnamed party, businessman Daniel Abraham, who has given and raised hundreds of thousands of dollars to groups allied with Barak and the Labor Party, is now, according to sources, also backing Shahak's centrist party, which is headed by Yitzhak Mordechai.

While some Barak supporters say Mordechai's decisive Knesset vote last week supporting the Orthodox position on religious councils would chill Shahak's fund-raising efforts here, there is no evidence that has happened. Shahak has been reaching out primarily to Reform and Conservative Jews, many of whom oppose the legislation that is aimed at keeping non-Orthodox Jews off the local councils.

Last week an Israeli living in northern New Jersey, Erez Levy, hosted Shahak for a \$1,000-a-plate dinner. A close adviser to Abraham also hosted the former Israeli army chief of staff at a fund-raising luncheon.

Abraham, who has made millions running the Slim Fast corporation, is planning another fund-raiser at his Florida home later this month when Shahak is scheduled to be in the state.

Past supporters of Likud interests include Dr. Irving Moskowitz and Ronald Lauder, whose nomination to head the Conference of Presidents of Major American Jewish Organization was approved Wednesday despite his reported ties to Netanyahu.

The push for U.S. dollars has put some Jewish groups who oppose the solicitations in the awkward position of hosting the candidates.

Last week, just days after urging American Jews to stay out of the Israeli campaign, top officials from the American Jewish Congress hosted Shahak for a reception with the group's top donors. The Anti-Defamation League also plans to host Shahak later this month in Florida at a conference for their top lay leaders.

"Shahak was here on a fund-raising visit, but we were not part of that," said Phil Baum, AJCongress' executive director. "These are disjunctive events. We are not providing a fund-raising opportunity to him."

However, several sources involved with the election campaign criticized AJCongress and the ADL for "hypocrisy," saying that an event where a candidate seeking money is introduced to a Jewish group's top donors is not an innocent policy briefing.

Abraham Foxman, the national director of the ADL who has also spoken out against American involvement in the Israeli election, defended his group's decision to invite Shahak.

"We have invited him because he's a significant person in Israel," Foxman said, adding that Barak had declined the invitation.

When asked if he was facilitating a fund-raising opportunity, Foxman said, "What these people do afterward" is their business. □



Daily News Bulletin

Caryn Rosen Adelman, President

Mark J. Joffe, Executive Editor and Publisher

Lisa Hostein, 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.
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JEWISH WORLD

Banks named for seizing assets

The Paris branches of five American banks took part in the seizure of Jewish bank accounts during the Nazi occupation of France, a French investigator charged.

"Their conduct was no different from that of other [European] banks toward Jews," said Claire Andrieu, a member of a government commission probing seized Jewish assets during the war.

Using their names at the time of the war, she named American Express, Bank of the City of New York, Chase Bank, Guarantee Trust of New York and J.P. Morgan.

Austrian bank to settle claims

Austria's largest banking group reportedly agreed to pay between \$40 million and \$92 million to Holocaust victims to settle charges that it profited from gold stripped from concentration camp victims.

Bank Austria will also turn over documents implicating Germany's Deutsche Bank, which faces similar charges.

Is Lithuanian faking illness?

A 91-year-old Lithuanian man is not faking illness to avoid being tried on war crimes charges, the head of a Lithuanian medical panel said.

The comment came after the U.S. government's leading Nazi-hunter, Eli Rosenbaum, charged he has "specific, verified information" that Aleksandras Lileikis is fit to stand trial on charges of turning Jews over to Nazi death squads.

Another medical panel ruled that another Lithuanian, Kazys Gimzauskas, is also too ill to be tried on similar charges.

Court hearings are slated for next week to decide whether to continue their trials.

Moscow police official fired

Russia's Interior Minister dismissed a Moscow police official who apologized in front of television cameras to neo-Nazis who had been briefly arrested during their march Sunday through Moscow.

Minister Sergei Stepashin urged the city's police force to crack down on extremists in the wake of the march by the Russian National Unity group.

