



# Daily News Bulletin

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83rd Year

## TOP NEWS IN BRIEF

### Fund's distribution plan issued

Survivors who want to recover Holocaust-era bank assets should receive about \$800 million of a \$1.25 billion Swiss fund, according to a U.S. court draft document. The proposed plan is available on the Internet at [www.swissbankclaims.com](http://www.swissbankclaims.com). [Page 3]

### E. U. lifts Austria sanctions

The European Union lifted sanctions it had imposed on Austria after the extremist Freedom Party joined the country's government in February. But E.U. officials said in a statement they would continue to monitor Jorg Haider's party.

The move came after a report issued earlier this week recommended lifting the sanctions, saying the new Austrian government has taken actions to fight racism, xenophobia and anti-Semitism.

### Barak: I won't give Temple Mount

Israeli Prime Minister Ehud Barak insisted that neither he nor any future prime minister of Israel would sign any agreement granting the Palestinians sovereignty over the Temple Mount in Jerusalem.

Barak was responding to media reports that he considered proposals to extend international sovereignty over the site through a body that would grant the Palestinians jurisdiction over the Temple Mount, with Israel retaining control over the Western Wall.

### Israel arrests 33 Arabs

Israel arrested 29 Israeli Arabs and four West Bank Palestinians for suspected arms dealing and activity against Arabs suspected of cooperating with Israeli authorities.

An Israeli police commander said the suspects are believed to be linked to the Islamic Movement.

### House to vote on hate law

The U.S. House of Representatives is expected to vote Wednesday whether to pave the way for national hate crimes legislation. The Senate approved a hate crimes amendment in June, and that language is currently in a bill nearing completion.

While the House motion would be a nonbinding resolution, its approval would enhance the chances that the legislation, which enjoys bipartisan support and the backing of the Clinton administration, will be passed before Congress recesses in October.

## WJC defends fund raiser as appropriate 'thank you'

By Michael J. Jordan

NEW YORK (JTA) — The World Jewish Congress succeeded in raising close to \$1 million this week at a black-tie banquet here, which also honored a dozen American and Israeli public officials for their support of the Holocaust restitution process.

But the WJC windfall from the event — which included as honorees President Clinton and his wife, U.S. Senate candidate Hillary Rodham Clinton — seems to have come with a heavy price.

The WJC is now under fire on several fronts, including from many Holocaust survivors, who are clamoring for compensation to subsidize their health-care costs and are offended by the notion of any sort of celebration related to the Holocaust. Rick Lazio, New York's Republican candidate for the U.S. Senate, was also angered, charging that the WJC was playing politics by inviting Hillary Clinton and not him.

WJC officials, however, were unfazed. The funds raised will be allotted for Holocaust research, said Elan Steinberg, WJC's executive director.

And such an event was necessary, he said, because the WJC has not pocketed "one penny" as it spearheaded a four-year battle for Holocaust restitution that has extracted \$9 billion from the likes of the Swiss banks and German government and industry.

When asked whether the fund raiser, publicly announced two weeks ago, was worth the ensuing bad press, Steinberg told JTA: "It's done no harm to the WJC reputation.

"We honored those public officials who helped us, regardless of their political outlook. I think it's incumbent upon the Jewish people to say thank you to those who brought about this revolution in moral responsibility and historic memory."

The blue-ribbon honorees indeed spanned the political spectrum, awarding Republicans and Democrats, Labor and Likud.

In addition to the Clintons, the list included former Sen. Alfonse D'Amato (R-N.Y.), who chaired the U.S. Senate banking committee; Rep. Jim Leach (R-Iowa), who chairs the House banking committee; Stuart Eizenstat, the U.S. deputy treasury secretary and the U.S. point man on Holocaust restitution issues; and former U.S. Federal Reserve Chairman Paul Volcker, who headed a commission investigating Swiss banks' handling of Holocaust-era dormant accounts.

