



# Daily News Bulletin

Vol. 77, No. 107

Wednesday, June 9, 1999

82<sup>nd</sup> Year

## TOP NEWS IN BRIEF

### Israel, U.S. condemn arrests

Israel and the United States strongly condemned on Tuesday a report from Tehran that 13 Iranian Jews, including rabbis, have been charged with spying for America and the Jewish state.

Israeli Foreign Minister Ariel Sharon met briefly on Tuesday with United Nations Secretary-General Kofi Annan to discuss the arrests.

In New York on a personal visit, Sharon rejected the charges, saying the 13 had no connection with "any Israeli intelligence agency," according to a statement from Israel's Foreign Ministry.

Testifying before the House International Relations Committee in Washington, Martin Indyk, U.S. assistant secretary of state for Near Eastern affairs, called on Iran "to ensure that no harm comes to these individuals and to release them immediately."

### Senate urges Yeltsin to act

All but one of the 100 members of the U.S. Senate threatened to end economic and political support for Russia unless President Boris Yeltsin confronts the rise in anti-Semitism there.

"The United States predicates its support for democratic institutions in Russia upon unwavering opposition to anti-Semitism at any level," the senators wrote in a letter to Yeltsin that is expected to be sent as early as this week.

### Mayor wants to head Likud

Jerusalem's mayor announced Tuesday that he will run for the Likud leadership when party primaries are held in early September.

"The era of hocus-pocus is over," Ehud Olmert said in an apparent swipe at outgoing Premier Benjamin Netanyahu, who resigned as party head after losing last month's elections. "I didn't come to eulogize Likud, but to offer it a path of renewal."

Olmert drew immediate support from former Prime Minister Yitzhak Shamir. [Page 2]

### Clinton to host Egyptian leader

President Clinton plans to meet with Egyptian President Hosni Mubarak in Washington on July 1 to discuss the Middle East peace process, the White House said Tuesday.

During his visit, Mubarak will also meet with Vice President Al Gore.

## NEWS ANALYSIS

### Despite reports to the contrary, Barak inches toward accepting Shas

By David Landau

JERUSALEM (JTA) — Don't count the Shas Party out of the next Israeli government yet.

Israeli Prime Minister-elect Ehud Barak has now spent three, often frustrating, weeks attempting to form a government — a process filled as much with public posturing as with anything more substantive.

In part as a result of this frustration, some of Barak's aides are suggesting forming a minority government, which would mean that he would have fewer than 60 of the Knesset's 120 members represented in his coalition.

Suggesting that Barak worry about expanding his government later, many of these aides have become fed up with the stream of threats and often irreconcilable demands coming from Barak's potential coalition partners.

But seasoned observers are detecting a slow but perceptible shift on the part of Barak away from the idea of a minority government and toward the inclusion of the controversial Shas Party.

Shas' 17 Knesset seats made it, like Barak himself, a major victor in the May 17 elections.

The inclusion of the fervently Orthodox Shas in a Barak Cabinet, however, faces the vehement opposition of two secular parties: Meretz, with 10 seats, and Shinui, with six.

The minority scenario is a direct product of the now widely regretted electoral system that was introduced in the 1996 elections and that enables Israelis to cast one ballot for prime minister and a separate vote for the Knesset.

This system resulted in a legislature more splintered than ever before: When the 15th Knesset was sworn in Monday, there were a record 15 parties represented.

As an argument in favor of the minority government, Barak reasons that even if his coalition commands less than 60 seats in the 120-member Knesset, he will face no real danger.

This is because most Knesset members — including many of those who will not be part of the coalition — will be hesitant to vote against the new government since that would result, under the new electoral system, in the dissolution of the Knesset and the calling of new elections.

Barak's reasoning is that most legislators will not want to send themselves home so soon after being elected.

Under the previous electoral system, if a government fell, another might be formed under another prime minister without the Knesset itself dissolving.

Barak is understood to believe that the precedent set by outgoing Prime Minister Benjamin Netanyahu, who was widely unpopular and yet survived well into his third year, proves that the new system awards a great degree of parliamentary invulnerability to the prime minister.

