



Daily News Bulletin

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TOP NEWS IN BRIEF

Yugoslav Jews condemn bombing

The communal body representing Yugoslavia's Jewish community issued a statement condemning the NATO bombing of Yugoslavia and urging Israeli and international Jewish organizations to help find a peaceful solution to the Kosovo crisis.

"The Federation of Jewish Communities in Yugoslavia strongly condemns the destructive attacks of NATO air forces," the federation said in a statement dated Sunday and faxed from Belgrade to Rome. "The bombing hurts all Yugoslav citizens, including Jews, as we also are citizens of Yugoslavia."

Meanwhile, the rabbi of Belgrade was released this week from the Yugoslav army after the intervention of Jewish groups and the Serbian Orthodox patriarch.

Rabbi Yitzhak Assiel, who had been drafted a few days ago, was released so he could spend the Passover holiday with his family and the community in the Serbian capital.

Israeli extremists convicted

Two Israeli extremists were convicted Tuesday on charges that included incitement, arson and sedition. Avigdor Eskin and Damien Pakovitch were found guilty of placing a pig's head on the grave of Islamic leader Izz a-Din al-Kassam, torching the Jerusalem offices of the Dor Shalom peace movement and planning to put a pig's head on the Temple Mount. Sentencing is scheduled for a later date.

The judge wrote in his verdict that if the Temple Mount plot had succeeded, it could have led to war with the Muslim world and perhaps even to the destruction of Israel.

St. Petersburg consulate planned

Israel announced plans to open a consulate in Russia's second largest city.

The consulate in St. Petersburg, which will become Israel's second diplomatic mission in Russia, is being opened in response to an increased interest in aliyah among Russian Jews. No date for the opening has been set.

Because of the Passover holiday, the JTA DAILY NEWS BULLETIN will not be published Friday, April 2.

FOCUS ON ISSUES

Search for Holocaust-era assets yields breakthroughs around globe

By Daniel Kurtzman

WASHINGTON (JTA) — The ongoing search for missing Holocaust-era assets has yielded key breakthroughs in recent months that could bring billions of dollars in additional compensation to Holocaust survivors around the globe.

While the \$1.25 billion settlement reached last year with Swiss banks stands as the signal achievement on the long, tortuous path to justice, significant progress has also been made on several other fronts:

- A U.S. presidential commission has begun to probe the fate of Holocaust assets in the United States.
- Jewish officials are close to finalizing a deal with German companies that could establish a multibillion-dollar fund for Holocaust victims.
- A leading Austrian bank is working out an agreement to pay into a humanitarian fund and release important historical records.
- French banks have put forth an initiative to return unclaimed accounts.

The most recent development is the French initiative, which has the support of French Jews, but so far has failed to satisfy international Jewish groups involved in Holocaust restitution issues. French banks announced March 24 "comprehensive measures" to compensate Holocaust survivors for lost assets. The World Jewish Congress, however, has rejected the banks' proposal not only as grossly insufficient, but as a "betrayal of the memory of the victims of the Holocaust."

Elan Steinberg, executive director of the WJC, criticized the plan because it does not call for an independent audit, provides no guarantees that a list of bank accounts would be made public and would create a foundation for heirless assets over which the Jewish community and Holocaust survivors have no control.

The plan calls for returning bank accounts seized from Holocaust victims to their rightful heirs and using heirless assets to create a memorial fund.

In a statement, the banks acknowledged they "were among the cogs in the terrible machine of confiscation of Jewish assets in France," and "therefore bear the duty of reparation towards the victims of these [anti-Jewish] laws."

The banks said \$55.5 million in assets was confiscated and frozen by French banks, but that most was returned after the war. They did not specify how much they still held.

The banks had been negotiating a secretive agreement with French Jewish leaders to settle Holocaust-era claims, but the deal foundered after the WJC and a French government panel probing Holocaust looting and restitution caught wind of it.

But the banks went ahead and announced their compensation plan anyway, albeit without the participation of the French Jewish community.