The list also included Lawrence Eagleburger, the former U.S. secretary of state who chairs the International Commission on Holocaust Era Insurance Claims; New York City Comptroller Alan Hevesi; New York Gov. George Pataki; former Israeli Prime Minister Benjamin Netanyahu; Knesset Speaker Avraham Burg, a co-chairman of the World Jewish Restitution Organization; Chairman of the Knesset Restitution Committee Avraham Hirschson; and Israeli Minister for Diaspora Affairs Michael Melchior, who appeared on behalf of Prime Minister Ehud Barak, the fund-raising event's honorary chairman.

Among the charges leveled against the WJC is that it has plunged into domestic politics.

In a widely quoted September issue of Commentary magazine, senior editor Gabriel Schoenfeld predicted in his article, "Holocaust Reparations: A Growing Scandal," that the banquet would be "an exercise in self-congratulation that promises to drag the mass murder of European Jewry into ethnic politics at its crassest."

Some observers, both inside and outside the event, viewed it as a quid pro quo between the WJC and Hillary Clinton. The star power of her and her husband would fill the \$10,000 per table ballroom; in return, her appearance would further boost her status

## MIDEAST FOCUS

### Barak to add Sabbath bus lines

Israeli Prime Minister Ehud Barak plans to add several hundred Sabbath bus lines as part of his planned secular reforms.

The Israeli daily Ha'aretz quoted a senior official as saying some 300 bus lines would be added to the 400 already in operation in an effort to help single parents, the elderly, immigrants and other population groups that do not own private vehicles.

### Lesbian/child case to get ruling

Israel's attorney general will weigh in on whether a rabbinical court can prevent a lesbian from meeting with the biological children of her partner.

Israel's High Court sought the attorney general's opinion while considering a petition submitted by the Association for Civil Rights in Israel on behalf of a lesbian couple that received an order issued by a rabbinical court after the ex-husband of one of the women sought the ban.

### Olympics film changed for Israel

Forensic photographs of the Israeli athletes murdered in the 1972 Munich Olympics Massacre were blurred when a documentary on the topic was aired Monday night in Israel.

The makers of "One Day in September," which won an Oscar for best documentary, agreed to blur the photos out of respect for the victims' families.

### Envoy to Russia takes office

A career diplomat who was most recently Israel's ambassador to Austria took up his post as the Jewish state's envoy to Russia.

Before it was filled by Natan Meron, the position remained vacant for more than a year, which led to accusations in the Israeli media and the Knesset of negligence and inactivity in the Foreign Ministry. Officials reacted by saying it was difficult to find the right person for the job.

within the Jewish community. With the U.S. elections less than two months away, Clinton's support among Jews seems to have soared recently. The latest poll by Zogby International indicates she now holds a 70-23 percent advantage over Lazio.

For his part, Steinberg insists his organization continues to be above the political fray. "I think there were people who tried to inject politics into the dinner, and I think they were mistaken doing so," he said.

A spokeswoman for Clinton's Senate campaign, Karen Finney, told JTA she understood Monday's event was a "gala" to which both Clintons were invited, and a fund raiser for the WJC.

In restitution, however, Hillary Clinton's role is a dubious one, say critics.

Steinberg said her prime achievement was as facilitator — introducing Edgar Bronfman, WJC president and a major Jewish philanthropist, to Bill Clinton, and "ensuring bipartisan and administration support for Holocaust restitution."

On Tuesday, the Israeli daily Ha'aretz wrote that Bronfman is also "one of the chairmen of the Jewish committee for Hillary Clinton's election."

Steinberg said he did not know if that was true, but said: "We do not endorse candidates. Individuals are free American citizens, who in their personal capacity can do as they wish."

Meanwhile, Lazio's campaign has noted his role in Holocaust restitution as a member of the U.S. House banking committee, where he introduced a bill that extended the life of a presidential commission investigating what became of Holocaust victim assets that fell into American hands.

Steinberg said the House banking committee chairman, Leach, was honored, but "we did not invite the 45 other members of the committee, though we recognize that Mr. Lazio indeed played a constructive role in the restitution question."

For some Holocaust survivors, their primary gripe is not that restitution for Nazi plundering may have been drawn into New York politics. Nor do they begrudge the WJC's need to raise funds.