In the minority scenario, Barak's One Israel bloc (26 seats) would join with Meretz and Shinui (16), the Center Party (6), Yisrael Ba'Aliyah (6) and One Nation (2) to create a left-liberal, non-Orthodox coalition of 56 seats.

Barak himself, though, is uncomfortable with the thought that his campaign pledges to unify and heal the breaches in Israeli society would fail to translate into a broad-based coalition with different and even divergent trends represented. Moreover,

## MIDEAST FOCUS

### Israeli reportedly hurt in Kosovo

An Israeli journalist reporting on the conflict in Kosovo was wounded Tuesday when members of the Kosovo Liberation Army fired at his car, according to a Serbian media report.

Ben Yishai, a reporter for the Israeli daily Yediot Achronot, sustained injuries to his leg and was taken to a hospital in the Kosovar capital of Pristina, the report said.

### Weizman pulls school award

Israeli President Ezer Weizman canceled the award of an education prize to a Lubavitch school that allegedly refused to admit Ethiopian children. Weizman's decision came after Ethiopian-born Knesset member Adisu Massala urged him to make the move.

A spokesman for the school said no member of the Ethiopian community in Israel had ever asked to attend the school in Kiryat Malachi.

### Hezbollah likely to attack

Hezbollah gunmen are likely to step up their attacks on the Israel Defense Force and its ally in the region, the South Lebanon Army, a senior Israeli security official said Tuesday.

The attacks will likely include attempted kidnappings of soldiers, the source added.

Meanwhile, senior IDF officers met with their SLA counterparts to assure them that Israel would not desert them or their families in the event of an Israeli withdrawal from southern Lebanon.

### Economic summit to reconvene

A Middle East economic summit will be reconvened this year after being scrapped in 1998 because of the stalemated peace process, sources in Jerusalem said Tuesday.

Representatives of the World Economic Forum, which organizes the summits, visited the region recently to prepare for the next meeting.



## Daily News Bulletin

Caryn Rosen Adelman, *President*  
 Mark J. Joffe, *Executive Editor and Publisher*  
 Lisa Hostein, *Editor*  
 Howard Lovy, *Managing 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](http://www.jta.org).  
 © JTA      Reproduction only by previous arrangement.

he does not want a government without a religious component, given the recent intensification of religious-secular strife.

He also believes that progress toward peace, both with Syria and the Palestinians, needs to be founded on a broad consensus — even though any accords he reaches would, as he has pledged, be submitted for a national referendum.

It was with the goal of forming such a broad-based coalition that the premier-elect embarked on what his aides insist was a sincere and genuine attempt at dialogue with the Likud Party.

Barak held a lengthy private meeting last week with Likud's acting chairman, outgoing Foreign Minister Ariel Sharon, and there have been several working sessions between representatives of the two parties.

By the same token, though, the uncompromising positions put forward by Likud, and especially by Sharon, appear to have convinced Barak that a partnership with Likud is not realistic.

Some One Israel insiders say that Likud's hard-line stance on peace policy issues during coalition negotiations is linked to the party's upcoming election in early September of a new leader to replace Netanyahu, who resigned the post immediately after the May elections.

On Tuesday, Jerusalem Mayor Ehud Olmert formally threw his hat into the ring, joining the candidacies of Sharon and outgoing Finance Minister Meir Sheerit.

The Likud's apparent unavailability for the coalition has pleased those in the prime minister-elect's camp who have argued ever since election day that One Israel's best option, both in terms of the peace process and in terms of domestic reconciliation, is to take in Shas.

This recommendation, however, is conditional on the departure of Aryeh Deri as Shas leader.

Deri was convicted in March of taking bribes and subsequently sentenced to four years in jail. His case is now awaiting appeal in the Supreme Court.

Deri has formally resigned from the Knesset, but he has not given up his power as party chairman.

Shas officials, among them the party's spiritual leader, Rabbi Ovadia Yosef, are signaling to Barak that they are prepared to ditch Deri in return for a coalition agreement.

The snag, however, is that Shinui, and subsequently Meretz, have publicly pledged not to join a government that also includes Shas — even if Deri is ousted.