The WJC indicated it may well take a page from its Swiss playbook by recommending that a planned merger between French banks be held up until outstanding claims are resolved. That issue is likely to be addressed next month when a monitoring panel of U.S. public finance officers, whose threat last year of a boycott of Swiss banks helped persuade them to reach a settlement, meets to examine the French banks' handling of Holocaust claims.

As it stands now, Steinberg said the WJC is prepared to tell the panel that the French banks are "non-cooperative, are seeking to circumvent the representatives of the Holocaust survivors and frankly, have demonstrated a callous attitude to the victims."

In Germany, meanwhile, the government is coordinating a fund established by

MIDEAST FOCUS

Israel beefing up security

Israel is tightening security to prevent possible terrorist attacks during Passover. Thousands of police and border police will be stationed around cities, shopping centers and other crowded areas during the holiday.

Spokesman clarifies Wye stance

Clarifying the U.S. position on the Wye accord, the spokesman for the U.S. Embassy in Tel Aviv said Tuesday that Israeli officials "should focus on implementing their obligations" under the accord rather than argue that the Palestinian Authority should be the first to break the stalemate in peacemaking.

Larry Schwartz made the comment one day after saying the Palestinian Authority should do more to combat terrorism before Israel is required to carry out any further West Bank redeployments under the terms of the Wye agreement.

Israel, Indonesia may forge ties

Indonesia, the most populous Islamic state in the world, appears ready to establish formal diplomatic relations with Israel after Indonesian elections are held in June.

Recognition of Israel by Indonesia, which has a population of 210 million, could clear the way for the establishment of ties with Israel by such Asian Muslim states as Malaysia and oil-rich Brunei.

Israeli bank issues report

Israel's economic slowdown is expected to end gradually, not as the result of any intervention by the Bank of Israel, according to the bank's annual report on the economy.

The bank predicted 2.5 percent growth during the current year, compared to an increase of 2 percent in 1998.

The bank also forecast no imminent change in unemployment, which stands at 8.6 percent.



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banks and industrial companies to compensate slave laborers, those who were forced to sell property in Germany at bargain prices during the Nazi era and other Jews who lost assets during the Holocaust.

More than a dozen companies have pledged some \$2 billion, and Jewish representatives, led by the Conference on Jewish Material Claims Against Germany, are working with German officials to set parameters for the fund and a plan for distribution.

Although the two sides have so far only agreed to a basic framework, Jewish officials said that if the process remains on track, payments to Holocaust survivors could begin by Sept. 1.

One outstanding issue, though, is whether class-action lawsuits filed in the United States against the companies would be folded into the process, and whether attorneys would be able to collect fees.

That latter issue continues to be a source of contention between Jewish groups and lawyers representing Holocaust survivors.

In Austria, Jewish representatives are in the process of working out an agreement with Bank Austria to release Holocaust-era documents, establish a process for resolving claims against the bank and create a humanitarian fund that some sources said could amount to \$40 million.

Holocaust survivors have sued Bank Austria and its subsidiary, Creditanstalt. They have also sued several German banks and industrial companies, accusing them of profiting from the Holocaust and aiding the Nazi war effort by buying and selling Jewish assets at steep discounts.

Unlike the "global settlement" reached last year with Swiss banks and the framework agreed to in Germany, the talks in Austria only involve Bank Austria and would not release other institutions or the Austrian government from additional claims, Jewish organizational officials said.

The documents Jewish officials are seeking from the bank are expected to shed further light on economic crimes committed by other institutions in Austria and Germany.

In Britain, the government last week started issuing claims forms to Holocaust survivors or their heirs whose assets were seized — and never returned — by the British Custodian of Enemy Property at the beginning of World War II.

The government is also launching a worldwide publicity campaign to alert survivors and heirs to the possibility of reclaiming their assets, which had been deposited in Britain, ostensibly for safekeeping, just before the outbreak of the war. The government added 5,000 names to the 25,000 it listed on the Internet (www.enemyproperty.gov.uk) last year of people whose prewar assets in Britain were never recovered.