Rather, many survivors have been up in arms since Steinberg announced recently that a newly created Foundation for the Jewish People — to be made up of the estimated hundreds of millions of dollars in unclaimed restitution funds — would determine spending priorities for the excess cash.

Survivors and their advocates demand that survivors alone should decide how it's spent, and that it should be allocated entirely for the health care of needy, ailing survivors. They note that 1,000 or so survivors around the world die each month, some reportedly without adequate health care. In addition, many survivors were upset that such a lavish fund-raising event was held in relation to the Holocaust.

"It's so preposterous, because no celebration would be happening if it weren't for the Holocaust; it's the equivalent of celebrating during Tisha B'Av, or dancing during Yom Kippur," said Leon Stabinsky, 66, president of the California Association of Holocaust Child Survivors.

"It's very disturbing and a sad commentary that there are some people taking advantage of this restitution process for political reasons, financial reasons, whatever.

"It's no coincidence that more people are writing about the creation of a so-called 'Holocaust industry,'" he said.

Steinberg, however, said the event was not a celebration, but "a tribute and a thank you to those public officials who brought about these settlements."

Still, Stabinsky's views were echoed by a handful of elderly survivors who protested Monday night on the edge of Central Park, across the street from the Pierre Hotel, where the fund raiser was held. However, their concerns were overshadowed by the few dozen other protesters with them behind police barricades. Many of these seemed to be fringe elements simply there to engage in Hillary-bashing, waving posters that, for example, accused her of supporting Palestinian leader Yasser Arafat and terrorist groups.

Amid the crowd, a young Jewish man named Gil entertained both protesters and curious onlookers by rapping into a megaphone little ditties he had written, like "WJC, how shameless can you be?" and "One-two-three-four, show Hillary the door. Five-six-seven-eight, kick her out of New York state!"

Gil's rapping, though, took an ugly turn when he spotted and hectoring a middle-aged man in tuxedo and yarmulka speed-walking toward the Pierre: "Hey, tuxedo man! Shame on you! Take off your yami, disgusting Jew!"



## Daily News Bulletin

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## JEWISH WORLD

### Shul near Auschwitz reopens

Officials from Europe, Israel and Jordan joined American Jews in reopening a synagogue near the site of the Auschwitz death camp.

The New York-based Auschwitz Jewish Center Foundation spent \$12 million to reopen the Lomdei Mishnaot Synagogue and an adjacent cultural center.

### Store, ADL team up against hate

The Barnes and Noble book chain and the Anti-Defamation League have launched a campaign aimed at combating racism and anti-Semitism in the United States.

The ADL's new book, "Hate Hurts," is the centerpiece of the "Close the Book on Hate" campaign, which is designed to help children, teachers and parents eliminate hate in their communities.

### Brief backs lesbians against Y.U.

New York State's attorney general filed a brief in support of two lesbian students who are suing Yeshiva University for alleged discrimination in the school's housing policy.

The plaintiffs, whose case has been in the courts for more than a year, claim the university discriminates against gays and lesbians because they are ineligible to live in the school's married-student housing.

The university, which is nonsectarian and bound by discrimination law, argues that requiring a marriage certificate for the housing is not discriminatory.

### German teens go on trial

Four German teen-agers went on trial for allegedly assaulting and chasing two African men in July.

The incident is one of a spate of racist and anti-Semitic incidents in Germany this summer that have led to a government crackdown on neo-Nazism.

### Ukrainian shul to reopen

A Ukrainian synagogue returned to the Jewish community in 1996 will have its grand opening on Sept. 20. The Golden Rose Choral Synagogue, which is located in the city of Dnepropetrovsk, was originally completed in 1852. The Soviet government seized it in 1929 and turned it into a club for workers.

### Site hawks Lieberman yarmulkas

A Web site is selling red, white and blue yarmulkas in honor of Sen. Joseph Lieberman's candidacy for U.S. vice president. The yarmulka is a star-spangled white leather skullcap imprinted with a red and blue "Lieberman 2000."

"We hope that it will be worn throughout the campaign by all of his supporters, Jewish or not," said Jory Rozner, the CEO of Zipple.com.

