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82nd Year

TOP NEWS IN BRIEF

Wiesel urges diplomatic solution

Diplomatic efforts should be intensified to resolve the Kosovo crisis, Nobel laureate Elie Wiesel said Tuesday.

He made the comment after witnessing what he described as the "almost unbearable suffering" of Kosovar refugees at a camp in Macedonia.

Sent by President Clinton as a special envoy to the camps, Wiesel spoke with refugees about their families, their homes and their hopes.

"My role, really, is to bear witness," said Wiesel, who added that he would report back to the president on the refugee situation upon his return to the United States.

Clinton pressed on embassy

U.S. lawmakers criticized President Clinton on Monday for failing to move the U.S. Embassy in Israel from Tel Aviv to Jerusalem and threatened to force the move through legislation.

A 1995 law passed by Congress required that the embassy be relocated no later than May 31, 1999, but allows Clinton to postpone the move with a waiver in the interests of "national security."

A bipartisan group of 10 senators warned Clinton against invoking his right to the waiver, saying it would be inconsistent with the intent of Congress.

Militia withdrawal begins

The Israel-allied South Lebanon Army began its withdrawal Tuesday from a Christian enclave in the northern portion of Israel's security zone.

The withdrawal from the Jezzine enclave took place under heavy fire from Hezbollah gunmen, and two SLA soldiers were killed by roadside bombs planted by Hezbollah. Meanwhile, outgoing Israeli Defense Minister Moshe Arens said the withdrawal is not a prelude to an Israeli pullout from the security zone. [Page 1]

Barak, Netanyahu confer

For the first time since his election defeat, outgoing Israeli Prime Minister Benjamin Netanyahu met Tuesday with the man who ousted him from office.

During an hourlong breakfast meeting at Jerusalem's King David Hotel, Netanyahu briefed Prime Minister-elect Ehud Barak on security and political issues during their discussion of the transfer of power.

NEWS ANALYSIS

South Lebanon Army leaves town; Is it prelude to Israeli withdrawal?

By Gil Sedan

JERUSALEM (JTA) — No Israeli soldier moved an inch, but this may have been the week that the Israel Defense Force's withdrawal from southern Lebanon began.

The first move came not from Israel, but from its ally in the region, the South Lebanon Army, a 2,500-member Christian militia that has been fighting Shi'ite Hezbollah gunmen with arms and money supplied by Israel.

On Tuesday, the SLA began to withdraw from its stronghold in Jezzine, a predominantly Christian enclave at the northern tip of the security zone.

Optimists in Israel hope that the withdrawal will create a precedent for more redeployments by the SLA, and by Israel, from the security zone. Pessimists, however, are worried that the vacuum created by the withdrawal will be filled not by the regular Lebanese Army, but by Hezbollah, who would turn the town into another base for attacks against the SLA and the IDF.

The withdrawal highlights the debate within Israel over how and when to get out of Lebanon, where seven Israelis have died this year alone.

Prime Minister-elect Ehud Barak has said he would seek an Israeli withdrawal from Lebanon within a year after his election. Statements like Barak's have so diminished morale among SLA soldiers that Gen. Antoine Lahad, the 70-year-old SLA commander, could no longer keep his soldiers in place.

The SLA took control of Jezzine in 1985 — the year that Israel carved out the 9-mile-wide security zone at the conclusion of its war in Lebanon — to protect the local Christian population from the rival Shi'ite Muslims.

Fourteen years later, with morale down and many of its commanders deserting the field, the SLA was all but admitting defeat.

In 1985, Jezzine had some 40,000 residents. When Lahad announced the two-week withdrawal process this week, the town had barely 4,000 residents.

In more than a decade of fighting, the SLA found that rather than defending civilians, it was mostly busy defending itself.

Over the years, the SLA suffered heavy losses from Hezbollah attacks.

On Monday, when he announced the withdrawal, Lahad said the town had become too dangerous for his militia.

Since 1982, when Israel launched an invasion of Lebanon aimed at rooting out Palestinian terrorists, some 154 SLA militia members have been killed, with another 443 wounded.

