



# Daily News Bulletin

Vol. 77, No. 147

Friday, August 6, 1999

82<sup>nd</sup> Year

## TOP NEWS IN BRIEF

### Knesset OKs Cabinet expansion

Israel's Knesset approved on Thursday five new Cabinet members, bringing the size of Prime Minister Ehud Barak's government to 23 ministers.

The newest ministers are: Amnon Lipkin-Shahak, of the Center Party, as tourism minister; Chaim Oron, of Meretz, as agriculture minister; Matan Vilnai, of the One Israel bloc, as science minister; Rabbi Michael Melchior, also of One Israel, as minister in the Prime Minister's Office with responsibility for Diaspora relations and social affairs; and Yuli Tamir, a professor who helped found the Peace Now movement, as absorption minister.

Tamir becomes the second woman in Barak's Cabinet.

Tamir's appointment pleased women's rights groups but angered members of Barak's own party, who have complained before that the premier passed them over for Cabinet appointments.

### Wiesenthal named to panel

A U.S. federal judge appointed famed Nazi-hunter Simon Wiesenthal on Wednesday to head one of three committees administering a \$40 million settlement of lawsuits brought by Holocaust survivors against Bank Austria.

Wiesenthal will head the restitution committee, which is charged with distributing funds after individual claims are paid. [Page 3]

### Hebron attack blamed on Israel

The Palestinian Authority's information minister charged Wednesday that Israel was responsible for a terror attack a day earlier in Hebron because Prime Minister Ehud Barak's government was delaying the peace process.

Israeli Foreign Minister David Levy responded angrily to Yasser Abed Rabbo's comment, saying that the Palestinians' "basic obligation is to fight terrorism and prevent it."

"Without that," Levy added, "there is no basis for talks at all."

Meanwhile, Voice of Palestine radio, quoting an anonymous Palestinian source in Hebron, said Israeli security forces may have been involved in the attack — in which two Jewish settlers were shot and wounded by unknown assailants — in order to slow down the peace process.

## NEWS ANALYSIS

### Knesset speaker may use podium as springboard to higher ambitions

By David Landau

JERUSALEM (JTA) — Joy pervaded the Knesset last week as news spread that a report of legislator Amnon Rubinstein's death was untrue.

The rejoicing provided testimony to the respect and affection felt for Rubinstein, who was very much alive in a hospital after suffering a minor stroke.

But there were those in the Knesset whose happiness at Rubinstein's "return from the dead" was enhanced by the large amounts of egg on the face of Knesset Speaker Avraham Burg, who had first announced, based on an anonymous phone call, that the former education minister had passed away.

They wouldn't admit it on the record, of course.

But privately, several legislators criticized the haste with which the neophyte speaker had ascended the rostrum to deliver the sad tidings and to praise and pray for the soul of the "departed" legislator.

In the weeks since he became speaker, Burg has unsettled some Knesset colleagues with what they view as his attempts to use the podium for personal goals.

Indeed, Burg, who has been very successful in generating headlines since the elections, is already being spoken of as a possible future challenger to Prime Minister Ehud Barak.

For this reason, Barak himself was probably among those who smiled to himself over Burg's gaffe.

Barak, the no-nonsense former army commander dubbed "Little Napoleon" by some of his officers, has engendered much muttering within his One Israel bloc and among coalition allies with his autocratic style of political leadership.

Burg, however, until recently chairman of the Jewish Agency for Israel, is one person whose aspirations and political ambitions Barak has not succeeded in steamrolling.

Passed over by the new premier in the scramble for Cabinet seats, the popular Burg put forward his candidacy for Knesset speaker, knowing full well that Barak had earmarked this generally ceremonial post for one of his own party loyalists, Shalom Simchon, a moshav movement leader.

Burg easily defeated Barak's candidate, winning Knesset approval from more than 100 members in the 120-seat legislature.

He received the massive show of support both because he is personally well liked and because it gave some legislators a chance to take a potshot at what they consider the autocratic style of the new prime minister.

