



# Daily News Bulletin

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82<sup>nd</sup> Year

## TOP NEWS IN BRIEF

### Iran: More alleged spies arrested

Iran arrested more alleged spies than the 13 Jews already accused of spying for Israel, Iran's U.N. mission said in a statement Monday.

The detainees also include Muslims, the statement added, but did not give the total number of arrests.

### Deri resigns as Shas head

The chairman of Israel's fervently Orthodox Shas Party resigned all his responsibilities as party leader.

Tuesday's move by Aryeh Deri could clear the way for Shas to join Prime Minister-elect Ehud Barak's governing coalition. [Page 3]

### Sharon wins procedural vote

Outgoing Israeli Foreign Minister Ariel Sharon won a procedural vote Monday, when the Likud Party's Central Committee agreed to elect a new leader in September and wait two years before selecting a candidate for prime minister. [Page 4]

### Lawyers unveil payment plan

Lawyers seeking compensation for those who worked as slave laborers for German firms during World War II unveiled a plan on Monday that would give hundreds of thousands of Holocaust survivors the same initial minimum payment.

The plan would enable aging survivors to receive payments quickly, while allowing survivors who experienced extraordinary hardships to apply for more compensation.

Lawyers released the plan following last week's announcement by 16 German companies of a \$1.7 billion compensation proposal that Jewish representatives blasted as insufficient.

### Survivors may make new claims

Holocaust survivors may be owed more in property claims than on unpaid life insurance policies, the head of an international commission seeking to resolve wartime claims against European insurers said Monday.

But former U.S. Secretary of State Lawrence Eagleburger, who chairs the International Commission on Holocaust Era Claims, cautioned that "this is nothing more than a guess" which is based on preliminary findings.

## BEHIND THE HEADLINES

### Gore injects religion into campaign, sparking anxiety among some Jews

By Matthew Dorf

WASHINGTON (JTA) — Unhappy with the draft of a speech he was to deliver at the Jewish state's 50th anniversary celebration and frustrated with five Jewish aides who were unable to discuss the first biblical references to Israel, Vice President Al Gore took a break for dinner while his staff scoured Air Force Two for a copy of the Bible.

Halfway across the Atlantic Ocean while en route to represent the United States at Israel's jubilee celebrations in April 1998, Gore huddled over all they could find — a King James Bible borrowed from a military aide.

Six hours later, amid a sea of notes, the eight-minute speech was done.

That night in Jerusalem, an enthusiastic crowd cheered Gore as he recounted the story of Jacob.

"Since the angel of God first wrestled with Jacob, and gave him your name — Israel — your dream and your struggle have nurtured the children of Israel through all the bitter centuries of your wandering and dispersion, your persecution and despair," Gore said at Hebrew University's stadium.

Now it is Gore who is wrestling — trying to define the role of religion in public policy as he officially begins his campaign for president. And Jewish supporters of the vice president are wrestling, too — trying to reconcile Gore's decision to make religion central to his campaign with his long history of support for Jewish causes.

If Gore is going to emerge from President Clinton's shadow, he's going to need some new issues of his own, supporters say.

With the American people telling pollsters that they want the next president to be more "moral," Gore's campaign sees a winning message in religion.

"The Democratic Party is going to take back God this time," Elaine Kamarck, a senior Gore policy adviser, recently told *The Boston Globe*.

Casting aside strong opposition from some of his key Jewish supporters, Gore last month called for the expansion of a federal program despised by most in the Jewish community and opposed by Clinton himself.

In one of his first major campaign speeches, Gore focused on religion and pledged, if elected president, to expand "charitable choice" programs, which encourage religious institutions to provide federal welfare.

With this speech, Gore inserted into the campaign an issue that Democrats traditionally have been loathe to use to attract voters.

By all accounts, Gore is walking a fine line in his quest to woo religious voters into the Democratic camp without alienating traditional constituencies, including Jewish voters.

With Gore now in full campaign mode — he was set to formally announce his candidacy for president Wednesday — his focus on religion stunned some Jews.

