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TOP NEWS IN BRIEF

Barak urges Peres not to run

Israeli Prime Minister Ehud Barak called on former premier Shimon Peres not to run against him in the upcoming special election for prime minister.

"To my friends, foremost among them Shimon, I say, Come along with us on a charge toward peace," Barak said Tuesday at an election rally in the southern city of Beersheba.

Earlier in the day, Peres said he is weighing whether to run.

Peres, who shared the 1994 Nobel Peace Prize with Palestinian Authority President Yasser Arafat and then-Prime Minister Yitzhak Rabin, has been pressed by some in the peace camp to put forward his candidacy. [Page 3]

Netanyahu withdraws from race

Former Israeli Prime Minister Benjamin Netanyahu pulled out of Israel's race for prime minister.

Netanyahu's decision came after the Knesset on Monday night rejected legislation to dissolve and hold elections for both parliament and prime minister.

As a result, the opposition Likud Party canceled primaries scheduled for Tuesday and named its current leader, Ariel Sharon, as its prime ministerial candidate by default.

Netanyahu had said that an election for prime minister alone would saddle the winner with the parliament's current political deadlock. [Page 3]

Israel: Talks avoiding core issues

The separate talks the United States is holding with Israeli and Palestinian officials this week will not focus on core issues separating the two sides, according to the spokesman for the Israeli Embassy in Washington.

Instead, the talks will focus on ending the violence, re-establishing channels of communication and rebuilding confidence, Mark Regev told JTA.

"If the Palestinians reduce the violence, they will find a negotiating partner across the table," he said before the talks opened Tuesday in the Washington area.

Palestinians in the West Bank and Gaza Strip went on strike to protest the Palestinian Authority's participation in the talks.

Among the groups that called the strike were Yasser Arafat's Fatah faction and Hamas.

BEHIND THE HEADLINES

Jews cautious but hopeful as Powell outlines Mideast vision

By Matthew E. Berger

WASHINGTON (JTA) — In accepting the nomination as President-elect George W. Bush's secretary of state over the weekend, Gen. Colin Powell set out the foundation of the administration's strategy in the Middle East.

"America will remain very much engaged in the Middle East" under a Bush administration, he said.

Saying he expected the issue to be "a major priority" for him and the State Department, he also hinted at the role the new administration plans to take as it balances often competing interests in the region.

The policy "will be based on the principle that we must always ensure that Israel lives in freedom and in security and peace," Powell said.

"But at the same time, we have to do everything we can to deal with the aspirations of the Palestinians and other nations in the region who have an interest in this."

This balancing act — one the Clinton administration, too, has had to navigate — comes as a new administration prepares to inherit a region where the promise of peace has lapsed into violence and political turmoil. Whatever the outcome of the latest push to revive Israeli-Palestinian peace talks, Bush and Powell will take center stage Jan. 20, just weeks before Israel plans to elect a prime minister.

Powell's words are being watched closely by Jewish observers concerned about the future of the peace process, the role of the United States in the Middle East and the world, and the relationship between the new administration and the Jewish community.

Powell's name is familiar to the Jewish community, first for his role as national security adviser in the Reagan administration and then as chairman of the Joint Chiefs of Staff during the 1991 Persian Gulf War.

But it has been nearly 10 years since his pivotal role during the U.S.-led conflict with Iraq, which saw weeks of Scud missiles raining down on major Israeli population centers. Despite his initial hesitation to commit American troops to the Middle East, Powell emerged from the Persian Gulf conflict as a modern-day war hero able to match military strategy with public relations skills.

He has retained much of that luster from a decade ago. He has been heralded by both Democrats and Republicans and urged to join their ranks and seek political office.

But since the Gulf War, Powell has faded from the foreign policy spotlight, choosing instead to speak out on education and volunteerism instead of missile defense systems.

Little is known about Powell's current views on Israel.

His autobiography hardly broached the subject, and many of his past speeches and notes from meetings with Jewish organizations are still hidden away in the storage areas of the organizations' headquarters and their leaders' minds.