## Holocaust survivors, heirs to get most of Swiss settlement

By Mitchell Danow

NEW YORK (JTA) — Jewish organizations looking for a piece of a historic \$1.25 billion Swiss bank settlement are likely to be disappointed.

Instead, payments from the fund are likely to go solely to Holocaust survivors or their heirs, according to a document that was submitted to a U.S. court overseeing the settlement.

The distribution plan delivered to the court this week sets a Nov. 6 deadline for responses.

On Nov. 20, U.S. District Court Judge Edward Korman, who is overseeing the settlement, will hold a public hearing to review the various comments that have been submitted.

After that, the court will decide what the actual distribution plan will be, and claimants will be informed about how to submit applications.

The distribution plan earmarks most of the fund — \$800 million — to survivors or their heirs who are holders of dormant World War II-era accounts that they were unable to recover from Swiss banks.

The plan — citing a report issued last year by a panel that conducted a three-year audit of Swiss banks — estimates that as many as 26,000 of these accounts probably belonged to victims of Nazi persecution.

Account holders are the primary recipients of the settlement, which Switzerland's leading banks first agreed to in August 1998.

The settlement was reached amid allegations that the banks were hoarding the wealth of Holocaust victims.

The distribution plan — drawn up by Judah Gribetz, a court-appointed official known as a special master — also designates several other beneficiary classes:

- Slave and forced laborers who worked for German companies will receive at least \$500 each, plus another \$500 after all claims are processed;
- Slave and forced laborers who worked for Swiss-owned companies will receive the same amount.

An estimated 100 Swiss firms used up to 5,000 such workers in Nazi-run plants, mainly in German towns near the Swiss border;

- Anyone who was admitted to Switzerland as a refugee during the war and was subsequently detained or mistreated will be eligible to receive a maximum of \$500. An estimated 3,000 people are expected to file such claims;

- Refugees denied entry into, or expelled from, Switzerland may receive between \$1,250 and \$2,500. An estimated 17,000 people are expected to file claims under this category;

- The proposal also earmarks \$100 million to compensate those whose property was looted during the war.

Of this amount, 90 percent will be distributed to Jewish claimants, and 10 percent to non-Jews.

The fund also designates \$10 million for the creation of a Holocaust memorial foundation. □

## Article focuses on Reform rabbis' problems

NEW YORK (JTA) — The top executive of the Reform movement's rabbinic arm is calling on the movement to address the problems associated with being a congregational rabbi.

In the September issue of the Central Conference of American Rabbis' newsletter, Rabbi Paul Menitoff writes that expectations of pulpit rabbis are too unfocused, lay leaders' debates over contract renewals are stressful, and rabbis do not receive adequate "down time."

The article appeared as a Reform movement task force is studying the difficulties in recruiting rabbis and other professionals. □

## NEWS ANALYSIS

**Palestinians again learn Arafat calls all the shots**

By Gil Sedan

JERUSALEM (JTA) — Yasser Arafat has done it again.

Despite strong internal pressure to go ahead and declare independence on Sept. 13, as he had promised to do, the Palestinian Authority president this week convinced an advisory body of the PLO, the Palestinian Central Council, to defer the declaration.

In the past, Arafat would say, "Whoever does not like our determination to declare our state on Sept. 13 can go drink the waters of Gaza."

This week, he and other Palestinian officials had to indulge in some verbal acrobatics to explain the change of heart.

For his part, Arafat argued that a Palestinian state already exists, thereby making the need for a declaration less than pressing.

Negotiator Nabil Sha'ath characterized the council's decision to postpone the declaration as part of an effort to keep the faltering Israeli-Palestinian negotiations on track and to "give peace yet another chance."

Once again, the Palestinian public learned this week that there is little alternative to Arafat's decisions.

During its two days of meetings over the weekend in the Gaza Strip, the Palestinian Central Council gave Arafat the prerogative to set the date for declaring independence, "depending on progress in the negotiations" with Israel.