Talk of religion in politics makes many in the Jewish community uncomfortable because usually it does not mean Judaism.

In fact, writing in last week's *The New York Times*, author A.N. Wilson said Gore's May 24 speech on charitable choice offered a cure for what the vice president called "ordinary Americans" who "have been turned off to politics."

"The cure is Christianity," Wilson wrote.

To be sure, Gore is not the type of politician who has worn religion on his sleeve. But in dozens of speeches to Jewish audiences since he became vice president,

## MIDEAST FOCUS

### Barak promises peace talks

Israeli Prime Minister-elect Ehud Barak promised Egyptian President Hosni Mubarak that he would resume peace talks with the Palestinians as soon as he forms his government, Egypt's foreign minister said Tuesday.

The two spoke by telephone Monday, Amre Moussa said, adding that Mubarak had conveyed Barak's message to Palestinian Authority Chairman Yasser Arafat.

### Barak woos religious party

Israeli Prime Minister-elect Ehud Barak promised a potential coalition partner that he will connect Jerusalem with the West Bank settlement of Ma'aleh Adumim, the Israeli daily Ha'aretz reported Tuesday. The promise was aimed at getting the National Religious Party to join his government.

### Settlements slammed at parley

U.N. delegates heard speaker after speaker condemn Israeli settlement activity during a meeting Monday in Cairo to discuss Palestinian rights.

The delegates also prepared for a meeting next month that could call for a ban on settlement activity under the Fourth Geneva Convention, an international agreement that bans the usurpation of land by an occupying power. Israel, a signatory to the convention, claims that the territory it captured in the 1967 Six-Day War is Jewish land.

### Legislators debate gay event

Secular and fervently Orthodox legislators in the Israeli Knesset fought Tuesday over a planned gathering of gay Israelis to mark International Gay Day.

Shas Knesset member David Azulai, warning the event would spark violence, called the gathering a "shame for the people of Israel." The event is being organized by Yael Dayan of the One Israel bloc and Yossi Sarid of the secular Meretz Party.



## Daily News Bulletin

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Gore, who spent a year studying at divinity school, has frequently espoused religious themes. By bringing this to the campaign, Gore's message sheds some light on how he plans to become only the second sitting vice president this century to win a presidential election.

Gore's presidency will be a "laboratory for innovation and experimentation," said Steve Grossman, former chairman of the Democratic National Committee.

"That's the kind of president the American people want as the first president of the 21st century," said Grossman, a longtime Jewish activist who worked with the vice president and his staff on the charitable choice speech.

But Grossman's praise for Gore's innovation does not assuage the fears of most Jewish groups, which flooded Gore's office with letters and statements of protest against charitable choice.

The United Jewish Communities, the umbrella fund-raising and social service organization of the Jewish community, in a rare policy statement, criticized the vice president's proposal as "neither necessary nor helpful."

Gore's plan "will not strengthen the work of the religious sector in providing human service, but will likely undermine the quality of social services they provide," said Stephen Solender, acting president of the UJC, which last fall voted to oppose all current charitable choice programs and any attempts to expand them.

Opponents of Gore's proposal believe the statement will get noticed in the vice president's office especially because of the large number of Gore contributors who sit on federation boards across the country.

Many Republicans and Democrats alike accused Gore of sounding more like a conservative Republican — strong support for Israel and weak on social issues — than a moderate Democrat.

The program will lead to proselytizing and the erosion of the constitutional doctrine of separation of church and state, opponents argue. In the organized Jewish community only Orthodox and Republican groups expressed support for the program, which for example, allows a church to receive taxpayers' money for counseling that includes religious content. Now the ball is in Gore's court, activists say, as they wait for the campaign's next move on the issue.

Rising to Gore's defense, Grossman defended the vice president's record on church-state issues and predicted that this episode "will not cause him any political damage" in the Jewish community.