Shas "represents values that are inimical to the rule of law," Shinui leader Yosef "Tommy" Lapid insisted Tuesday.

Lapid poured scorn on an idea floated this week by Meretz leader Yossi Sarid under which Shas would become part of the coalition in place of Meretz and Shinui, both of which would stay out of the government but support its policies in the Knesset.

Under this scenario, the United Torah Judaism bloc (5) and possibly the National Religious Party (5) might join, too, giving Barak a comfortable Knesset majority.

But Lapid said Tuesday this seemed "completely illogical" to him.

He reiterated his party's refusal to sit alongside Shas at the Cabinet table, adding that Sarid's proposal would only further strengthen Shas and weaken the secularist forces.

Lapid seemed to be hinting that Meretz should swallow its pride and agree to a Shas presence in the coalition — though his own party would not do so, preferring to retain its secular stance.

This is also the privately held position of some in Meretz, who feel that Sarid has painted their party into an awkward corner that needlessly prevents Barak from setting up a workable coalition of parties committed to the peace process.

Like Yosef of Shas, these Meretz officials recall with some nostalgia the Labor-Meretz-Shas coalition of 1992, under the late Yitzhak Rabin, which was responsible for the Oslo accords.

That coalition required all partners to set aside some of their domestic agendas in favor of the peace process.

This, they say, is the same requirement now, if the Oslo accords are finally to be brought to a successful conclusion. □

## JEWISH WORLD

### AROUND THE JEWISH WORLD

## Art taken by Nazis to be returned, opening the door to further claims

By Douglas Davis

LONDON (JTA) — When German authorities hand over a \$5 million sketch by Van Gogh to Gerta Silberberg in the next few weeks, a small fragment of a destroyed world will be returned.

The 85-year-old widow greeted with mixed emotions last Friday's news that the umbrella body representing most of Germany's museums, the Foundation for Prussian Cultural Heritage, had approved the return of Van Gogh's "L'Olivette," which has been hanging in Berlin's National Gallery since 1935.

"The whole issue brings back many disturbing issues for me," she said at her home in the British city of Leicester. "I wish to continue to live modestly and quietly for my remaining years."

The return of this work and another owned by Silberberg's father-in-law before the Nazi era — as well as the decision by the German foundation to give its president the power to negotiate directly with prewar owners or their heirs to avoid lengthy litigation — is expected to open the way to claims to thousands of artworks worth billions of dollars in museums, galleries and private collections throughout the world.

"No one knows how big this problem is, but we suspect it is huge," said Constance Lowenthal, the director of the Commission for Art Recovery, a subsidiary of the World Jewish Congress.

Since the death of Gerta Silberberg's husband, Arthur, in 1984, she has been the sole surviving relative of Max Silberberg, her father-in-law.

Max Silberberg was a wealthy industrialist in Breslau, now Wroclaw, Poland, and co-owned M. Weissenberg, a company that produced magnesite, a key ingredient in making steel. He used his great wealth to amass a fabulous, 143-piece collection of Impressionist art, which was considered one of the finest private collections in Europe. At today's values, it is estimated that the collection would be worth some \$35 million.

Soon after Hitler came to power in 1933, however, Silberberg's world imploded: The Nazis "Aryanized" the magnesite industry, and Silberberg was suddenly forced out of his job and stripped of his assets.

By 1934, it was clear that he would have to sell his fabulous collection of art at one of the many "Jew Auctions" organized by the Nazi Chamber of Culture throughout Germany between 1933 and 1938. These sales were designed to force Jews in Silberberg's predicament to sell their collections at a fraction of their real values.

As the war clouds darkened, fates were sealed: Gerta and Alfred Silberberg fled to Britain in 1937. Max Silberberg, unable to leave, was arrested and transported to a concentration camp, where he died.

Last week's decision came after Greta Silberberg had almost abandoned hope of ever recovering any of the artworks that had belonged to her late father-in-law.

But her hopes were revived with the fall of the Berlin Wall and the discovery of an archive from the former East Germany that documented the fate of collections sold at the auctions.

