



# Daily News Bulletin

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83rd Year

## TOP NEWS IN BRIEF

### Barak says he's leaving summit

President Clinton received a letter from Israeli Prime Minister Ehud Barak that reportedly told the president Barak will leave the Camp David peace summit because the Palestinians lacked the "true commitment" needed "to make historic decisions."

It was not clear, however, whether the latest crisis was a ploy by Barak to generate pressure on the Palestinians or a real deadlock the sides could not breach. [Page 4]

### Swiss bank sanctions sought

An Israeli legislator who deals with Holocaust restitution issues told JTA he plans to seek U.S. sanctions against Switzerland's leading banks.

Avraham Herschson said he plans, among other actions, to have U.S. officials block the Union Bank of Switzerland's planned acquisition of U.S. investment house Paine Webber.

Herschson said he was reacting to the banks' "actions to delay implementation" of a \$1.25 billion agreement reached in 1998 to settle Holocaust-era claims.

### Appeals filed for Iranian Jews

Lawyers for seven of the 10 Iranian Jews jailed for spying for Israel filed appeals Wednesday with a court in the southern city of Shiraz.

The defense lawyers said they plan to submit appeals for the remaining three on Thursday. Earlier this month, the 10 received sentences ranging from four to 13 years. Three other Jews were acquitted.

### Goussinsky's property seized

Russian officials confiscated property belonging to a Russian Jewish tycoon accused of fraud and embezzlement.

The property taken from Vladimir Goussinsky, the leader of the Russian Jewish Congress, includes Goussinsky's house near Moscow.

### Russia to face restitution claims

The World Jewish Congress plans to launch a campaign to persuade Russia to make restitution for Jewish communal property seized after the 1917 Bolshevik Revolution. The group said it decided on the move after being urged to do so by the speaker of Israel's Knesset, Avraham Burg.

## NEWS ANALYSIS

### In case diplomacy fails, all sides prepare for war

By Gil Sedan

JERUSALEM (JTA) — As their leaders were talking peace, many Israelis and Palestinians were preparing for war.

They include not only militant Jewish settlers and members of the fundamentalist Palestinian Hamas movement, but also the Israeli army and the troops of Palestinian Authority President Yasser Arafat's Fatah group.

In recent weeks, Israeli intelligence officials and Palestinian activists have reached the same conclusion: If the talks fail, all hell could break loose — and now is the time to prepare for it.

"It's not a matter of pushing a button," said Hassan Ayoub, director general of the PLO's Land Protection Office in the West Bank town of Nablus.

"The explosion will not necessarily be immediate, but the explosives" are already in place.

Various Palestinian organizations, including Fatah, have already declared an official state of emergency.

Meanwhile, Jewish settlements in the West Bank and Gaza Strip have also gone on alert.

Activists from the 25 settlements in the Gush Etzion bloc south of Jerusalem recently met with residents of the northern community of Kiryat Shmona — which repeatedly suffered Hezbollah rocket attacks before Israel withdrew from Lebanon in May — to learn how to conduct life under siege.

Last winter, snow crippled the settlement of Karmeit Tzur in the Hebron region for two days.

Residents used the situation to launch a simulation drill — again dealing with how to survive under a possible siege.

The opportunity for yet another drill was provided by the Mekorot water company, which cut off the water supply of some settlements during a recent strike.

The settlers coped with the challenge by shipping water in tankers from one settlement to another.

"We are telling our people to get ready, to stock up on food and prepare for the worst," said Shaul Goldstein, mayor of the Etzion bloc.

Even though he and other settler leaders have said that "the worst" will not necessarily happen, Goldstein said, "the level of panic has risen" among settlers.

During the past few days, Palestinian youths at seemingly innocent summer camps have been undergoing military-style training.

They crawled under barbed wire, took over hilltops, practiced sniper attacks and chanted slogans that ended with the all-too-familiar "death to Israel" declaration.

All of this might make one feel that the Camp David summit had never been held.

"We can feel the tension in the air," said Bentzi Lieberman, mayor of the regional council of Shomron in the northern West Bank.

In the last few days, various Palestinian organizations distributed fliers in the Nablus region, urging people to stock up on at least 10 months worth of supplies.

Settlers have stocked up for shorter periods, assuming that no government will tolerate a long Palestinian siege on any settlement.

"We are not getting ready for a war of attrition," said Lieberman. "We demand from the army clear decisions and clear responses." The Israel Defense Force has

## MIDEAST FOCUS

### Shas torn on presidential vote

The spiritual leader of the fervently Orthodox Shas Party may give the party's 17 legislators freedom to vote their conscience when the Knesset elects Israel's next president later this month.

The move would leave the outcome a toss-up between the two candidates, former Prime Minister Shimon Peres of the Labor Party and Likud Party legislator Moshe Katsav.