During the past several weeks alone, the SLA suffered 18 casualties in the Jezzine region.

And on Tuesday, the first day of the withdrawal, which took place under heavy fire from Hezbollah gunmen, two SLA soldiers were killed by roadside bombs planted by Hezbollah.

In some respects, the SLA presence in Jezzine was counterproductive.

SLA forces often caused flare-ups in the area without prior coordination with Israel, forcing Israel into unnecessary confrontations with Hezbollah.

In fact, the IDF recently ordered the SLA to refrain from reacting forcefully to Hezbollah attacks.

In addition, Jezzine had no real strategic value from the Israeli point of view.

Just the same, the SLA presence continued there — to some eyes, only through the

MIDEAST FOCUS

Barak may bypass Wye

Israeli Prime Minister-elect Ehud Barak may propose that Israel and the Palestinian Authority move directly to final-status negotiations and forgo implementation of the Wye accord, the Israeli daily Ha'aretz reported Tuesday.

According to sources within Barak's Labor Party, such a proposal may make it easier for Likud and the National Religious Party to join his government.

U.S. denies election meddling

The Clinton administration actively worked against Benjamin Netanyahu's re-election bid, a close aide to the outgoing prime minister charged.

In the four months preceding the Israeli elections, "hardly a day passed without a Washington story about Netanyahu failing to keep his word," David Bar-Illan wrote in the June 14 issue of National Review magazine. On Monday, a spokesman for President Clinton's National Security Council denied the charge.

Sharon presents demands

Outgoing Israeli Foreign Minister Ariel Sharon set forth "minimal" demands that would have to be met by Israeli Prime Minister-elect Ehud Barak if Sharon's Likud Party is to join the governing coalition.

The demands include approving the construction of Jewish housing in eastern Jerusalem and a readiness to retain large portions of the West Bank, Sharon told a meeting of Likud leaders on Tuesday.

Arens postpones jet purchase

Outgoing Israeli Defense Minister Moshe Arens is postponing a decision on whether to buy fighter jets from U.S. manufacturer Lockheed Martin or the rival Boeing company. Prior to making a decision, Arens plans to confer with Prime Minister-elect Ehud Barak. In what would be the largest military purchase in Israel's history, the air force has recommended buying 50 F-16 jets from Lockheed at a cost of \$2.5 billion.



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power of inertia. Indeed, many observers see a similar reason for the continued Israeli presence in the Lebanese quagmire.

For years, the best military and political minds in Israel have sought a way out.

But the debate over the best way to do so still goes on — accompanied by a steadily mounting death toll of Israeli soldiers.

This week, some observers questioned whether the SLA withdrawal was handled correctly. Reserve Gen. Yossi Peled, a former commander of Israeli forces in Lebanon, said Israel should have used the opportunity for a major diplomatic initiative.

According to Peled, Israeli officials should have announced that they endorsed Lahad's announcement — a move that could have been interpreted as a goodwill gesture toward Lebanon and may have cleared the way for an eventual Israeli withdrawal.

Instead, Israeli officials said this week that they had not been consulted in advance about Lahad's decision to withdraw from Jezzine.

During a recent meeting with outgoing Israeli Defense Minister Moshe Arens, Lahad presented his decision as a *fait accompli*, telling Arens he had no choice but to order the withdrawal.

"I accepted his arguments and told him I would give him full backing," Arens said this week.

Arens downplayed the hope of some in Israel that the withdrawal will create a precedent for an Israeli redeployment.

"The SLA withdrawal is not the first step of a general Israeli pullout from Lebanon," Arens said. "The purpose of our presence in the security zone is to protect" Israel's northern communities.

"We do not intend to quit" the region, he added.

But, with the tenure of outgoing Prime Minister Benjamin Netanyahu's government set to expire within a month, many Israelis are focused on Barak's promise of a redeployment.

But that promise depends on Syria, the main power broker in Lebanon.

Barak would seek an Israeli withdrawal as part of an overall agreement with Syria.