If Gore had no track record with the Jewish community, some Democratic activists fear that he would be in trouble. But unlike Clinton, who was a relative unknown in the community, when he ran for the Democratic presidential nomination in 1992, Gore has a proven history from his career in the House of Representatives, from 1977 to 1985, and then as a senator until 1993 when he became vice president.

Gore comes to the campaign as an internationalist who "stands for a muscular foreign policy," Grossman said, recalling Gore's decision to break with Democratic senators and vote to support the Gulf War.

One supporter recalled a 1995 attack on the vice president by Russian ultranationalist Vladimir Zhirinovskiy, who in a U.S. television interview attacked Gore, calling him a Jew. Gore at the time called the attack "a badge of honor" and went on to strongly condemn Zhirinovskiy.

As a senator, Gore frequently championed the cause of Soviet Jewish prisoners. Once he became vice president, Gore spearheaded U.S. relations with Russia as the head of a commission that meets with the Russian prime minister twice a year.

On Israel, Gore has one of the strongest voting records.

During the Clinton administration's darkest days with Israeli Prime Minister Benjamin Netanyahu, Gore was the one who maintained a dialogue with the Israeli leader, officials said.

But while Jewish Democratic activists claim support among Jewish voters for Gore is as broad as it is for Clinton, who received almost 80 percent of the Jewish vote in his two presidential elections, others believe it is not as deep.

"He's got a great record with the Jewish community, a voting record," one activist said, trying to draw a distinction between Gore and Republican front-runner George W. Bush. "Now Gore's got to work it." □

## JEWISH WORLD

### Heirs to receive Matisse painting

The Seattle Art Museum agreed on Monday to return a painting by Henri Matisse to the heirs of a French art dealer whose collection was seized by the Nazis when he and his family fled to New York during World War II.

The heirs of Paul Rosenberg filed a lawsuit last year seeking the return of "Odalisque" after learning it was part of the museum's collection. Museum officials said an investigation confirmed the family's claims.

### Group condemns attack on Islam

The American Jewish Congress joined Tuesday with Arab American groups in condemning an attack on Islam by an aide to the Senate Republican Policy Committee.

James George Jatras called Islam "a giant Christian-killing machine" and mocked Islam's views on the afterlife in an article published in an online Christian magazine.

The committee's chairman, Sen. Larry Craig, (R-Idaho) has defended Jatras and resisted calls for his dismissal, writing in a letter to Arab American groups that Jatras raised "complex questions of history and international events" and did not suggest "hostility against any individual or group of individuals."

### Lithuania urged to try suspects

Lithuania has become Europe's leading haven for Nazi collaborators, the Simon Wiesenthal Center charged Tuesday.

The head of the center's Jerusalem office, Efraim Zuroff, called on the Baltic nation to try nine suspected war criminals who recently lost their U.S. citizenship and returned to Lithuania.

### Belgian extremists score gains

An extreme-right party in Belgium increased its parliamentary representation as a result of elections Sunday.

The Flemish Bloc, widely branded as racist and fascist, won 9.8 percent of the vote, up from the 7.8 percent it won in a 1995 vote for the legislature.

In separate regional voting, the party also won several seats in the provincial legislature of Flanders.

### Jewish cemetery found in Prague

A Czech insurance company halted plans to build an underground parking garage in downtown Prague after what is believed to be the city's oldest Jewish cemetery was discovered at the site.

The cemetery is estimated to be nearly 750 years old, 200 years older than Prague's famous Old Jewish Cemetery.

## Shas leader quits as party head; move could affect coalition talks

By Gil Sedan

JERUSALEM (JTA) — The chairman of Shas has resigned all his responsibilities as party leader in a move that could clear the way for the fervently Orthodox party to join Prime Minister-elect Ehud Barak's governing coalition.

Aryeh Deri made his dramatic announcement Tuesday before a meeting of Shas Knesset members, stating that he was abdicating all his party responsibilities.

In a letter to Shas legislators, Deri wrote, "I prayed that my resignation from the Knesset would help achieve national appeasement and greater unity," adding that after having consulted "all rabbis" he decided to resign from all his responsibilities in Shas in order not to be "even a symbolic impediment."