### Report: Soldiers violate Sabbath

Fervently Orthodox soldiers in Israel's special haredi unit are reportedly punished for violating Jewish religious law, the Israeli daily Ha'aretz reported.

The report said punishments such as cancellation of leave have been imposed for such infractions as smoking, talking on the telephone during the Sabbath and failing to wear a skullcap.

### Disgraced official resumes work

The man who headed Israel's Shin Bet domestic security service when a 1984 bus hijacking occurred, has resumed working for the security establishment on a part-time, temporary basis, the Israeli daily Ha'aretz reported.

Avraham Shalom was forced to resign following the incident, in which he ordered security agents to kill two Palestinian terrorists who had been apprehended after the hijacking. Shalom was later pardoned by then-President Chaim Herzog.

### Spanking bill withdrawn

A fervently Orthodox legislator in Israel withdrew a motion to allow parents to hit their children for "educational purposes" after it became clear the initiative lacked a majority in the Knesset.

Avraham Ravitz of United Torah Judaism had presented the motion in response to a court ruling barring any use of physical violence against children.

declared that it is prepared for every possible scenario.

The army chief of staff, Lt. Gen. Shaul Mofaz, has already gone on record with a warning that the Palestinian Authority is readying itself for a violent confrontation with Israel if the Camp David talks fail.

The army has provided settlements with rubber bullets and tear-gas grenades in case they need to defend themselves.

According to military sources, the worst-case scenario, if the Camp David summit fails, would be a well-organized popular uprising — a combination of the 1987-1993 intifada coupled with the Hezbollah-style guerrilla attacks used against Israeli troops in Lebanon.

One possible scenario envisions thousands of unarmed women and children storming the settlements.

"What do we do if this happens?" asked Goldstein. "Do we shoot them? Can the army afford to shoot them and create a bloodbath?"

Settler leaders raised such questions during a recent meeting with Mofaz and other senior IDF officers.

"We told the army that it was their responsibility to prepare for such an eventuality and that they should not put the burden on us," Goldstein said.

During the meeting, army brass assured the settlers that the IDF would consider any attack on any settlement as life endangering — which the settlers said they understood as a license to shoot.

But Goldstein, who said he was not really satisfied with the answers he heard, believes that the "army is not really prepared.

"For example, they have not allocated budgets to buy tractors and bulldozers to remove Palestinian trucks loaded with tons of earth that could block off roads to the settlements," he said.

For his part, Ayoub of the PLO is hoping that there will not be a confrontation.

But he, like many settler leaders, is not overly optimistic.

Ayoub, a resident of a refugee camp near Nablus, believes that in the event of a new intifada, the main line of confrontation will be the Jewish settlements.

But he thinks that it is highly unlikely that thousands of Palestinian civilians will storm the settlements.

The settlements are usually located on high terrain and they are well-protected, he said.

The IDF has meanwhile cast a wary eye on the Palestinian military capability in the Gaza Strip.

According to unconfirmed reports, Palestinian police in Gaza have some 44 Russian-made armored vehicles that were smuggled across the Egyptian border.

Police there are also said to be equipped with rockets and anti-helicopter missiles.

Israeli officials estimate that the Palestinian police force has some 80,000 rifles — double the number both sides agreed to in earlier peace agreements.

The officials are likewise concerned about Palestinian sharpshooters, who could cause heavy casualties even in limited hostilities.

In past confrontations — like those that erupted in September 1996, when the opening of an archaeological tunnel in Jerusalem's Old City sparked three days of Palestinian rioting in which 15 Israelis and 61 Palestinians were killed — the IDF did not hesitate to dispatch tanks toward the major Palestinian population centers.

Reports are now circulating that some Palestinians have begun digging anti-tank ditches. □

### Orthodox shul offers mixed seating

NEW YORK (JTA) — To increase its membership, an Orthodox congregation in Annapolis, Md., is offering mixed-gender seating as well as a seating area where men and women are separated.

The 97-year-old Kneseth Israel is a member of the Orthodox Union but the synagogue's president, Jeffrey Goldstein, was quoted in the Baltimore Jewish Times as saying that while his synagogue's position on mixed seating is a "no-no," the congregation calls itself an Orthodox synagogue "for nostalgia reasons." □



## Daily News Bulletin

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## JEWISH WORLD

### Tycoon resigns from Duma

A Russian Jewish tycoon resigned from Parliament with a vow to organize opposition to President Vladimir Putin's campaign to consolidate power.

During his resignation speech before the Duma, Berezovsky referred to himself as a member of the nation's Jewish community.

"What is the difference between a Jew and an Englishman?" he said. "An Englishman leaves without saying goodbye, while a Jew says goodbye without ever leaving."

### Boston paper suspends columnist

A politically conservative Jewish columnist has been suspended for four months from the Boston Globe.

