



# Daily News Bulletin

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## TOP NEWS IN BRIEF

### Clinton backs off on refugees

President Clinton backed down from comments he made during a July 1 news conference supporting the right of Palestinian refugees to return to Israel.

Responding in a July 5 letter to the Conference of Presidents of Major American Jewish Organizations, Clinton said, "Let me assure you that there has been no change in U.S. policy on this matter."

Clinton added that the "issue of Palestinian refugees must be dealt with and resolved by the parties themselves." [Page 1]

### Barak faces no-confidence vote

Israeli Prime Minister Ehud Barak's government survived its first no-confidence motion in the Knesset. By a vote Monday of 63 to 31, the Parliament easily defeated a no-confidence motion submitted by the Likud Party over Barak's handling of coalition negotiations.

Meanwhile, the immigrants rights Yisrael Ba'Aliyah Party is reportedly threatening to withdraw from Barak's governing coalition if it does not receive an additional Cabinet ministry.

The threat is coming after two members of Yisrael Ba'Aliyah left the party last week, leaving it with only four members in the Knesset.

### Minister blasts settlements

Israel's trade minister called for a funding freeze for new factories in the West Bank and Gaza Strip pending a reassessment of how the government allocates subsidies. Ran Cohen, a member of the left-wing Meretz Party, said he favors boosting investment in factories located within Israel's development towns over "wasting money" on Jewish settlements.

### Palestinians want U.N. meeting

The Palestinian Authority said it is determined to see that a U.N. conference slated for Thursday take place, despite Israeli calls for its cancellation.

A Palestinian Authority official said Monday that the self-rule government wants to remind the Jewish state of the Palestinians' international standing.

Meanwhile, Israeli Foreign Minister David Levy met Monday with the U.S. ambassador to Israel, Edward Walker, to discuss American efforts for the cancellation or postponement of the session of signatories to the Fourth Geneva Convention.

## NEWS ANALYSIS

### Policy disagreements could test a new era in U.S.-Israeli relations

By Matthew Dorf

WASHINGTON (JTA) — When the dust settles from official Washington's euphoria that is greeting Israel's new prime minister, fundamental policy disagreements are likely to test President Clinton and Israeli Prime Minister Ehud Barak.

How they handle the challenge of reconciling differing positions on key issues such as settlements, refugees and borders will set the stage for a crucial period in U.S.-Israeli relations.

Will Clinton articulate positions supporting Israel's negotiating partners as the Jewish state embarks on an aggressive push for comprehensive peace with Syria, Lebanon and the Palestinians? Or will the president hold his tongue if he and Barak, as expected, develop a warm relationship?

These are the questions many pro-Israel activists are asking as the Clinton administration readies a major offensive to support Barak's efforts to restart Middle East peace talks.

Following meetings with Barak on Thursday and Monday, Clinton plans to send Secretary of State Madeleine Albright to the region to help move the process forward.

Virtually overnight, Barak has changed the tone and tenor of a host of relationships with the Arab states, the Palestinians and the United States.

Barak was scheduled to arrive in Washington on Wednesday night, following a Middle East tour that brought him face-to-face with Egyptian President Hosni Mubarak, Palestinian Authority Chairman Yasser Arafat and Jordan's King Abdullah.

Barak, who was elected by a wide margin in May, has pledged an aggressive and quick push to renew peace negotiations that stalled under former Israeli Prime Minister Benjamin Netanyahu.

Barak's moves to rekindle personal relations with Arab leaders, and specifically his embrace of Arafat as a "partner" has heightened expectations for a final settlement with the Palestinians, a peace treaty with Syria and an agreement that would result in the removal of Israeli troops from southern Lebanon. But as one Barak supporter said, "He won't just accept the Arab position tomorrow."

After meeting with Arafat last weekend, Barak frankly discussed the difficulties that lie ahead in the peace talks.

"We are going into tough negotiations with many ups and downs," Barak said, referring specifically to talks with the Palestinians.