The council also decided "to begin the process of building the sovereignty of a Palestinian state" — including setting up elections and working toward membership in the United Nations — and said preparatory committees would present their reports on such issues to the council no later than Nov. 15.

That date was selected because it is a historic anniversary: On Nov. 18, 1988, the Palestine National Council proclaimed independence during a meeting in Algiers.

During its weekend meeting, the council made no commitment that Nov. 15 is the new target date for declaring independence. Instead, the door was left open for negotiations with Israel.

Israeli officials applauded the decision to postpone the declaration — but they said it was predictable, given the position of the international community.

After the failure of the Camp David summit in July, Arafat made the rounds of world capitals to drum up support for a Palestinian state. Nearly everywhere he went, Arafat received the same message: Don't take unilateral steps that could hurt the peace process. Given such reactions, Arafat had little choice but to postpone the declaration, say Israeli analysts.

They agree that despite his earlier uncompromising statements — including his patented "go drink the waters of Gaza" comment — Arafat wants the peace process to continue.

"Arafat has proven that in order to attain sovereignty on sacred sites, one could disregard sacred dates," political analyst Oded Granot wrote in the Israeli daily Ma'ariv.

Two of Arafat's closest advisers, Abdullah Horani and Nabil Amer, were quoted Monday as saying that the Palestinians simply have no alternative but to engage in continued political dialogue with Israel.

They downplayed the option of a violent confrontation as a

way of convincing the Israelis to be more flexible — out of concern that violence may only harden the Israeli stand, and possibly lead to the creation of a national unity government between Labor and Likud.

As a face-saving gesture, Arafat gave the Palestinian Central Council the green light to initiate steps that would create the infrastructure for the soon-to-be-announced Palestinian state.

According to a statement issued at the end of its weekend meetings, the council declared that the interim period of peacemaking with Israel is over as of Sept. 13.

What precisely this means has been the subject of some debate.

The common Palestinian interpretation was that although they would refrain from declaring a state, Palestinian officials are now free to act as they wish in the West Bank and Gaza Strip. But on this, too, Palestinian spokesmen refrained from spelling out exactly what this might mean.

Israeli analysts said Palestinian officials would not take unilateral, forceful measures in the West Bank and Gaza Strip. They pointed out that the officials had not done so following the collapse of the Camp David summit.

Instead, the Palestinian leadership is expected to start preparing for elections — local, parliamentary and presidential — as well as drawing up the constitution of the future Palestinian state.

Predictably, Palestinian opposition groups reacted negatively to the postponement of the statehood declaration, but by and large it appeared that the Palestinian public is willing to give Arafat yet another chance to play it his way.

Even Hamas leader Sheik Ahmed Yassin was relatively mild in his reaction. While issuing his usual call for armed resistance, he also praised Arafat's tough stance on Jerusalem, which is the major point holding up an Israeli-Palestinian agreement.

As soon as the Sept. 13 hurdle was overcome, Arafat went to Egypt to report to President Hosni Mubarak on the proceedings and on the outlook for negotiations with Israel.

The initial Egyptian reaction was positive. Radio Cairo described the resolution of the council as "a moderate decision, which was intended to keep the negotiations' door open to achieve peace."

It was now up to Israel to demonstrate similar flexibility, said the Egyptians.

In Lebanon, the militant, Iranian-backed Hezbollah organization called the resolution a "waste of time."

Hassan Nasrallah, the group's secretary-general, repeated his call that the Palestinians seek liberation through armed resistance.

Meanwhile, the move appears to have had little impact on the stalled Israeli-Palestinian negotiations.

Palestinian officials said Monday that Israel should respond to the decision by making concessions of its own.

Chief negotiator Saeb Erekat urged Israel to recognize Palestinian sovereignty over Jerusalem's Temple Mount. Sha'ath suggested that Israel should withdraw to the borders that existed before the 1967 Six-Day War and should accept the right of Palestinian refugees to return to the homes they abandoned during Israel's 1948 War of Independence.

Israel promptly rejected the calls.

Acting Foreign Minister Shlomo Ben-Ami described the Palestinian Central Council's postponement as "commendable," but added that "this is not something we should pay for." □