What is remembered is that Powell impressed many. He spoke a bit of Yiddish in addressing the American Israel Public Affairs Committee in 1991, a throwback to his high school days as a clerk for a South Bronx shop owner.

He spoke of a recent visit to Israel, where he met with his counterparts and was able to speak "in short-hand, the kind that develops among close and dear friends."

And he emphasized a commitment to Israel as the lone democracy of the Middle East.

"We have stood with Israel throughout its history," Powell said, speaking a month

MIDEAST FOCUS

U.N. votes against peacekeepers

Israeli officials applauded after a proposal to send international peacekeepers to the West Bank and Gaza Strip failed to get enough votes in the U.N. Security Council.

The director general of Israel's Foreign Ministry, Alon Liel, said Monday night's decision was one of Israel's biggest diplomatic victories at the United Nations in almost two decades.

In a related development, the Geneva-based U.N. Human Rights Commission said it plans to send a three-member commission to investigate alleged abuses in the West Bank and Gaza Strip.

Israel has said it will not cooperate with the panel, created in October, when the commission passed a resolution accusing Israel of "war crimes" and "widespread, systematic and gross violations of human rights."

U.S.-led panel to get Israeli paper

Israel said Tuesday it would send a paper by Dec. 30 outlining its position on the Israeli-Palestinian violence of the last three months to the international commission investigating the bloodshed.

"We have nothing to hide or be ashamed of. We know our side is right," said the director general of the Defense Ministry, Gen. Moshe Kochanovsky. He serves as Israel's liaison with the commission of inquiry, which is led by former U.S. Sen. George Mitchell.

Israel releases poverty report

More than 1.1 million of the nation's 6 million Israelis live below the poverty line, according to figures released Tuesday by the National Insurance Institute. According to the figures, about half are children.

The greatest poverty levels are found among the Arab and fervently Orthodox populations.

According to the report, Jerusalem is Israel's poorest city, followed by Bnei Brak, a fervently Orthodox city near Tel Aviv.

after the end of the Gulf War. "We have demonstrated again and again that our roots are intertwined, as they are with all nations who share our beliefs in openness and democracy.

"So let there never be any question about our commitment to Israel," he said. "And let there be no question that America will stand by Israel in whatever the future holds.

"Peace in the Middle East, as peace we all yearn for, can only be secured if the U.S.-Israeli relationship remains strong and vibrant."

But there is concern that his words may not match his actions.

While most Jewish officials and analysts are optimistic about his role in the peace process and as a friend of Israel, some note his hesitancy to fight against Iraq — and in the process support Israel — as a sign of future reluctance to use American strength to thwart international conflict.

"I think the fact that he occasionally uses a word of Yiddish is less important than how he uses the region geo-politically," said Morris Amitay, an Israeli activist and former executive director of AIPAC, the pro-Israel lobby.

Amitay said that during the Gulf War, Powell viewed Israel more as a hindrance than an ally. Wary of allowing Israel to fight back against Iraqi attacks, the United States urged Israel to allow the United States to fight its battle for it.

And while Powell would later applaud Israel's "heroic restraint" during the war, Amitay said he got the impression that Powell's regional priorities lay with protecting the oil supply and maintaining the coalition of Arab states waging war against Iraq.

In his 1991 speech to AIPAC, Powell said the Gulf War dispelled the myth that "the United States must choose between Israel and the Arabs."

While some see Powell's skepticism during the Gulf War as a window into a semi-isolationist viewpoint, others see it as a necessarily cautious tone.

"You'll see a calm, mature system of foreign policy," said Newt Gingrich, a former Speaker of the House of Representatives who served as a Republican House leader during the Gulf War.

"He's very cautious and he's determined to win. Our opponents should remember that."

Jewish officials hope he will bring that same attitude to the current situation in the Middle East. "He will be more focused on the peace," said Tom Neumann, executive director of the Jewish Institute for National Security Affairs.

Powell "understands the strategic importance of the State of Israel," Neumann added. "That is an important component of our negotiations."

In his speech accepting the nomination on Saturday, Powell reiterated Bush's mantra that the parties in the Middle East must handle their conflict on their own timetable, not on the United States'.