According to Boston's Jewish Advocate newspaper, Jeff Jacoby is being forced to take a four-month unpaid leave because a recent column contained "unoriginal" writing. But some Jewish observers believe the paper was looking for an excuse to suspend Jacoby, who had raised the hackles of Arab American groups for his strong pro-Israel stance.

### Site yanked for OKing slaying

A Web site calling for the assassination of Prime Minister Ehud Barak and other Israeli officials involved in the Camp David peace talks was removed in response to complaints from the Anti-Defamation League.

Microsoft, which hosted the site before learning of its content, told the ADL that the site, run by an organization calling itself the Israel Liberation Army, violated the company's terms of use and code of conduct.

### Program to help young Jews

A new program is providing grants of \$60,000 for eight Jewish young adults interested in creating programs to bolster Jewish life in the United States.

The Joshua Venture, which is funded by several large Jewish family foundations, is offering the money, as well as leadership training, mentoring and health benefits, for individuals aged 21-35.

Applications, due in October, and more information are available at [www.joshuaventure.org](http://www.joshuaventure.org).

### Yiddish program opens in Vilnius

An intensive one-month course in Yiddish language, literature and culture opened in the Lithuanian capital of Vilnius.

The third annual program was organized by the local Jewish community with support from the American Jewish Joint Distribution Committee and the Jewish Agency for Israel.

## Argentine leader joins mourners of bombing, but Jews want results

By Nicolas Penchaszadeh

BUENOS AIRES (JTA) — For the first time, a president of Argentina has attended ceremonies marking the anniversary of the 1994 bombing of a Jewish community center here.

The presence of President Fernando de la Rúa — who joined the thousands of people clogging the streets near the AMIA center Tuesday to commemorate the sixth anniversary of the car bombing — was seen as a show of support for efforts to find those responsible for the attack.

"I have come here as a citizen to share in the grief caused by this tragedy," de la Rúa said after the ceremony.

Along with the fatalities, some 300 individuals were injured in the July 18, 1994, attack.

The president reiterated his willingness to help solve the case, but he said this would not be easy.

"I cannot say that after six years I am going to discover what hasn't been discovered before because time has passed," said de la Rúa.

"It is true that the most crucial point in the investigation came immediately after the bombing. Now there is evidence that has disappeared, but I will place all the resources available to contribute to the investigation."

The Argentine president, who took office in December, is under increasing pressure to obtain concrete results.

Memoria Activa, a group of victims' relatives, criticized him on Monday for not making good on his campaign promise to solve the case.

In softer terms and without naming the president, speakers also warned Tuesday that the government should do more than just pay lip service to the case.

"The time for condolences is over. Now it is time to know the truth," said Rogelio Cichowolsky, president of DAIA, an umbrella group of Jewish organizations in Argentina.

"We have the obligation to know who was responsible for this crime."

Cichowolsky called for the immediate start of the trial of a group of former police officers and a used-car dealer who are accused of providing the terrorists with the vehicle used in the bombing.

The trial is scheduled to begin around Jan. 1.

The Jewish community is also criticizing the government for increasing its commercial links with Iran, which is believed to have been involved in the attack — as well as in the 1992 bombing of the Israeli Embassy in Buenos Aires that left 29 people dead.

Faced with a deep economic recession, Argentina is looking for new outlets for its products.

The anniversary of the attack was marked Tuesday at 9:53 a.m., the time the bomb exploded, with the sound of sirens and a minute of silence.

Amid heavy security, tear-filled participants consoled each other in front of the rebuilt AMIA building.

"It is shameful that six years have gone by, and we still know nothing about the bombing," said Manuel Goldberg, who braved the cold weather to attend Tuesday's rally.

Speakers criticized the government of the previous president, Carlos Menem, for not solving the case.

In a society prone to conspiracy theories, many believe that Menem or his close associates are somehow linked to the bombing.

This week, there were reports that a former high-ranking Iranian intelligence official had said Menem received money from the Iranian government to cover up its role in the bombing.

"The assassins and those who helped to obstruct the investigation are laughing at us," said Hugo Ostrower, president of AMIA. □

**NEWS ANALYSIS****Tough challenges ahead  
for Barak — and Israeli society**

By David Landau and Naomi Segal

JERUSALEM (JTA) — As Israeli and Palestinian leaders cut through decades of sacred axioms and slogans in an effort to forge an agreement at Camp David this week, Israeli society dealt with the possibility that it may face the toughest-ever challenge to its cohesion.

For the hundreds of thousands of citizens who demonstrated Sunday night in Tel Aviv's Rabin Square against Prime Minister Ehud Barak's policies, there was likely some relief Wednesday, when it appeared that the Israeli side was giving up on the talks.