A team of art historians working for her soon struck paydirt. Not only did they find the Van Gogh, but they also found another picture from Silberberg collection in the museum — "Man With Yellow Coat," by the 19th-century German painter Hans von Marees. Other paintings in the Silberberg collection are being tracked down, and legal action for their recovery is now expected to proceed — even though the deadlines for such claims have passed.

"The expiration of legally set deadlines cannot be a reason that injustices are not set right," said the president of the German foundation, Klaus-Dieter Lehmann.

Anne Webber, the co-chairwoman of the European Commission on Looted Art, described the German move as a "landmark" decision.

"The Nazis carried out the greatest art robbery in history," she said. "They stole one-fifth of all the art in Europe, and much of it is now kept in galleries or private collections." □

### AJCommittee gives to refugees

The American Jewish Committee donated \$100,000 to a Catholic relief organization providing aid to Kosovar refugees.

The donation to Catholic Relief Services on Monday is part of the \$1.1 million in funds that the AJCommittee has received for the refugees since March. Officials with the group said they would distribute the rest of the money in the coming weeks.

### Latvian minister urged to recant

The Simon Wiesenthal Center called on the foreign minister of Latvia to retract his recent statement that most Latvians "did not participate in the murders which took place during the Holocaust."

The statement, which appeared last month in the International Herald Tribune, is "not only misleading, it is patently false," the director of the center's Jerusalem office, Efraim Zuroff, wrote in an open letter to Valdis Birkavs.

### Swiss Jews press legislators

An umbrella group of Swiss Jews recently sent a letter to each member of the Swiss Parliament's lower house that calls for lifting the immunity of a Swiss legislator who announced a boycott last July of "Jewish and American stores."

The letters sent by the Swiss Federation of Jewish Communities regarding Rudolf Keller, the head of the Swiss Democratic Party, came after similar letters were sent by nearly 4,000 Swiss leaders. The Swiss Parliament is expected to vote on the issue later this month.

### Dutch to pay into Holocaust fund

The Netherlands plans to make good soon on a pledge to contribute some \$10 million to an international fund for Holocaust victims, the World Jewish Congress said recently. The \$60 million fund was created in December 1997 with the last of the Nazi gold still held by the Allies.

### Lynching musical wins Tonys

A play dramatizing the 1915 lynching of a Jewish man in Georgia won two Tony Awards on Sunday. "Parade," which depicts the events surrounding the death of Leo Frank, won for best book and best score.

### Group supports baseball fan

The American Jewish Congress recently filed a brief supporting a man who brought a complaint before a state human rights commission because a minor league baseball team discounted tickets for fans who brought a church bulletin to games.

Carl Silverman claims that the promotion by the Hagerstown, Md., Suns club is discriminatory.

**BEHIND THE HEADLINES****If and when Hillary Clinton runs, she's going to need Jewish votes***By Matthew Dorf*

WASHINGTON (JTA) — First lady Hillary Rodham Clinton believes that it is in the long-term interests of the Middle East for there to be a state of Palestine.

New York City Mayor Rudy Giuliani had Yasser Arafat removed from a 1995 concert at Lincoln Center saying the Palestinian Authority chairman is a terrorist and murderer.

If the two face off in a race to become the next junior senator from New York — as they likely will — their different approaches to the Palestinians are certain to become an issue.

For Clinton to win, she's going to need overwhelming support from voters in and around New York City — where more than 1 million registered Jewish voters live.

Clinton wants to focus on domestic issues such as education and health care. But already some Democrats are worried that her views on the Middle East and Palestinian statehood — which they argue are not fairly reflected by one comment that she made last year to a group of Arab and Israeli teen-agers — will haunt her on the campaign trail.

Last week, Clinton said she would form an exploratory committee in July to begin to raise money for the race. The announcement falls one step short of a declaration of candidacy.

Despite the questions about her view on Palestinian statehood, Clinton is believed to enjoy widespread support in the Jewish community, especially among women.