But Syrian President Hafez Assad may give Hezbollah the green light to keep launching strikes at the IDF, a move that could force an Israeli redeployment — that is, an Israeli defeat — outside the context of any agreement on the Israeli-Syrian negotiating track. One way to tell whether the SLA move will be followed by any Israeli withdrawals is to watch the IDF positions in the Lebanese villages of Ayishiya and Reihan, which are located within the security zone.

Both villages were manned by IDF soldiers to protect the corridor to Jezzine. But with that corridor no longer of importance, Israel may no longer keep its forces stationed at sites that may be subject to continued Hezbollah attacks.

Lahad warned this week that if Hezbollah used Jezzine as a base for more attacks, the IDF would retaliate with shelling and air raids that would flatten the town.

Under such a scenario, the SLA withdrawal, far from being a prelude to an Israeli redeployment, could lead to yet another escalation of fighting.

Arens refused this week to predict what would result from the SLA withdrawal.

"Everything depends on Syria," he said. "Only Damascus decides what happens in Lebanon."

For Lahad, the withdrawal from Jezzine is also a personal tragedy.

The former Lebanese army officer had linked his fate to Israel because he had believed that with Israeli backing he could control the southern portion of the country.

But the man who was sentenced to death in absentia by a Lebanese military court in 1996 never saw the fruits of victory.

This week, he denied rumors that he would soon join his family in exile in France.

But there may be an even larger tragedy looming for ordinary SLA soldiers who will not be able to seek haven abroad.

Indeed, there were reports this week that some SLA members have begun seeking amnesty from the Lebanese government.

"Our commanders have deserted us," Michel, a 32-year-old SLA soldier who comes from Jezzine, said this week. "I joined the SLA when I was 18, because I wanted to protect my town. But now our commanders have left us to our destiny." □

JEWISH WORLD

Proponents of school vouchers claim victory in Ohio court ruling

By Daniel Kurtzman

WASHINGTON (JTA) — School voucher proponents are claiming victory in an Ohio Supreme Court ruling that upholds the controversial practice of giving low-income students taxpayer-funded scholarships to use at parochial schools.

Although the court last Friday struck down a Cleveland voucher program because of a technicality, it ruled that the program does not violate the separation of church and state, clearing the way for the state to try again.

Supporters of vouchers in the Jewish community say the decision amounts to losing a battle, but winning the larger war.

The ruling "continues to build momentum for school choice initiatives," said Nathan Diament, director of the Orthodox Union's Institute for Public Affairs, adding that it "is only going to encourage people because they see" that voucher programs are constitutional if they are structured properly."

In contrast, Marc Stern, co-director of the American Jewish Congress's legal department, said the ruling comes as a disappointment.

"It may mean for the moment they can't have a voucher plan in Ohio, but substantively it's a defeat," he said.

The debate over school vouchers has sharply divided the Jewish community. Most Jewish organizations oppose vouchers, saying they violate the separation of church and state while undermining public education.

But others, mostly Orthodox and politically conservative Jews, favor the idea, arguing that vouchers are needed to provide better access to a quality Jewish education.

The Cleveland program, one of several pilot voucher programs around the country, provides tuition vouchers for some 4,000 low-income students to attend the private schools of their choice, including religious schools.

Milwaukee has the largest such program, with as many as 15,000 students receiving aid. The Wisconsin Supreme Court last year upheld the program, saying it "has a secular purpose" and "will not have the primary effect of advancing religion."

Florida, meanwhile, approved the nation's first statewide voucher program last month, raising hopes among voucher advocates for the expansion of vouchers around the country.

Litigation over other programs is pending in Arizona, Maine, New Jersey, Pennsylvania and Vermont.

David Zwiebel, general counsel and director of government affairs for Agudath Israel of America, an Orthodox group, said he hopes the decisions upholding vouchers by the two state supreme courts will begin to turn the voucher debate away from constitutional concerns.

"The more we have courts clarifying that this is not unconstitutional, the more we'll be able to hone in on the public policy issues, which is really the debate that should be taking place," he said.