In December, Britain announced it was establishing a \$25 million fund to offer immediate, interim assistance to survivors who had previously been unable to reclaim their prewar assets.

Meanwhile, Lord Janner of Braunstone, chairman of the Holocaust Educational Trust, which has spearheaded the campaign for restitution, has persuaded New York attorney Edward Fagan to delay legal action against British financial institutions.

In his appeal to Fagan, Janner said his organization was negotiating directly with the British government and British financial institutions to resolve outstanding issues without going to court.

And the United States, after years of criticizing European countries for their handling of Holocaust-era assets, has launched its own search into the fate of Holocaust assets that made their way to American shores.

A 20-member presidential commission, chaired by WJC President Edgar Bronfman, has approved a research plan to search for gold, art, cultural property and other assets that were turned over to state governments following World War II.

The commission, which convened for the first time last week, intends to seek cooperation from state agencies in locating what could be millions of dollars, Jewish officials said.

The task will involve sifting through some 40 million documents in the U.S. National Archives, many of which have not yet been declassified. □

(JTA correspondent Douglas Davis in London contributed to this report.)

JEWISH WORLD

Russian Jews fear backlash

Russian Jews are growing increasingly concerned by the pro-Serbian stand adopted by the nation's political leaders and media.

The nation's Jewish community fears that the angry Russian response to the NATO military operation in Yugoslavia will only heighten the nationalist sentiment that is already permeating the country.

Meanwhile, the Russian Jewish Congress is raising funds on behalf of Jews fleeing Yugoslavia to escape the NATO bombing there. The funds are being funneled through the European Jewish Congress for the Yugoslav Jews arriving in Budapest.

War crimes jury deliberates

The jury in Britain's first war crimes trial began deliberations Tuesday on whether to convict a 78-year-old man charged with killing Jews in Nazi-occupied Belarus. If convicted, Anthony Sawoniuk could face life imprisonment.

First Lady given shofar

A Moroccan Jewish leader presented a shofar to U.S. first lady Hillary Rodham Clinton. "We can wish that there will come a day so the shofar would be blown for wide peace in the world," Jacky Kadosh said when Clinton visited the Jewish cemetery Monday in Marrakech.

Warsaw controversy resolved

Authorities in Warsaw successfully resolved a controversy over a planned housing complex on the site where 300,000 Jews were deported during the Holocaust.

Warsaw's mayor will turn over another plot of land for the proposed complex, leaving the area around Umschlagplatz free for the possible construction of a memorial, according to Stanislaw Krajewski, a Polish Jewish leader and the American Jewish Committee's consultant on Poland.

The controversy erupted when Polish Jewish groups denounced plans by a housing cooperative to build houses at Umschlagplatz.

Survivor files suit against Chase

A U.S. Holocaust survivor filed suit last week against Chase Manhattan Bank and other financial institutions for allegedly plundering Jewish assets during World War II.

Lily Mayer brought the suit in a San Francisco court under a California law that allows a single plaintiff to seek restitution on behalf of a wider public. Chase officials recently authorized an internal review of the bank's wartime activities and vowed to compensate any former customers or their heirs for any possible wrongdoing.

Report: Serbia and Iraq forging military alliance to combat Allies

By Douglas Davis

LONDON (JTA) — The two international pariahs, Serbia's Slobodan Milosevic and Iraq's Saddam Hussein, have entered a secret military alliance that will improve their ability to defy the West and withstand Allied bombing raids, according to reports this week in London.

There is also mounting concern that Moscow, which opposes military action against both Serbia and Iraq, actively promoted the pact and will soon emerge as a full-blown antagonist of the Clinton administration's efforts to clamp down on Milosevic and Saddam.

Earlier this year, Moscow denied that it was providing Iraq with \$150 million worth of military equipment in defiance of U.N. sanctions.