Jewish group seeks extradition

A Jewish group asked Yugoslavia to renew its extradition request for a woman who stands accused of having been a concentration camp guard during World War II.

The Los Angeles-based Simon Wiesenthal Center made the request after Croatia said it could find no evidence that Nadia Sakic had been a guard at the Jasenovac camp.

Presidents Conference elects Lauder by overwhelming vote

By Julia Goldman

NEW YORK (JTA) — Ronald Lauder walked out of the offices of the Conference of Presidents of Major American Jewish Organizations on Wednesday as the group's newly elected chairman.

Lauder said he felt in "good shape" following the overwhelming vote in his favor.

In a show of hands, 41 of the umbrella group's 55 member organizations voted for the philanthropist and cosmetics company heir who serves as president of the Jewish National Fund. There were four abstentions and no negative votes.

The tally bodes well for the beginning of Lauder's two-year tenure, which begins in June.

Just hours before the election, rumors and even an article in The New York Times had hinted at a major rift in the consensus-based organization. Some member organizations felt that Lauder had not adequately answered questions about his political and financial ties to Israeli Prime Minister Benjamin Netanyahu.

But in the end, the majority of conference members opted for a solid front.

"There had been a fear" that the controversy "would split the conference, but the conference pulled through," said Betty Ehrenberg, director of international affairs and communal relations at the Orthodox Union's Institute for Public Affairs.

One day earlier, Lauder had reconvened with the conference's seven-member nominating committee to address questions that arose last week from news reports published by the New York Jewish Week and the Israeli daily Ha'aretz. Those articles investigated Lauder's involvement with right-wing Israeli organizations and his indirect support of Netanyahu's 1996 campaign.

All along, Lauder had insisted that he had accurately responded to questions about the matter when they had been raised by the nominating committee.

He said he had done nothing that would prevent him from leading the organization, which speaks for the organized Jewish community to the U.S. government and world leaders.

Concern among conference members had led to a conference call of some 20 groups to discuss the matter.

But "less than a half dozen" conference members contacted the nominating committee with "certain questions," said Leon Levy, the committee chairman, adding that "we acted on the concerns they had."

After Tuesday's meeting, several members of the nominating committee said they were satisfied by Lauder's answers.

"The committee has done due diligence and has come to a unanimous conclusion," the president of the United Synagogue of Conservative Judaism, Stephen Wolnek, said of that meeting.

Following his confirmation on Wednesday, Lauder was warmly congratulated by Philip Meltzer, the president of the Association of Reform Zionists of America, and Rabbi Eric Yoffie, the president of the Reform movement's Union of American Hebrew Congregations.

Both men said they had been reassured in their support of Lauder by the nominating committee's positive reports.

As his first order of business, Lauder said in an interview with JTA following his election that he would meet with member organizations on a group-by-group basis to determine points of vital interest to the conference's religious and political constituencies.

In his acceptance speech, Lauder, who is a former U.S. ambassador to Austria, thanked the group for its trust and called for unity and consensus.

"Unity does not require conformity, but rather a recognition that we are one people bound together by faith, history and commitment," he said.

As he returned victorious to his offices overlooking Central Park, Lauder said his diplomatic service had been "an excellent training ground for representing a point of view" that was not necessarily his own. □

Administration welcomes Arafat even as critics seek to roll up mat

By Matthew Dorf

WASHINGTON (JTA) — Palestinian Authority Chairman Yasser Arafat came to Washington seeking closer ties with the United States.

By all accounts, he succeeded — despite a concerted effort by Arafat critics to roll up the welcome mat.

In meetings with U.S. Secretary of State Madeleine Albright, senior members of Congress and other Clinton administration officials, Arafat continued to ingratiate himself with the U.S. government.

Arafat reiterated his support for the peace process while refusing to be pinned down on his threat to declare statehood in less than three months — even without a final settlement with Israel.

Arafat was scheduled to meet informally with President Clinton before his three-day visit ended Thursday.

"I am here, in spite of all they have tried, because I insist on following up the peace process," Arafat told reporters after a 45-minute meeting with Albright.