And these potential difficulties leave many wondering how the Clinton administration will handle the peace process when pomp and circumstance gives way to substance.

"There will not necessarily be Israeli-American unanimity. The question is how, in a close relationship, do you overcome differences," said this Barak supporter who asked not to be identified.

"The atmosphere at this stage will be very important and will affect substance," said Malcolm Hoenlein, executive vice chairman of the Conference of Presidents of Major American Jewish Organizations, whose group is scheduled to meet with Barak on Sunday in New York.

In the run-up to his first meeting with Barak since the Israeli election, Clinton went out of his way to heap praise on the Israeli premier.

Barak is a more open and heartfelt supporter of the Oslo peace process than his predecessor, Clinton said at a news conference earlier this month. The U.S. goal now

## MIDEAST FOCUS

### Clinton applauds peace meeting

President Clinton is pleased that Israeli Prime Minister Ehud Barak and Palestinian Authority Chairman Yasser Arafat began "to move the peace process forward," a presidential spokesman said.

The White House would not comment on the specifics of Sunday's meeting at the border between Israel and the Gaza Strip.

### DNA test results announced

A body exhumed from an unmarked grave in Israel belongs to a Yemenite child who disappeared during the 1950s, according to DNA testing performed in Britain.

Graves at a cemetery in central Israel were exhumed three years ago at the request of 10 Yemenite families.

The testing was able to determine the family origins of only one set of remains.

### First lady's remarks criticized

Suha Arafat criticized Hillary Clinton for saying that she considers Jerusalem the "eternal and indivisible capital of Israel."

The wife of Palestinian Authority Chairman Yasser Arafat said Clinton, who is exploring a run for a Senate seat from New York, had offended Muslims, Christians and Arabs and was just trying to gain the support of the state's Jewish voters.

### Women's groups demonstrate

Dozens of women's rights activists demonstrated outside the Prime Minister's Office in Jerusalem, protesting their scant representation in the new Israeli government.

Environment Minister Dalia Itzik, the only woman among the 32 ministers and deputy ministers in the government, told the demonstrators Sunday that Barak had promised her he would appoint additional women to Cabinet posts.



## Daily News Bulletin

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is to "form a common strategy," Clinton said. The remarks hearken back to the last time a Labor Party leader served as Israel's prime minister.

From 1992 until Netanyahu's election in 1996, when Israel was led first by the late Yitzhak Rabin and then by Shimon Peres, disagreements, for the most part, were worked out privately and did not spill over into the peace talks.

But when Netanyahu took office, the Clinton administration changed its strategy and adopted what has come to be known as a policy of "snub diplomacy."

Clinton repeatedly refused to meet with Netanyahu and it took presidential arm-twisting during marathon talks last October to convince Netanyahu to sign the Wye peace accords.

The Wye agreement, which continues to be the U.S. road map for the peace process, produced a 12-week timetable that married specific Palestinian steps to crack down on terrorism with further Israeli redeployments from the West Bank.

The Palestinians agreed, among other things, to clamp down on terrorists, seize illegal weapons, move to stop incitement and amend the Palestinian Covenant, which called for Israel's destruction.

In exchange, Israel agreed, among other things, to withdraw from 13 percent of the West Bank in three stages and to open a safe-passage route for Palestinians traveling between the West Bank and Gaza Strip.

Implementation of the three-phase accord froze after the first four weeks when Netanyahu accused the Palestinians of not complying with its commitments.

After initially flirting with proposals to alter the Wye accord, Barak has pledged to implement the agreement while seeking to move forward with final-status talks.

For his part, Clinton hopes to oversee final-status talks in Washington during a three-way summit with Arafat and Barak later this year.

Despite repeated assurances that it is up to Israel to set the parameters for a settlement with the Palestinians, Clinton has begun to lay out his vision of what a final-status agreement will look.