In his own swipe at Barak, Burg spoke pointedly in his July 6 acceptance speech of the boons of "collective wisdom" as opposed to the "dictatorship of the individual."

But what is his future agenda?

Plainly, he does not see the Knesset speakership as a demotion for him or a sign of decline in his long-term political fortunes — just as he did not see the Jewish Agency chairmanship in that light.

Burg, 44, is the son of Yosef Burg, a former head of the National Religious Party who served in the Knesset for 40 years.

Though raised within the ideology of the NRP, which espouses the ambitions of Jewish settlers, Avraham Burg is a political dove.

He first came to prominence in 1982 as the founder and leader of a grass-roots

## MIDEAST FOCUS

### Assad sends letter to Clinton

Syrian President Hafez Assad sent President Clinton a letter this week saying he wants to reach a peace agreement with Israel.

But, a U.S. official was quoted by the Associated Press as saying, the letter offered no breakthroughs, making it evident more diplomacy would be needed to achieve one.

### Israeli Arab named Levy deputy

Israeli Prime Minister Ehud Barak on Thursday appointed an Israeli Arab legislator to serve as deputy foreign minister. Foreign Minister David Levy said the appointment of Nawaf Masalha reflects Barak's desire to have appointees who are representative of all segments of the Israeli population.

### Arafat reaches out to Hamas

Palestinian Authority Chairman Yasser Arafat reached out to Hamas officials in Jordan as part of his wider effort to create a united Palestinian front prior to the start of final-status talks with Israel.

The London-based Arabic daily al-Hayat reported this week that an envoy of Arafat was told by the Hamas political chief in Amman, Khaled Mashaal, that the group welcomed dialogue aimed at strengthening Palestinian unity, but added that the group would not be a party to a "sellout" of Palestinian rights.

### Airport procedures criticized

The exhaustive security procedure departing passengers undergo at Israel's Ben-Gurion Airport is unnecessary and anachronistic, Public Security Minister Shlomo Ben-Ami said.

Speaking during a tour of the airport terminal Wednesday, Ben-Ami said measures to prevent explosives and weapons from being taken aboard planes should be based more on intelligence, not a lengthy questioning of passengers. He added that the current practice hurts Israel's image and is unnecessary.

protest movement against the war in Lebanon.

In 1984 he was named adviser to Prime Minister Shimon Peres on Diaspora affairs.

First elected to the Knesset in 1988, Burg took over the chairmanship of the Jewish Agency, the principal recipient of funds for Israel raised by the Diaspora's central fund-raising establishment, in February 1995.

Labor's Yitzhak Rabin was in power at the time, but Burg, despite his high standing in his party's primaries, had been passed over for a place in the Cabinet.

His response was not to sit and mope, but to move sideways.

Election to one of the Jewish Agency's high-ranking posts is generally seen among pundits here as a sign that the candidate has, in effect, given up the domestic political rat race.

Burg was determined to be the exception — and he succeeded in doing so.

His tenure at the agency was characterized by a steady effort at cost-cutting and streamlining that attracted little attention inside Israel but won plaudits from donors and fund raisers among Diaspora Jewry.

Burg's record of good husbandry helped shore up his credentials as a serious political figure — more than "just a glib mouth," as his critics sometimes depict him.

His ability to combine his own Orthodoxy with an outspoken commitment to religious pluralism further strengthened his standing in communities abroad — and within his own party at home.

As an old and close friend of Yossi Beilin, Burg backed Beilin in the four-way 1997 leadership battle that took place in the Labor Party, which now forms the backbone of the One Israel bloc.

However, unlike Beilin, who is now justice minister, Burg did not always jump to attention at Barak's every command once that battle was decided and Barak took over at the party helm.

Burg was critical of Barak's manner — and he did not hide his feelings.

And Barak, say those who know him, is not one to forget, or forgive.

That is perhaps why he refused to name Burg to his Cabinet, despite Burg's remarkably successful return from his Jewish Agency post to place No. 4 in the Labor primaries last year.