"At the end of the day, it's going to be the parties in the region who will have to find the solution and come into agreement," he said. "They are going to have to live with each other."

Some see that approach as a refreshing departure from the Clinton administration, which took a pro-active role in helping Israel and the Palestinians reach an agreement.

Malcolm Hoenlein, executive vice chairman of the Conference of Presidents of Major American Jewish Organizations, said that no matter who was elected president last month, the activity level of the president in the Middle East peace process was destined to decline after Clinton.

And because Bush and Powell may take a hands-off approach, Hoenlein said, it is key to watch the rest of the foreign policy team as it is assembled in the coming weeks.

Already, the Jewish community has had a strong working relationship with Condoleezza Rice, named Sunday as Bush's national security adviser.

Rice, who served as a Russia specialist in the National Security Council during the elder Bush's administration, has little experience in the Middle East, but has won praise for her intelligence and attitude related to Soviet Jewry issues.

There is a bit of concern that if the upper levels of the State Department focus on other matters, the influence the Jewish community has enjoyed in the past will dwindle.

Jewish leaders were encouraged by the comments of the top man at Saturday's news conference — the president-elect. Israel was the only country Bush mentioned by name, and in parsing his comments, some Jewish officials see a renewed commitment for the Jewish state. □



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JEWISH WORLD

Shoah survivor dies in hit-and-run

A 77-year old Holocaust survivor who had filed a lawsuit for slave labor compensation was killed Saturday by a hit-and-run driver trying to elude the police.

Charlotte Lenga of Encino, Calif., a native of Czechoslovakia, had survived Auschwitz, Bergen-Belsen and months of slave labor in German factories. Last year, Lenga joined six other survivors in a lawsuit against Ford, General Motors and several German companies for forcing her and others to work under inhumane conditions during World War II.

Lenga was killed when the compact car she was driving was struck by a stolen sports utility vehicle, driven by James McMann, 22, who was trying to outrun a police chase.

Bush to discuss charitable choice

President-elect George W. Bush plans to meet with religious leaders Wednesday to discuss faith-based solutions to social welfare problems. Christian, Jewish and Muslim leaders will meet in Austin, Tex., where Bush will talk about charitable choice as the next step in welfare reform, spokesman Ari Fleischer said.

Iran cautious about embargo

Iran's president said Arab nations should be cautious before making any decision to impose an oil boycott or economic sanctions against countries backing Israel.

"We must study and understand the negatives and positives of using the oil weapon and economic sanctions, especially with America," Mohammad Khatami said Tuesday. He was answering a question on the possibility of using an embargo or sanctions to support the Palestinian fight against Israel.

Bush may drop envoy post

Advisers to President-elect George W. Bush said his new administration may eliminate the position of special Middle East coordinator in the State Department, the Washington Post reports.

The advisers said a new administrative structure would put more of the burden on the secretary of state. The current coordinator, Dennis Ross, announced he is leaving at the end of President Clinton's term.

Papal official attends Jewish fest

The president of the Vatican's commission for religious relations with Jews brought a message of goodwill from Pope John Paul II at the start of a major Jewish cultural and educational project in the Czech Republic.

Cardinal Edward Cassidy said the pope wanted to encourage Jews, Christians and all other citizens to work together for the good of the world.

NEWS ANALYSIS

Netanyahu's decision to bow out heightens Israeli election drama

By Naomi Segal

JERUSALEM (JTA) — Former Likud leader Benjamin Netanyahu's decision to withdraw from the race for prime minister has injected high drama into an election story already full of surprises.

Netanyahu's move came just weeks after he declared his intention to enter the race.

Moreover, his decision on Tuesday came only hours after the Knesset passed legislation specifically tailored to enable him to run in the special election for the premiership, which was triggered after Prime Minister Ehud Barak announced his resignation earlier this month.

If Netanyahu does decide to stay out of the race — he could still change his mind — it would help Barak's re-election chances. Despite Netanyahu's move, Barak may yet find himself running against a former premier. Shimon Peres said Tuesday he is weighing a run when special elections are held in early February.

Peres, who shared the 1994 Nobel Peace Prize with Palestinian Authority President Yasser Arafat and slain Prime Minister Yitzhak Rabin, has been pressed by some in the peace camp to put forward his candidacy.