But it is now considered likely that a Russian transport aircraft, which was intercepted in the former Soviet republic of Azerbaijan last week, had been bound for Baghdad — not Belgrade, as had previously been assumed.

After Russian President Boris Yeltsin's condemnation last week of the NATO strikes in Yugoslavia, Russia is expected to be more open about military deals with the Serbs and Iraqis, putting Moscow on a collision course with Washington.

British officials said over the weekend they are aware of the reports about the Iraqi-Serbian military connection, which has the joint goal of shooting down aircraft flying bombing missions over the two countries.

"We believe they are accurate and based on good information," said one official.

"Obviously this is a cause for concern and demonstrates the sort of company that Milosevic is now keeping."

British Prime Minister Tony Blair was also said to be aware of the reports.

"Nothing would surprise us about Saddam or Milosevic," said a Downing Street spokesman.

It is understood that Serb technicians are already helping the Iraqis prepare air-defense traps for Allied warplanes.

The Iraqi air-defense system is currently based on obsolete SA-2 and SA-3 Soviet missile systems, which are no match for the sophisticated air power deployed by American and British jet fighters patrolling the no-fly zones in northern and southern Iraq.

The Iraqis are also reported to be seeking Serb assistance in modernizing their aging squadrons of MiG-21 and MiG-29 fighter jets.

In return for Serbia's assistance in rebuilding Iraq's air defenses and making its jet fighters airworthy, Saddam has reportedly agreed to provide Milosevic with oil and cash to sustain the Serbs' battered economy and its war effort.

The Serbian military would be unable to function without a supply of Iraqi oil. And hard currency, which Saddam acquires from illicit oil sales, will prove essential for paying the salaries, and retaining the loyalty, of the Serbian military.

The London Sunday Telegraph reported that the alliance was initiated by a Serbian military delegation that visited Iraq earlier this month, shortly before NATO launched Operation Allied Force last week in Yugoslavia.

The visit was intended to explore ways in which the two countries could cooperate to their common advantage.

Along with traveling to conventional military sites, the delegation also visited an Iraqi pharmaceutical plant at Samarra, 100 miles from Baghdad, which U.N. weapons inspectors say is a chemical weapons production site.

The visit by the Serbian delegation to Iraq was confirmed by the Foreign Office in London, where officials regard the growing cooperation between the two leaders with alarm.

"It appears they have identified a common aim — to shoot down Allied aircraft," a senior diplomat was quoted as saying.

"Saddam and Milosevic see themselves as international outcasts who must support each other if they are to survive." □

FOCUS ON ISSUES**French Jews fear restitution focus will prevent setting record straight**

By Lee Yanowitch

PARIS (JTA) — French Jewish leaders, unlike their American counterparts, are taking a low-key approach to the restitution issue.

While multimillion dollar lawsuits against banks and insurance companies accused of profiting during World War II from looted Jewish assets have made international headlines, the Jewish leadership in France has focused its energy on setting the historical record straight.

CRIF, France's umbrella group for secular Jewish organizations, believes that re-educating the French about their country's role in the persecution of Jews is more important than material redress. And they fear that stressing monetary compensation would obscure the message they are trying to get across.

"We are in the process of rewriting history. There is no price tag on teaching the French about their role in the Holocaust. It would pollute the subject if we started announcing figures," Henri Hajdenberg, president of CRIF, told JTA.

Jewish leaders here have made repeated efforts to force the French to come to grips with their wartime past. It is only in the past few decades that cracks have appeared in the French myth that their nation was united in its struggle against the Nazis, who occupied France from 1940 to 1944.

And it took until 1995 for a French president to publicly acknowledge the Vichy administration's active involvement in stripping Jews of their rights and deporting them to death camps.

"Everything we've done in the past 25 years is in danger of being destroyed by material demands," Hajdenberg said, suggesting that pushing France to confront its Vichy past is the "most important thing today in order to fight anti-Semitism and totalitarianism."