Burg came close to saying outright, in the lean months of 1998 when Barak looked to be helplessly trailing former Prime Minister Benjamin Netanyahu, that he himself might make a better and more electable leader for the party.

In light of Barak's subsequent sweeping victory, of course, such talk, even such thoughts, carry no resonance.

But from the lofty elevation of the speaker's chair, Burg can now afford to be patient.

He can also afford to be loyal, or at least to seem to be.

The speaker does not traditionally make critical remarks about anyone, certainly about the prime minister.

But Burg can be counted on to make his presence felt in other ways. Already, he has embarked on a schedule of personal engagements — including his recent meeting with the speaker of the Palestinian legislative council, Ahmed Karia, also known as Abu Alaa.

Burg had invited his Palestinian counterpart to visit the Knesset, a move that generated international media coverage.

In addition, Burg has launched a campaign to improve the rules of decorum in the often-fractious Knesset, issuing bans on smoking, cell phones and sexual harassment.

He has also ordered all signs in the Parliament to be posted in Arabic as well as Hebrew.

The Knesset speakership, like the Jewish Agency chairmanship, is traditionally seen as an honorable step down for politicians.

There is, however, one exception in Israeli history. When Yitzhak Shamir was shunted into the speakership by then-Premier Menachem Begin, all the commentators eulogized Shamir as a man whose political career was over.

But when Begin quit in 1983, Shamir — by then foreign minister — stepped into his shoes, and stayed in them for close to a decade.

Burg, though much humbled by his gaffe last week, can be confidently expected to follow that path — and pop up as the man of the moment should the present prime minister slip or falter.

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## Daily News Bulletin

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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).  
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## JEWISH WORLD

### U.N. urged to reschedule session

The American Jewish Congress is asking U.N. Secretary-General Kofi Annan to postpone the opening session of the General Assembly from Sept. 20 so it does not fall on Yom Kippur.

"It is disappointing and distressing that the United Nations has refused to acknowledge the holiest day of the year for members of the Jewish faith," wrote AJCongress Executive Director Phil Baum. "We are asking only for basic fairness, that the same treatment and recognition accorded to Christianity and Islam be extended to Judaism as well." Baum added that it is no surprise that Yom Kippur is being ignored, "given the attitude so often demonstrated by the U.N. toward Israel." President Clinton has refused to address the opening session because of Yom Kippur and plans to appear before the world body the following day.

### Insurance formula announced

The chairman of an international commission working to resolve Holocaust-era insurance claims decided that policies issued by the German insurer Allianz will be paid out at about 10 times their prewar face value.

Lawrence Eagleburger, a former U.S. secretary of state, made the decision Thursday after the commission was unable to agree on a valuation formula. Other European insurance companies have balked at the formula. The commission is aiming to begin payments at the end of October.

### Tougher hate-crimes law urged

U.S. Jewish groups urged the House Judiciary Committee to pass legislation aimed at strengthening the federal hate-crimes statute. The committee held hearings on the Hate Crimes Prevention Act on Wednesday, weeks after the Senate approved the bill.

The measure allows the federal government to prosecute hate crimes sparked by a victim's sexual orientation, gender or disability. Current federal law applies only to crimes motivated by race, color, religion or national origin.

### Amnesty won't help denier

Amnesty International rejected an appeal to come to the aid of an Australian citizen who is sitting in a German jail awaiting trial for promotion of Holocaust denial and other anti-Semitic slurs.

Dedining to help Fred Toben, an Amnesty official wrote in a letter that the human rights group excludes from "prisoner of conscience status not only people who have used or advocated violence, but also people who are imprisoned for having advocated national, racial or religious hatred that constitutes incitement to discrimination, hostility or violence."

## Return of van Gogh latest in series of decisions on Holocaust restitution

By Toby Axelrod

BERLIN (JTA) — German officials have returned a van Gogh drawing to the heir of a Jewish collector forced by the Nazis to sell his art holdings at a fraction of their value.

The move, which came more than 60 years after the drawing was subjected to a forced sale, was one of several developments this week related to the return of property to Holocaust survivors or their heirs.