In many cases, the vision diverges from Barak's stated views. In public comments and a letter to Arafat, Clinton has outlined his positions on key issues:

- **Settlements:** Clinton has called them "provocative actions" and has said, "The United States knows how destructive settlements activities, land confiscation and house demolitions are to the pursuit of Palestinian-Israeli peace."

Barak told Arafat last weekend that while his government would not build any new settlements, it would not dismantle any existing ones and would allow for their natural growth.

- **Palestinian statehood:** "We support the aspirations of the Palestinian people to determine their own future on their own land." Barak's Labor Party has dropped its opposition to Palestinian statehood, but maintains that it's an issue for negotiations.

- **Palestinian refugees:** "I would like it if the Palestinian people felt free and were free to live wherever they liked, wherever they want to live," Clinton said in a news conference earlier this month.

Israeli officials have repeatedly made clear that they would not accept the so-called Palestinian right of return.

After an uproar, Clinton backed down from his statement, saying in a July 5 letter to the Conference of Presidents, "Let me assure you that there has been no change in U.S. policy on this matter." Clinton added that the "issue of Palestinian refugees must be dealt with and resolved by the parties themselves."

Many pro-Israel activists are privately expressing concern that Clinton has undermined Israel's negotiating position by supporting the Palestinian positions outright. They also say that Clinton's desire to secure a quick agreement before he leaves office in 17 months could run counter to Barak's careful and calculated style.

Publicly, U.S. officials have tried to lower expectations of an immediate breakthrough. Edward Walker, the U.S. ambassador to Israel, told reporters this week that Barak has "got to have the time it takes to put together his concepts and ideas of how to proceed."

But Clinton is still pressing for a deal within a year. And while this may seem ambitious, activists say, progress is possible now that Barak has begun direct talks with the Palestinians.

## JEWISH WORLD

### U.S. seeks bombing extraditions

The United States is trying to extradite two men suspected of involvement in last year's simultaneous bomb attacks on the U.S. embassies in Kenya and Tanzania.

Ibrahim Eidarus, 42, and Adil al-Majid Bari, 39, who are believed to be Egyptians, were arrested Sunday after British police received extradition warrants from the United States.

The warrants allege that the two conspired with Islamic terrorist mastermind Osama bin-Laden, a Saudi Arabian billionaire, to murder American nationals.

A total of 224 people were killed, including 12 Americans, and some 4,500 injured in the blasts, which occurred last August.

### Dutch newspaper to apologize

An Amsterdam newspaper must print an apology for publishing newly found pages of Anne Frank's diary.

A Dutch court ruled that the daily *Het Parool* broke copyright laws when it printed the pages last August without permission from a Switzerland-based Anne Frank foundation that holds the copyright to the Dutch Jewish teen-ager's diary.

Frank's famous diary, which has sold millions of copies worldwide, chronicles her family's life in hiding from July 1942 until the Nazis arrested them in the fall of 1944.

Frank died in the Bergen-Belsen concentration camp in the spring of 1945.

### Dutch insurers request denied

An international commission attempting to resolve Holocaust claims against insurance firms rejected a bid by a firm in the Netherlands to become a member.

The International Commission on Holocaust Era Claims, which is headed by former U.S. Secretary of State Lawrence Eagleburger, said accepting Aegon's request to make a one-time payment of \$500,000 would be unfair to the firms that are already part of the commission.

### German exhibit prompts arrests

German police arrested nearly 100 people who tried to disrupt a neo-Nazi demonstration in Hamburg.

The neo-Nazis were protesting the arrival in Hamburg of an exhibition that accuses ordinary German soldiers of committing atrocities during World War II.

The exhibition on the army has generated sporadic protests as it has traveled through Germany in recent years.

## Synagogue arson suspects kept 'hit list' of Sacramento-area Jews

By Tom Tugend

LOS ANGELES (JTA) — Two men linked to last month's arson attacks on three Sacramento synagogues kept a possible "hit list" of 32 Sacramento-area residents, most of them Jewish, an investigator said.