Netanyahu's decision came after the Knesset on Monday night defeated legislation to dissolve itself and hold general elections for both a new Parliament and prime minister. Wary of facing the same political deadlock that Barak has confronted, Netanyahu had said he would only run for the premiership if the Knesset voted to dissolve itself. As a result of his decision, Likud officials canceled party primaries scheduled for Tuesday, naming Sharon as its nominee by default.

Commentaries in the Israeli press Monday puzzled over Netanyahu's decision to pull out of the race. Netanyahu was a consistent favorite over all other candidates for the premiership in Israeli opinion polls.

The Knesset on Monday removed the legal hurdle to his running, by giving final approval to an amendment — known before it passed as the "Netanyahu bill" — that allows any person to run for prime minister in a special election.

The Israeli law that was amended had stipulated that only sitting Knesset members can run for prime minister in special elections — and Netanyahu resigned from the Knesset after Barak defeated him in May 1999.

Shlomi Yerushalmi, writing in the Israeli daily Ma'ariv, likened Netanyahu to a tornado that blew into Israel, practically carried off the entire political system into the unknown, and then disappeared as quickly as it came.

Chemi Shalev, writing in the same paper, suggested that perhaps Netanyahu simply decided he didn't feel like running.

Meanwhile, Peres met Tuesday with Yossi Sarid, leader of the dovish Meretz Party, which would likely rally behind Peres should he decide to run.

But Cabinet minister Yossi Beilin, a protégé of Peres, has come out sharply against a Peres candidacy, saying it would only split the Labor Party and serve the Likud.

Special elections for prime minister, triggered by Barak's resignation earlier this month, are expected to be held on Feb. 6. If that date remains firm, Peres needs to decide by Thursday, the deadline for submitting candidacy.

However, the deadline may be extended. Election board officials on Tuesday asked Knesset officials to put off the special elections by a month, saying the current date in early February did not leave enough time to make logistical preparations.

Some reports quoted observers as saying Peres — who is highly popular abroad, but has the reputation of a loser in Israeli politics — is unlikely to run. They add that his current deliberations are aimed primarily at annoying Barak, who has largely sidelined Peres in the current government.

Furthermore, Peres' candidacy could be undercut if the U.S.-led peace effort getting under way in Washington this week bears fruit. Barak's re-election hopes are pinned on there being progress in the talks. A significant breakthrough would make it possible to turn the upcoming election into a referendum on peace with the Palestinians, which a majority of Israelis still support. □

NEWS ANALYSIS

**A pinch of optimism returns
as Mideast peace talks resume***By David Landau*

JERUSALEM (JTA) — A sense of cautious optimism, not experienced for many months, was palpable this week in Jerusalem, Gaza and Washington as Israeli and Palestinian negotiators launched a new round of peace talks in the United States.

Despite the conventional wisdom that eleven weeks of violence can only have hardened positions on both sides, seasoned observers of the region discern more complex effects on public opinion among Israelis and Palestinians.

While fear and hatred have deepened, so has the realization — among Israelis and at least some Palestinians — that a negotiated settlement is the only way to end this conflict.

U.S. Middle East envoy Dennis Ross is leading the U.S. team in separate talks with Israeli and Palestinian officials, including Ben-Ami and top Palestinian negotiator Saeb Erekat.

In Israel, the political right has gained strongly in opinion polls since Palestinian violence began in late September.

At the same time, the polls still reflect broad support for a deal establishing a Palestinian state that lives peacefully beside Israel.

For their part, Palestinian groups, including Palestinian Authority President Yasser Arafat's mainstream Fatah faction and the Islamic movements, went on strike this week to protest the resumption of peace talks.

However, Palestinian officials quoted in the Israeli media were more positive about the benefits of a peace deal.

Officials from both sides insist that the sudden, dramatic intensification of diplomatic efforts is not connected to Israel's election timetable. The Palestinians say it is not connected, either, to President Clinton's retirement Jan. 20. Plainly, though, the political and diplomatic calendars are intimately intertwined.