For hundreds of thousands of others — who were planning a demonstration for this coming Sunday to support Barak — Wednesday's reports likely dashed their hopes that Camp David would bear fruit. Earlier on Wednesday, President Clinton sent the talks into overtime when he announced he was postponing by a day his trip to a meeting of industrialized nations in Japan.

Just the same, within hours it appeared that Barak's worst-case scenario was evolving. A week after setting out for Washington in the hope of reaching a historic agreement with the Palestinians, the Israeli leader appeared poised to return home empty-handed.

Clinton received a letter from Barak on Wednesday that reportedly informed the president of his intention to leave the summit because the Palestinians lacked the "true commitment" needed "to make historic decisions."

After Israeli media reported the letter's contents, a spokesman for Clinton confirmed that the president had indeed received a letter from Barak, but he would not discuss its contents.

It was not clear, however, whether the latest crisis was a ploy by Barak to pressure the Palestinians or a real deadlock the sides could not breach. Earlier in the day, Barak's coalition whip, Ophir Pines, said the premier had reached the conclusion that the Palestinians were not acting as a "true partner" to peace.

"The prime minister intends to return to Israel with the entire team of Cabinet ministers, Knesset members and professionals accompanying him," Pines said Wednesday.

Pines said he also understood that the Clinton administration had reached the same conclusion: The Palestinian Authority was not able to come to an agreement with Israel.

"All the American bridging proposals were rejected by the Palestinians," he said.

Indeed, during an interview Wednesday in New York with JTA, Cabinet Minister Rabbi Michael Melchior said he had been told to have his bags packed and be ready to leave from Washington on Wednesday evening.

While Melchior, the minister for Israeli society and world Jewish communities, made it clear that the situation was fluid and that everything could change "in a minute," Palestinian officials were likewise saying an accord appeared unlikely — for which they blamed Israel.

For the past week, Israeli, Palestinian and American officials have been engaged in what was described as a high-stakes bid to try to reach a final peace accord.

A news blackout imposed by the Americans prevented any substantive information on the content of the deliberations from trickling out. This resulted at times in simultaneous and

contradictory reports on progress or deadlock in the negotiations.

On the agenda were the most difficult and contested issues of the negotiations — Jerusalem, refugees, final borders, water and Jewish settlements.

Earlier reports said Barak had conveyed his willingness to hand over up to 95 percent of the West Bank to the Palestinians and was open to some proposals on the refugee issue.

But over the course of the week, Jerusalem apparently emerged as the main sticking point.

Barak insists that Jerusalem remain the united, sovereign capital of Israel. Arafat has demanded its eastern half for the capital of a Palestinian state.

Israeli reports speculated Tuesday that the sides might be on the verge of clinching an understanding on the issue — a compromise under which Israel would annex Jewish settlement areas around the city, while the Palestinians would assume some control, short of sovereignty, over the Arab neighborhoods of Jerusalem.

But by Wednesday, Arafat reportedly had hardened his stance on Jerusalem — which sources said had led Barak to conclude that he was not dealing with a genuine partner to the peace process.

As if signaling the next phase to come, Israel Radio quoted the source as saying that Barak is now warning the Palestinians against taking any unilateral steps — a reference to their plans to declare statehood on Sept. 13, with or without an accompanying agreement. At the same time, the source cautioned against prematurely declaring the summit a failure, and suggested a "way out" of the crisis might yet be found.

Meanwhile, the Israeli opposition was revving up for the next political battle.

Barak returns to a changed political landscape. Three coalition parties pulled out of the government prior to Barak's departure for Washington, costing him his parliamentary majority.

In two weeks, the Knesset is slated to vote on two bills that would force early elections.

And in a taste of what may come, the Knesset on Wednesday gave preliminary approval to opposition initiatives — one that would require a special majority to approve a national referendum on any peace agreement and one that calls for the annexation of all Jewish settlements in the territories if the Palestinians unilaterally declare an independent state. No matter what emerges from Camp David, the future of Israeli-Palestinian relations are likely to continue to rock Israeli society.

If the country is called upon to make a fateful decision — either by a referendum on an future agreement or with a response to a unilateral Palestinian declaration of statehood — possible provocations by extremists is a worry.

In this respect, Jewish and Palestinian extremists are, perhaps paradoxically, in the same camp — the anti-agreement camp.

Violent altercations between them, or acts of violence perpetrated by either of them against innocent civilians, are the great danger that will loom over any agreement.

Observers point to large pockets of deep distrust of Arafat among the Palestinian populace — in addition to the consistent opposition led by Sheik Ahmed Yassin, the spiritual leader of Hamas. This week the sheik called on Arafat to break off the talks, return home and rejoin the armed struggle against the Zionist state.

No such incitement has been uttered publicly by Israelis.

But Israeli security officials know there are extremists in some of the settlements, especially those Barak may be willing to cede to the Palestinians. □