The van Gogh drawing and two other works of art were returned Wednesday to Gerta Silberberg, 85, of Great Britain. She is the daughter-in-law — and only surviving heir — of Max Silberberg, who was forced by the Nazis to sell a collection of Impressionist and Expressionist works that have been valued at \$60 million at today's prices. He later died in a concentration camp.

The drawing, "Olive Trees," has been in museums in Berlin and the surrounding area since 1935, when Silberberg was forced to auction off his collection.

Two more paintings from his collection have been identified in the United States and Russia, but terms for their handover have not been reached, according to the Conference on Jewish Material Claims Against Germany, which had identified the van Gogh drawing.

In a second development here, Germany announced that Nazi-era slave laborers from former communist states would not receive payments lower than those from wealthier Western nations. The announcement was made by Otto Graf Lambsdorff, who represents the German government in slave labor settlement negotiations that involve 16 German industrial firms, representatives of Holocaust survivors, and the governments of the United States and Eastern Europe.

If, as had been proposed, the payments were linked to the amounts of pensions in various countries, former slave laborers in Eastern Europe would have received considerably lower payments than their Western counterparts.

No official estimate has been given for the size of the fund, but unofficial numbers have gone as high as \$2 billion.

Meanwhile in Portugal — which took in hundreds of tons of Nazi-looted gold during World War II — a government-appointed commission issued a report this week maintaining that the nation does not have to return any of the gold because it stopped accepting bullion from Germany after being warned that it might be stolen property. The investigating commission included Joshua Ruah, leader of the local Jewish community.

The report drew sharp criticism from the World Jewish Congress, which has spearheaded Holocaust-era restitution issues. The report, which was 14 months in the making, does not refer directly to gold that was melted down after being stripped from Holocaust victims on their way to death camps. Instead, the report said the government received the gold from Germany via the Swiss central bank.

Its origin was not known to the government, therefore Portugal cannot "be accused of having knowingly received gold looted by the Nazis," according to the commission.

World Jewish Congress executive director Elan Steinberg called the findings a "whitewash" of the wartime fascist regime of Antonio Salazar.

Other recent developments relating to Holocaust-era issues include:

- Britain's Barclays Bank this week agreed to make a \$3.6 million settlement of claims dating back to the war. Funds will first go to survivors or their heirs who can prove that their Barclays bank accounts in France were seized after the Nazi occupation, according to a lawyer for the bank. The claims of families lacking such evidence will be reviewed next, and any remaining moneys from the settlement will go to nonprofit groups.

- A U.S. federal judge this week appointed famed Nazi-hunter Simon Wiesenthal to head one of three committees administering a \$40 million settlement of lawsuits brought by Holocaust survivors against Bank Austria. Wiesenthal will head the restitution committee, which is charged with distributing funds after individual claims are paid.

## Syrian minister hurls abuse at Arafat for his concessions

By Douglas Davis

LONDON (JTA) — Syrian anger at the Palestinian leadership erupted into a full-frontal assault when Syrian Defense Minister Mustafa Tlas described Palestinian Authority Chairman Yasser Arafat as the “son of 60,000 whores.”

The outburst by the veteran Syrian minister came during an address Monday at Ras al-Ain, in the Bekaa Valley of eastern Lebanon, during a ceremony marking Syrian and Lebanese “Army Day.”

London-based Arabic newspapers deleted the expletives from their headlines this week as they reported the stream of abuse hurled by Tlas.

Referring to Arafat, Tlas exclaimed: “You son of 60,000 whores. You should not have been so cowardly and submissive at the White House.

“You should have said that Jerusalem is the unified capital of the future Palestinian state. But you just stood there like a black cat and didn’t dare say a word, either about Palestine or Jerusalem.”

Tlas went on to compare Arafat to a stripper.

“In his concessions to Israel, Yasser Arafat resembles a striptease dancer who removes more of her clothing whenever she ascends the stage,” he said.

“Look at him when he is on stage. He moves from concession to concession like the stripper, except that she becomes more beautiful with every layer she removes, while Yasser Arafat becomes uglier.”