Once Clinton begins direct fund raising next month, officials expect Jewish campaign contributions to pour in. But whether Clinton can overcome charges of "carpetbagger" and convince Jews who have supported Giuliani to cross over and vote for her is still unknown.

Already, Jewish voters are the talk of political consultants who are looking at mathematical ways for Clinton to beat Giuliani if, as expected, he survives a likely primary challenge from Rep. Rick Lazio (R-N.Y.). Just as Democrats can't win the White House without California, Clinton can't win New York without strong Jewish support, according to a Democratic activist.

"If Giuliani gets 40 percent of the Jewish vote, he wins," said this activist, who has a pessimistic view of Clinton's chances based on the mayor's track record of more than 60 percent support among Jewish voters in his two election victories.

A poll of 748 voters three weeks ago by Zogby International, a New York-based polling firm, showed Giuliani beating Clinton among Jewish voters 50 percent to 36 percent. Among all voters, Giuliani was ahead of Clinton 49 percent to 44 percent, the poll said. Perhaps with this in mind, some of Clinton's first public events in the next few weeks will target the Jewish community.

A fortuitous coincidence has Clinton traveling to Israel only days before she is set to officially open the exploratory phase of her campaign. According to a preliminary schedule, Clinton is slated to arrive in Israel on June 24 during a long-planned visit to the region. Clinton is also expected to visit the Palestinian self-rule areas, although no details have been released.

While the visit will give the first lady a high profile, she is also planning to step up her Jewish speaking engagements when she

returns. On July 27, Clinton is scheduled to speak to Hadassah's annual convention in Washington and then attend a National Jewish Democratic Council award celebration.

Most likely, she will reiterate to Jewish audiences what she said in April in a speech to the UJA-Federation of Jewish Philanthropies of New York.

Referring to the question of Palestinian statehood, she cited the U.S. administration's position, saying, "We will stand behind any decision made between the parties, and we will oppose any unilateral step that prejudices the outcome of negotiations."

But while the first lady "can spin Palestinian statehood away," the Clinton administration's Jerusalem policy "is going to dog her like crazy," a Democratic activist said, on the condition his name not be used.

Just this week, the Clinton administration notified members of Congress and Jewish officials that the president would formally waive the provisions of a 1995 law that requires the United States to move its embassy in Israel from Tel Aviv to Jerusalem.

According to participants at a closed-door briefing at last month's policy conference of the American Israel Public Affairs Committee, a top official with the lobbying group cast doubt on Clinton's support for Israel.

The pro-Israel community can be confident that there will be supporters in New Jersey and Florida, the official said, referring to the open seats where Sens. Frank Lautenberg, a Democrat, and Connie Mack, a Republican, are retiring.

"I wish I could say the same about New York," the official said, in an apparent jab at Clinton.

While no one expects the pro-Israel community to launch a campaign against Clinton, their opposition is a source of concern and irritation for some supporters who say her genuine support for Israel will shine through.

Both the president and Hillary Clinton believe in Yitzhak Rabin's analysis that the peace process is integral to Israel's security, according to Rabbi David Saperstein, director of the Reform movement's Religious Action Center.

"If she's elected to the Senate, it's hard for me to imagine a senator more deeply committed to Israel and the special U.S.-Israel relationship and more able to convey that commitment to those feelings to large numbers of Americans," he said.

Still, reservations about her views linger. Several single-issue pro-Israel political action committees plan to contribute to Giuliani's campaign unless Clinton renounces her support for Palestinian statehood.

Polls show that the Jewish community is more committed to abortion rights and women's rights — issues popular among Jewish voters — than any other, Saperstein said.

But critics contend that the first lady's record on domestic issues of concern to the Jewish community is, as one activist put it, "very mixed." This activist cited specifically her role in encouraging the president to sign the 1996 welfare reform law, which eliminated federal entitlement to welfare benefits.

In the area of education, which is already emerging as a focus in New York, Clinton has a long track record.

Giuliani has staked out a position as an advocate of school vouchers, which Clinton adamantly opposes.

Clinton can draw on a long history that includes bringing the Israeli program known as HIPPIY — the Home Instruction Program for Pre-school Youngsters — to Arkansas. □