The technicality on which the Ohio Supreme Court struck down the voucher program was based on the Ohio Constitution's "single-subject rule," which requires that each piece of legislation only address one issue.

The 1995 legislation that created the voucher program was included in the state's general spending bill for that year. Because of the contentiousness surrounding the issue, the court ruled, vouchers needed to be the subject of a stand-alone bill.

At the same time, the court concluded that the program did not breach the separation of church and state because it "has a secular legislative purpose, does not have the primary effect of advancing religion, and does not excessively entangle government with religion."

Ohio Gov. Bob Taft said he would support reinstating the program, which would involve lawmakers drafting new legislation to abide by the court's ruling.

Voucher opponents, led by the Ohio Education Association and the Ohio Federation of Teachers, have vowed to fight any attempt to revive the program in the legislature. □

Audit of Swiss banks concludes

A team of investigators concluded a probe of Holocaust-era assets in Swiss banks on Monday.

The commission that oversaw the audit, headed by former U.S. Federal Reserve Chairman Paul Volcker, plans to issue its final report in September. The audit was organized in the wake of complaints that the banks are still hiding assets deposited by Holocaust victims.

Legislators attack AIPAC stance

U.S. Rep. Michael Forbes (R-N.Y.) and New York State Assemblyman Dov Hikind (D-Brooklyn) attacked the American Israel Public Affairs Committee last week for dropping its opposition to a Palestinian state. The two accused AIPAC of giving the impression of "surrender and impotence," and questioned whether it had become a "pro-Palestine lobby."

An AIPAC official fired back that anyone should realize that its new position, which calls for a "political solution" that would "permit the exercise of Palestinian self-government," is "focused almost exclusively on the need to guarantee Israel's security."

Germany ends bombing probe

German officials called off an investigation into last December's bombing of the gravesite of the former leader of the nation's Jewish community.

The state's offer of \$11,000 for information leading to the arrest of those responsible for the attack on Heinz Galinski's grave did not help solve the case, the officials said Tuesday.

Police learn about Holocaust

The U.S. Holocaust Memorial Museum and the Metropolitan Police Department of Washington recently launched a program to educate officers about the Holocaust and the role of police in a democratic society.

The program, which will become a regular component of training, seeks to convey to recruits that the German police in the Nazi era "were ordinary people whose decisions to join the Nazi party and murder innocent victims in its name were often motivated not by hatred of Jews, but by other considerations such as self-promotion," said Joan Ringelheim, director of the museum's education division.

German exhibit to visit New York

An exhibit that details atrocities committed by the regular German army during World War II will soon move to New York after a four-year tour of Germany and Austria.

The exhibit, which sparked violent protests by right-wing German demonstrators, is slated to open on Dec. 2.

Poland's removal of crosses at Auschwitz earns goodwill

By Peter Ephross

NEW YORK (JTA) — A move by the Polish government to remove some 300 crosses near the Auschwitz death camp appears to have earned Poland some goodwill with the international Jewish community.

Polish police removed the crosses last Friday from outside Auschwitz, sending them to a nearby church.

The police action occurred only days before Pope John Paul II is scheduled to begin a trip to his homeland during which he will stress religious tolerance. The pope's 13-day visit is slated to begin Saturday. The Polish move also came one day after police detonated explosives at a site where Kazimierz Switon, a Polish Catholic activist who led a campaign beginning last August to erect the sea of crosses, was staging a sit-in.

"We have to congratulate the Polish government and President Kwasniewski for their swift action," Kalman Sultanik, the vice president of the Auschwitz Museum Council, said, referring to President Aleksander Kwasniewski's signing last month of a bill that would set up protective zones around Auschwitz and other former Nazi death camps in Poland.

"This action will enable the Polish government to renew its dialogue with the Jewish community and Israel," he said.

Some 1.5 million people, mainly Jews, were killed at Auschwitz and neighboring Birkenau during World War II. Tens of thousands of Poles were murdered there.