The list was found during a search of the home of two brothers arrested as suspects in the killing of a gay couple.

The list includes officials of the Sacramento synagogues and congregation members who were quoted in the media after the attacks.

Those listed were briefed last Friday by James Maddock, the FBI special agent in charge of the arson investigation. They were told not to divulge their names to the media and were promised added security.

In addition to the murders and arsons, the men may have connections to the white supremacist World Church of the Creator, a member of whom went on a shooting rampage in the Midwest during the July 4 weekend, killing two people and wounding six others.

According to reports in the Sacramento Bee and the Los Angeles Times, Maddock said during the briefing that "we are virtually certain" that the two arrested brothers are connected with the arson attacks.

The brothers, Benjamin Matthew Williams, 31, and James Tyler Williams, 29, were apprehended last week in connection with the shooting deaths of Gary Matson, 50, and Winfield Mowder, 40.

The victims, who were longtime companions, and the Williams brothers lived near Redding, a rural town in northern California.

The names of several prominent Redding Jews were included on the "hit list" and law enforcement officials have advised the town's only synagogue, Temple Beth Israel, to beef up security.

Murder charges against the Williams brothers are expected to be filed shortly, investigators said. At this point, they have been charged with possession of stolen property, based on a purchase they made with the credit card belonging to one of the slain men. They are being held in jail on \$150,000 bail each.

Neighbors described former high school honor students Matthew and Tyler Williams, who go by their middle names, as fervently religious "Bible-thumpers."

During the search of the brothers' home, investigators found a torn piece of paper that matched the tear on a piece discovered after the Sacramento arson at Congregation B'nai Israel, one of the three targeted synagogues.

Also discovered at the home were a large cache of semiautomatic weapons and hate literature, including pamphlets from the World Church of the Creator.

The Illinois-based racist group, which has several chapters in northern California, has been under close scrutiny since the arson attacks, during which the perpetrators left fliers blaming the "International Jew World Order" and the "International Jewsmedia" for the war in Kosovo.

The scrutiny has intensified since the shooting rampage by Benjamin Nathaniel Smith, a former member of the white supremacist group.

The FBI's Maddock said in Sacramento that the California investigations are being coordinated with other federal agents across the country.

The probe may extend to a possible "widespread hate-crime conspiracy," the Sacramento Bee reported.

In an extensive report, the Anti-Defamation League has described the World Church of the Creator as one of the country's fastest-growing and most dangerous hate groups. ADL officials have petitioned U.S. Attorney General Janet Reno for a full field investigation of the church.

Meanwhile in Sacramento, moral and financial help continues to arrive from across the country to the three arson-struck synagogues, Congregation B'nai Israel and Congregation Beth Shalom, both Reform, and the Orthodox Keneset Israel Torah Center. □

## NEWS ANALYSIS

**Despite hopes, don't expect new Middle East treaties soon***By David Landau*

JERUSALEM (JTA) — A new atmosphere of cordiality has descended on the Middle East since Prime Minister Ehud Barak's victory in the Israeli elections in May.

But atmospherics aside, there is likely to be some tough bargaining ahead before Israel concludes any new treaties with its Arab neighbors. Regional Arab leaders have given Barak two months to get his peace policies into shape.

This was the bottom line during Barak's meeting with Egyptian President Hosni Mubarak last Friday, and the same message emerged from his conversation Sunday with Palestinian Authority Chairman Yasser Arafat.

After waiting patiently for Barak to form his coalition government, the Arab leaders are pointedly still not pressuring him now that he has taken over the reins of power.

Instead, they are smothering him with words of trust and friendship. Both Mubarak and Arafat publicly called him their "friend" and "partner." Both spoke of their belief that "confidence" was being restored to their relationship with Israel following three years of deterioration under former Prime Minister Benjamin Netanyahu.

And, taking their cue from recent statements made by Syrian President Hafez Assad, both stressed that Barak is a man of his word whose pledges can be relied on.