Israel's election, scheduled for Feb. 6, creates not only a time frame but, inescapably, a target date.

Israeli Prime Minister Ehud Barak would like nothing more than to present the electorate with the draft of a comprehensive agreement with the Palestinians, personally endorsed by the most popular man in Israel, Bill Clinton.

Barak has said repeatedly that he sees the upcoming election as a choice between competing world views of peace and Israel's place in the region.

He has pledged to submit any agreement to a public referendum, but would prefer to do so in the form of a regular election.

The fact that Benjamin Netanyahu has withdrawn his candidacy makes the choice starkly clear, in the eyes of the Barak camp.

Barak supporters depict Likud Party candidate Ariel Sharon as a hard-liner, while Barak will present himself either as the man who brought home the long-sought peace agreement or the one who went as far as possible without jeopardizing Israel's vital interests.

Sharon, for his part, criticizes Barak as inexperienced, and says that if elected he will not honor an agreement concluded in the pre-election period, when Barak clearly has lost the confidence of the Knesset majority.

Some note, however, that if Barak loses it will be unclear whether the public is rejecting Barak's peace terms, or Barak himself, who has not been personally popular.

Occasionally obscured in the political maneuvering is the new

give-and-take that might produce the accord that eluded Barak, Arafat and Clinton at the Camp David summit in July.

Top Palestinian sources claim that extensive preliminary meetings here in the region have revealed greater Israeli flexibility on the issue of the Temple Mount.

They say Barak now is prepared to grant a future Palestinian state control over the Temple Mount and the adjacent, Palestinian-populated districts of the city. At Camp David, the Israeli side reportedly offered the Palestinians sovereignty over Beit Hanina and Shuafat, two Arab suburbs of eastern Jerusalem, but not over areas closer to the Old City.

Sources in the Prime Minister's Office deny that Barak has given any ground on the Temple Mount.

For their part, Israeli sources say the Palestinians seem more pragmatic on the other key issue that proved the obstacle to an agreement at Camp David: the demand that several million Palestinian refugees be allowed to return to homes their forebears fled in Israel's 1948 War of Independence. Most Israelis consider this a veiled call for the elimination of Israel as a Jewish state.

A senior P.A. official told the Israeli daily Yediot Achronot this week that now, in the wake of violent unrest among Israeli Arabs when the Palestinian violence began, there is no chance that Israel's Jewish majority will agree to a substantial return of Palestinian refugees.

"You take in hundreds of thousands of Russian" gentiles "but you don't want Arabs," the official said sourly.

In any event, both sides say the talks in Washington likely will focus on formulas enabling Israel to finesse a declarative recognition of the Palestinian "right of return," but with detailed understandings that in the vast majority of cases this will mean only financial compensation.

Under such a plan, the international community would be urged to resettle refugees in many countries, not only in the Middle East. A small number would be allowed to reunite with their families in Israel, on humanitarian grounds.

On the territorial question, reports suggest that Barak now is prepared to be more generous than he was at Camp David, when he reportedly offered the Palestinians just under 90 percent of the West Bank. Barak reportedly now is prepared to seriously consider swapping land inside Israel for the settlement blocs — areas close to the pre-1967 border that are heavily settled by Jews — that he seeks to annex.

One factor favorable to the negotiations in Washington this week was the discernible reduction in the amount of violence in the West Bank and Gaza Strip this week. Still, the situation on the ground is far from calm.

Many Palestinian groups criticize the Palestinian Authority for agreeing to participate in the Washington talks.

The Palestinian Authority itself maintains an ambivalent posture. Arafat was at pains to welcome a group of 10 leftist and Arab Knesset members who visited Gaza on Sunday. While he railed at length against the alleged cruelty of the Israeli army, it was plain that he is seeking to play to Israeli public opinion.

Israeli Finance Minister Avraham Shochat claimed this week that a draft agreement is ready for signing, and some of Arafat's aides speak of an accord "within four weeks." But other Palestinians discourage any optimism, saying they were dragged to Washington reluctantly, under American pressure, and that they expect the same barren and frustrating experience they had at Camp David five months — and at least 330 lives — ago. □