Spokesmen for Arafat have not replied to the outburst, with one aide telling the London-based daily al-Quds al-Arabi that Arafat believes “the best response is not to respond.”

However, one of Arafat’s ministers, Hassan Asfour, said Tlas’s behavior was disgraceful and that Syrian President Hafez Assad should “sack him immediately.”

Tlas’s remarks were also condemned by Israeli Arab legislator Azmi Beshara, who is currently visiting Damascus.

In a statement Tuesday to the official Syrian news agency SANA, Tlas acknowledged that he had criticized the “policy of negligence” pursued by Arafat since the signing of the 1993 Oslo Accord, but he denied uttering “any obscene or improper word against him personally.”

Arabic papers, however, noted that his speech had been filmed by local and international media.

Analysts believe that two recent developments could have upset Damascus and triggered the caustic comments.

The first was the warm and politically loaded reception given by Arafat in the Gaza Strip last week to Sumer Assad, nephew of the Syrian leader and son of former Syrian vice-president Rifa’at Assad.

The second is Arafat’s reconciliation in Cairo this week with the Popular Front for the Liberation of Palestine, a senior member of the Damascus-based Palestinian rejectionist front, which is united in its opposition to Arafat’s leadership and to the Oslo peace process.

Ever since he launched the Oslo process with Israel, Arafat has been persona non grata in Damascus, where Hafez Assad hosts several militant Palestinian groups.

Sumer Assad, who has extensive media interests in Britain and France, is perceived as a potential rival for succession to Hafez Assad’s son Bashar.

Sumer Assad’s visit to Gaza has been perceived as a challenge to the authority of his uncle.

It was also seen as a challenge to Bashar Assad, who is reportedly having difficulty mastering the leadership skills he will need to succeed his father, who is said to be in poor health.

No official explanation was given when Hafez Assad dismissed his brother Rifa’at in February 1998 as one of three Syrian vice presidents, but the dismissal effectively ended Rifa’at’s aspirations to succeed his brother.

There are suggestions that Hafez Assad sought to weaken his brother in the event of a struggle for succession between second-generation members of the family — particularly between Bashar and Sumer.

Relations between Hafez Assad and Arafat appear to have taken a turn for the worse since the election of Israeli Prime Minister Ehud Barak.

Assad reportedly rejected appeals by Arafat to meet and coordinate their approaches to Israel in advance of peace talks with Barak.

The Palestinian leader is reported to be concerned that renewed negotiations between Israel and Syria would leave him isolated and sideline the Israeli-Palestinian negotiating track.

Syria, however, insists that it was Arafat who first broke ranks with other Arab parties by signing the 1993 Oslo Accord with Israel — a move, say Syrian officials, that severely weakened the negotiating position of Damascus. □

## Report: Pakistan may be sharing its nuclear technology with Saudis

By Douglas Davis

LONDON (JTA) — Diplomatic concern is mounting over reports that Saudi Arabia is financing Pakistan’s nuclear weapons program as a way of acquiring its own nuclear capability.

Suspicious about Saudi nuclear ambitions have been raised in diplomatic circles after revelations that Saudi Defense Minister Prince Sultan bin Abdul Aziz visited Pakistan’s secret nuclear facilities in May.

An unnamed British official told the London Guardian that the prince visited the Kahuta uranium-enrichment plant and missile factory with Pakistani Prime Minister Nawaz Sharif. He was reportedly briefed by A.Q. Khan, the “father of Pakistan’s atom bomb.”

The Kahuta site is said to be so sensitive that Benazir Bhutto, former Pakistani prime minister, was refused permission to visit the facility during her term of office.

India has expressed concern that Pakistan is developing an “Islamic bomb,” a term referring to the possibility that Pakistan could share its nuclear technology with other Muslim nations.

Diplomatic sources in London were quoted as saying there was concern that Saudi Arabia might have agreed to finance the Pakistani effort and might try to buy missiles and nuclear know-how. “Proliferation has got to be pushed up the agenda in the interests of everyone,” the official said. “What is happening is very serious.” □