Assad, of course, has yet to meet with an Israeli leader. But his repeated public expressions of respect, even admiration, for Barak have heralded a new tone of optimism in much of the Arab world.

The mood is reminiscent of the tone of the late Premier Yitzhak Rabin's tenure, when, after decades of being considered a diplomatic and economic pariah in the region, Israel began to build ties with several Middle Eastern countries.

There were ups and downs then, too, as the peace negotiations with the Palestinians and with the Syrians ebbed and flowed.

But the return of Likud to power in 1996 signaled the start of a long and sustained downturn, with Israeli envoys and businessmen losing foothold after foothold in the Gulf states and North Africa.

Barak plans a meeting soon with King Hassan of Morocco to give new impetus to Israel's return to regional integration. Hassan stolidly refused to see Netanyahu during the former Likud leader's term of office.

A Syrian newspaper waxed optimistic over the weekend, predicting that peace treaties could be just weeks away if the new mood is mirrored by a similarly dramatic turnabout in substantive negotiations.

Israeli sources caution, however, against such runaway optimism. They predict long and hard bargaining, both with the Palestinians and with Syria.

They warn, too, that any agreements will probably provide for long periods of implementation during which both sides will be vigilantly monitoring the actions and intentions of the other.

The trick, say analysts, will be to retain the mood of amity even when the talks themselves enter into difficulties, as they undoubtedly will.

Barak is already deploying this tactic with Arafat in connection with the sensitive matter of linking the Wye accord reached last October with final-status negotiations.

The Palestinians are demanding that Israel immediately implement a second further redeployment from portions of the West Bank as called for in the Wye agreement. They then want to move to the third further redeployment, as prescribed in the original Oslo accords and reconfirmed at Wye.

They maintain that the Oslo timetable was set back during the Netanyahu years and should now be observed, albeit belatedly, without further delay.

Barak, for his part, is anxious not to squander his diplomatic energies and domestic political credit on these agreements, instead wanting to focus on the final-status talks — with a view, as he repeatedly proclaims, to bringing an end to the entire conflict.

Splitting their differences, at least rhetorically, the two leaders agreed Sunday that the third redeployment would be subsumed under the final-status negotiations.

How this is to happen remains vague — and could yet prove a major source of dispute. But for the moment, Barak and Arafat succeeded in rounding an awkward corner and preserving the new mood of trust.

If the substance of the negotiations comes anywhere close to meeting the high hopes currently sweeping the region, Barak may quickly find that his toughest challenges will be domestic rather than diplomatic.

He has promised to submit any peace treaties reached with the Palestinians or Syria to a national referendum.

But is the Israeli public really prepared to endorse a total or near-total withdrawal from the Golan Heights and the creation of a Palestinian state in most of the West Bank and Gaza Strip?

These, after all, are the basic conditions for reaching such treaties.

Anxious not to create premature antagonism with potential political foes, Barak met Monday with leaders of the Yesha Council, which represents settlers in the West Bank and Gaza, and also with leaders of the Golan settlements.

But while Barak intends the new government's dialogue with these groups to be civilized and sympathetic, he can hardly delude himself that either of them will fall into line with his basic land-for-peace approach.

The question is whether Barak, out of domestic political considerations, will decide to prioritize one negotiating track at the expense of the other. Barak repeatedly has sought to assure regional and world leaders that this is not his intention and that he is both determined and capable of advancing on the Syrian and Palestinian tracks simultaneously.

He makes this assurance despite the historical record of more than two decades of sporadic Israeli-Arab peacemaking that had Israeli governments — including that of Rabin — always preferring to focus on one front at a time.

Certainly it would be easier for Barak, at the head of his jigsaw puzzle coalition of seven parties, to concentrate on the Syrian-Lebanese track while leaving the religiously and emotionally fraught West Bank issue on the back burner.

But that could mean leaving the work of ending the Israeli-Arab conflict to another leader.

Barak says he plans to achieve the historic, comprehensive conclusion of the century-long conflict himself. □