Hajdenberg and his colleagues feel this is particularly pressing given that France's extreme-right National Front, with 15 percent of the nationwide vote, is the most powerful fascist party in Europe.

Of all the European countries that came under the Nazi boot during World War II, France suffered the most widespread looting and confiscation of Jewish property.

Most of the 76,000 Jews deported from France during the war were immigrants from Eastern Europe. Only 2,500 returned.

France's Sephardi Jews, most of whom emigrated from North Africa in the 1950s and 1960s, are less concerned about the problem of setting the record straight. While most Ashkenazi Jews — who make up 30 to 40 percent of the nation's 700,000-strong Jewish population — back the CRIF's diplomatic stance on restitution, voices of discord are making themselves heard, accusing CRIF of not wanting to ruffle any feathers.

"It is a well-known fact that France's Jewish leadership has always wanted to be in with the powers that be. But many of the heirs of Holocaust victims contest what the CRIF is doing," said historian David Douvette.

At the same time, the New York-based World Jewish Congress is annoyed at being excluded from French negotiations on Holocaust-era claims. Some WJC officials have accused their CRIF counterparts of not asking for money because they are afraid

of fomenting anti-Semitism. But Hajdenberg contends that he, too, believes victims should be compensated; he just disagrees with the pressure used to force countries to come to an agreement.

A compensation deal Hajdenberg had reportedly planned to sign recently with the French Banking Association fell apart at the last minute amid discord among French Jewish leaders.

The banks went ahead with the proposal anyway, announcing last week that they would take "comprehensive measures" to compensate survivors for lost assets.

News of the deal triggered a threat of resignation by members of the Matteoli Commission, a French government-appointed panel investigating the looting of Jewish assets during the war.

Hajdenberg is also under fire from his colleagues for going on a "peacemaking" tour of the Middle East earlier this month, where he met Palestinian leader Yasser Arafat, Egyptian President Hosni Mubarak and Jordan's King Abdullah. He was not received by Israeli Prime Minister Benjamin Netanyahu.

In protest, CRIF's single largest member, the Consistoire, which tends to the religious needs of French Jews, has pulled out of the umbrella group.

Consistoire President Jean Kahn is furious that he was not consulted about either the bank deal or the Middle East trip.

There is even talk of forcing Hajdenberg to resign.

Meanwhile, Jean Matteoli, a concentration camp survivor and former Resistance fighter who heads the commission that bears his name, outraged French Jews by saying in a newspaper interview that Jewish victims of the Nazis should be treated no differently than other victims.

The interviewer then suggested that a distinction should indeed be made, given that Jews were deported to death camps for the sole reason that they were Jewish.

Contradicting the widely proven fact that the Vichy regime drew up the lists of Jews who were arrested by French police and deported on French trains, Matteoli answered: "It was the Germans who made that distinction."

Hajdenberg declined to comment on Matteoli's remark, but a high-ranking source inside CRIF called for Matteoli's resignation.

"These remarks are unacceptable and totally incompatible with his role as president of the commission," the source said. □

Barak goes to Hollywood

LOS ANGELES (JTA) — Ehud Barak, the head of Israel's Labor Party, paid a quick, unannounced visit to Los Angeles last week to attend a private fund-raiser hosted by an Israeli television and movie mogul.

Described in a recent article as a billionaire and "the biggest Israeli player in Hollywood," Haim Saban invited a select list of wealthy Los Angeles-area residents to his Beverly Hills mansion.

In his invitation, Saban charged that Israeli Prime Minister Benjamin Netanyahu is "taking the country down a slippery and dangerous slope." He added, "I have decided to throw my weight and support for two main groups" in Israel's May 17 elections, mentioning Barak's Labor Party and the centrist party headed by former Defense Minister Yitzhak Mordechai.

Some 30 guests attended the March 25 event — and although no accurate figure on the amount raised is available, those invited understood that \$10,000 would be the minimum donation expected. Saban pledged to match every dollar contributed. □