Arafat was referring to his critics, including those who opposed his invitation to this week's National Prayer Breakfast.

In spite of the improving relations, Albright delivered a series of blunt messages to the Palestinian leader, according to a State Department official.

The United States wants Arafat to withdraw plans to declare statehood on May 4 and to stop releasing suspected terrorists from Palestinian jails.

Discussions are expected to continue later this month when Albright will convene the U.S.-Palestinian Authority joint committee to discuss ways to formally improve ties, officials said.

Arafat refused to discuss his plans for statehood with reporters.

"This cannot be mentioned now because our Palestinian leadership is discussing this matter with all our friends and brothers," he said.

Israel has said it would annex parts of the West Bank if Arafat declares a state.

Fearing the collapse of the peace process, the United States has worked behind the scenes to convince Arafat that the matter belongs in final-status talks.

When pressed what the United States would do if Arafat declares statehood, White House spokesman Joe Lockhart sidestepped the question.

"We don't believe that this is an issue that lends itself to unilateral statements or declarations.

"It's an issue for final-status talks, and that's where it belongs," he said Wednesday. "That means what it means. I don't have any other way of explaining it."

The issue arose again as members of the House and Senate are gathering support for resolutions calling on the United States not to recognize any unilateral Palestinian declaration.

The prisoner issue came to the fore this week when the State Department rejected Israeli charges that five prisoners freed by the Palestinian Authority are responsible for terrorist attacks that killed Americans.

The allegations "are simply not proven by any evidence," said State Department spokesman James Rubin. But the United States still believes that suspected terrorists are among the dozens of prisoners recently released.

Clinton was urged by 28 members of Congress to insist that Arafat recapture and surrender to the United States the five terrorists Israel accuses of being involved in attacks against American citizens.

Albright discussed the issue with Arafat, according to the State Department, but no details were released.

While Arafat was feted by the Clinton administration and some members of Congress, others still consider the Palestinian leader an unwelcome guest.

Two members of Congress and a handful of Christian leaders vowed to boycott the National Prayer Breakfast scheduled on Thursday because of Arafat's scheduled appearance.

Arafat's invitation to the gathering sparked a flood of complaints from evangelical Christian groups opposed to his attendance.

Some Jewish groups have also weighed in against his presence.

But the White House protested calls to boycott the prayer breakfast.

"The National Prayer Breakfast has traditionally been a moment in Washington where politics and other issues that are political in nature have not found a way to intrude on. It's unfortunate that that spirit of reconciliation is being ignored by some and that people have made the decision that the normal politics of Washington should intrude on this," Lockhart said.

Clinton scheduled a meeting with Arafat after the breakfast. He was also slated to meet with leaders from Albania, Macedonia and Norway.

For his part, Arafat was also scheduled to meet with Leah Rabin, the widow of Israeli Prime Minister Yitzhak Rabin.

On the eve of Arafat's visit, a member of Congress released a State Department study critical of the Palestinian Authority for supplying schools run by the U.N. agency responsible for Palestinian refugees with anti-Semitic textbooks.

Rep. Peter Deutsch (D-Fla.), who requested the study, hailed it for providing a "solid foundation on which we can build towards solving the problem of anti-Semitism" in the textbooks.

Meanwhile, Arafat's push for statehood got a potential boost from a poll of American voters conducted for the Arab American Institute.

Likely American voters support U.S. recognition of Palestinian statehood by a 2-1 margin, according to the Jan. 28 poll. Among the 1,011 respondents, 54 percent responded yes when posed a question on the issue.

Some 21 percent said no and 24 percent said they were not sure. The poll has a 3 percent margin of error.

Meanwhile, the Palestinians have resumed their campaign against Israel at the United Nations.

An emergency session of the U.N. General Assembly was scheduled to open as early as Friday to discuss Israeli settlement activity.

A draft resolution condemns the Jewish state for settlement construction in the West Bank and for failing to halt work at Har Homa, a controversial housing development in southeastern Jerusalem. □