The controversy over religious symbols at Auschwitz is nothing new — and despite the burst of goodwill, the controversy over crosses is far from over.

In 1984, a Carmelite convent was installed flush against the Auschwitz camp's northeastern wall. By 1988, Jewish groups were pressing for the convent to be relocated, which it was in 1993.

It was in 1988 that a 26-foot "papal cross" reappeared, erected next to the convent as a sign of resistance. The large cross was originally erected for a mass Pope John Paul II held at Birkenau in 1979 that was attended by 300,000 Poles.

Until 1988, it was stored in a local parish.

Despite a yearlong protest by Israel and Jewish groups, the papal cross will remain near Auschwitz — at least for now.

A coalition of Jewish groups that deals with Polish relations is scheduled to meet in New York on June 7 to discuss the removal of the papal cross.

The position of the Jewish community, said Sultanik, remains firm: Religious symbols have no place at Auschwitz — "not crosses, not Stars of David, not anything." □

Judge sets first-ever trial date for Holocaust-era insurance case

By Tom Tugend

LOS ANGELES (JTA) — For the first time, a trial date has been set regarding a claim on Holocaust-era compensation.

Los Angeles Superior Court Judge Florence-Marie Cooper ruled last Friday that a trial involving a \$135 million breach of contract suit brought by the descendants of Moshe "Mor" Stern,

a Jewish merchant gassed at the Auschwitz camp, against the Italian insurance company Assicurazioni Generali will begin Feb. 9.

The judge's decision "is an enormous breakthrough," said William Shernoff, lead counsel for the Stern family, which now resides in Los Angeles, Miami and New York, as well as in Israel and England. "It will give Holocaust survivors all over the world new hope."

Although numerous class-action and other lawsuits have been filed in the United States and Europe against insurers and wartime employers of slave labor, none of these has gone to trial. Many cases have been put on hold as negotiations to reach a global settlement of these claims continue.

Depending on the outcome of negotiations between European insurance giants and an international commission dealing with these matters, the same fate could await the Stern case.

Moshe Stern, an affluent wine and spirits producer in Hungary, took out large insurance policies through the Prague office of Generali between 1929 and 1939. He, his wife and three of their sons subsequently perished in Auschwitz.

His eldest son, Adolf Stern, who survived Buchenwald and is the lead plaintiff in the case, has testified that Generali officials in Prague demanded a death certificate for Moshe Stern when he approached them in 1945 to pay out on the policies. When Adolf Stern, now 82, explained that no such papers were issued by the Nazis, he was mocked and forcibly removed from the office.

During the subsequent five decades, the Stern children and grandchildren repeatedly petitioned Generali to take action, but were rebuffed. A year ago, the Stern family filed the current lawsuit, seeking \$10 million in actual damages and \$125 million in punitive damages.

Attorneys for Generali have held that California courts have no jurisdiction over cases originating in Europe and that the time limit for filing any such lawsuit had long expired.

Cooper rejected these arguments, citing the Holocaust Victims Insurance Act, which the California legislature and governor approved last year. The act allows California residents to file claims in state courts until the year 2010 against foreign insurance companies doing business in California. Cooper also rejected Generali's motion to dismiss three separate lawsuits similar to the Stern case, brought by three Los Angeles residents.

Generali attorney Peter Simshauser said that the judge acted prematurely in setting a trial date, and that the company is deciding whether to file an appeal.

He also said Generali would continue to participate "in good faith" in the work of the international commission, which is seeking to reach a global settlement of Holocaust insurance claims.

Last month, Generali and three other insurance firms reached an agreement with the International Commission on Holocaust Era Claims that unpaid policies dating back to the Holocaust should have interest and present-day currency values factored in when the policies are paid. While the exact amount of the outstanding claims is unknown, insurance industry analysts were quoted as saying it could total between \$1 billion and \$4 billion.

The companies also accepted liability for policies issued before company assets were nationalized by the Communists in the postwar years.

The next meeting of the commission is scheduled for June 24 in Jerusalem. □