Outgoing Labor Minister Eliyahu Yishai later said Shas legislators did not accept the resignation and would go to the party's spiritual leader, Rabbi Ovadia Yosef, in hopes of reversing the decision.

Deri, who has already resigned from the Knesset, was sentenced in April to four years in jail on charges of bribe-taking, fraud and breach of the public trust.

A Jerusalem court recently stayed his sentence, pending an appeal to the Supreme Court.

Deri, 40, burst onto the political scene 15 years ago, turning Shas into a political power that served in both Labor and Likud governments. In last month's elections, Shas increased its Knesset representation to 17 seats from 10 in the previous legislature.

A day after the elections, Deri announced that he was retiring from political life. But questions have remained as to whether he would continue to direct Shas policies from behind the scenes.

The secular Meretz Party, which has stipulated that Deri withdraw completely from Shas activities before it would join a government that includes Shas, was planning to meet this week to decide how to respond to Deri's announcement.

Another secular party, Shinui, has vowed to stay out of a coalition that includes Shas or any other fervently Orthodox party.

Even if Meretz agrees to join a coalition that also includes Shas, coalition negotiations are still likely to be difficult over the issue of how Cabinet portfolios are distributed.

Shas is demanding four portfolios, "two of them senior ministries," according to Yishai. Barak reportedly intends to offer to Shas only three: Labor, Tourism and Science. □

## Dalai Lama visits Jerusalem

JERUSALEM (JTA) — The Dalai Lama, Tibet's exiled leader, concluded a three-day visit to Israel on Monday, telling the chief rabbi that he is unable to intervene on behalf of 13 Jews arrested in Iran.

Chief Rabbi Yisrael Meir Lau suggested that both he and the Nobel Peace Prize laureate go to Iran to check the conditions in which the Jews are being held.

The Dalai Lama replied that although he had no good contacts in Iran, or in the Arab countries, he called for the intervention of moderate Arab and Muslim leaders.

No official meetings were set up for the Tibetan leader because China had made it clear it would be offended if the Dalai Lama received an official reception in Israel. Instead, he visited the main shrines of Judaism, Christianity and Islam in Jerusalem — the Western Wall, the Church of the Holy Sepulchre and the Al-Aksa Mosque.

Speaking at a news conference at the end of the visit, the Dalai Lama said he failed to understand the excitement over the new millennium.

"I feel the new millennium is nothing special, just the same day and night," he said.

Earlier during his visit, the Dalai Lama called for the principle of nonviolence, which he advocates in his relations with China, to be applied to the Arab-Israeli conflict. □

**NEWS ANALYSIS****Sharon thought to be preparing the way for Netanyahu's return***By David Landau*

JERUSALEM (JTA) — Outgoing Foreign Minister Ariel Sharon has won the first round in the three-way battle for the leadership of the Likud Party.

But some observers are saying that Sharon, far from preparing to run for the premiership when the nation's next elections are held, is busy clearing a path for the man who led Likud when it was battered at the polls last month — outgoing Prime Minister Benjamin Netanyahu.

Sharon won a vote Monday night, when the Likud Party's Central Committee agreed to elect a new leader in September and wait two years before selecting a candidate for prime minister.

After the vote was taken, Ehud Olmert's face said it all.

The mayor of Jerusalem's smile, painfully artificial as he stood in a three-way handshake with his two rivals for the leadership of Likud, made it clear he had lost the first skirmish in this battle.

Sharon, Likud's interim leader since Netanyahu stepped down after the May 17 elections, was far more confident as he took part in the handshake.

Outgoing Finance Minister Meir Sheerit, the third candidate for the party leadership, was also smiling, though observers feel he will not have much to be happy about during the party's primary in September.

His candidacy is seen as strategic rather than realistic.

The Likud Central Committee, an unwieldy body of 2,700 members, can and often does provide noisy and dramatic backdrops for personal struggles between party officials.

This time, however, apparently still shell-shocked by the extent of the Likud's defeat in last month's elections, only a few hundred stalwarts turned out.

They participated in Olmert's drubbing at the hands of the wily and veteran Sharon with only mild interest. Dozens of party activists who had turned up at the Tel Aviv convention hall to boo and heckle Olmert for his perceived betrayal of Netanyahu during the election campaign were kept out by security officials.

In the run-up to Monday's vote, Olmert and Sheerit had demanded that the September primary determine the party's leader for a full four-year term — in other words, that the person selected lead Likud into the next election.

Sharon, backed by most of the outgoing Cabinet, insisted on a two-year term designed "to reconstruct" the shattered party. After that, there would be a second primary to determine who would be Likud's next candidate for prime minister.

Olmert and Sheerit had called for a secret ballot, but that was voted down.

In an open vote, they knew, their prospects were bleak: Committee members would be reluctant to vote against Sharon, who may yet — though this now seems unlikely — dispense ministerships and other top jobs in a unity government led by Prime Minister-elect Ehud Barak.

At the last minute, Olmert and Sheerit backed off their motion for a single primary and accepted Sharon's proposal without a vote.

Olmert later said that if he won the September primary, he would move to reverse the two-year limitation. Political pundits say

he may well be able to do so — which would render Monday night's proceedings irrelevant.

But for the moment, at any rate, Olmert was visibly crestfallen, having been beaten — on live, prime-time television — by Sharon.

Olmert, already campaigning energetically for the party leadership, claims that if he wins, most or all of the senior figures who left the party under Netanyahu's leadership will return.

Indeed, former Prime Minister Yitzhak Shamir, who refused to back Likud in the election and has announced his support for Olmert, would certainly return to the party's ranks if the Jerusalem mayor wins.

Olmert believes his close personal friends, Dan Meridor and Roni Milo, now in the Center Party, would also come back to Likud, along with Centrist leader Yitzhak Mordechai and possibly even former Foreign Minister David Levy.

But Olmert is up against a solid body of Likud opinion that blames him for Netanyahu's election defeat.

After all, Barak's One Israel bloc repeatedly aired a speech by Olmert asserting that Barak, as premier, would not divide Jerusalem — when Netanyahu's campaign clearly wanted to imply that he would.

Olmert's defense — that he only wanted to keep Jerusalem out of the campaign — is seen as a cop-out.

But it goes deeper than campaign propaganda.

The Jerusalem mayor made little effort to conceal his contempt for Netanyahu as his tenure in the premiership wore on.

But is Sharon, now into his 70s, a serious contender for the prime ministership in an election that could be four years away?

This question is providing — and doubtless will continue to provide — tension and fascination for Likud loyalists and outside pundits alike. Perhaps — and the possibility seems less fantastic with each passing day — Sharon is acting on behalf of none other than Netanyahu himself.

Perhaps the defeated prime minister, who announced within minutes of last month's exit poll results that he was quitting politics, is in fact planning his comeback.

Netanyahu has made it clear in recent days that his retirement is intended as a time-out rather than as a final hanging-up of his political gloves. Netanyahu and a body of Likud grass-roots supporters that seems to be growing — or at least growing more vociferous — now stress that even in his departure speech on election night, he said he "still has much to give" the country — and, implicitly, the party.

Sharon was one of the very few top Likud officials who stuck close to the premier throughout the election campaign, without leaking critical comments to journalists and without seeking to distance himself from Netanyahu's doomed candidacy.

Sharon's two-year leadership bid would seem to dovetail perfectly into a Netanyahu comeback strategy.

In two years' time, the memory of his defeat dulled and the edge of his conflicts with other Likud figures blunted, Netanyahu could well hope to work his old magic again — on television and on Likud Party platforms.

"Why theorize now?" the always-wary veteran Likud legislator Reuven Rivlin replied Tuesday when asked about the Netanyahu comeback scenario.

But why not?

The Likud, apparently destined for a term in the opposition, has plenty of time to do just that. □