Review of the Year

UNITED STATES
National Affairs

For the Jewish community—as for the entire nation—1998 was the year of the Monica Lewinsky scandal, a black hole that swallowed up media attention and the time and energies of countless government officials and commentators. The diversion created by the scandal notwithstanding, the year was filled with issues and events of considerable importance to the Jewish community.

Congressional elections were held in 1998. It was also a year in which the House of Representatives voted down a proposed constitutional amendment that would have had profound implications for religious liberty, as well as a year in which the constitutionality of vouchers was addressed by the highest American court ever to consider the issue. It was a year, too, of profound developments in Catholic-Jewish relations, including the release by the Vatican of its historic statement on the Holocaust, and a year in which the U.S. Supreme Court declined to find that the American Jewish community's leading voice on American-Israeli relations was obligated to register as a "political action committee" (but left the issue open for further consideration). Finally, 1998 was the year when it appeared that John Demjanjuk, at one time sentenced to death as a war criminal and still viewed as such by many in the Jewish community, might well be allowed to live out his remaining years as an American citizen.

The Political Arena

Congressional Elections

As election year 1998 progressed, it was difficult to discern any overriding theme. The common wisdom was that the Republicans would gain seats in Congress, given that the party not occupying the White House virtually always gains in an off-year election, but the strong economy seemed to be a factor in the president's, and therefore the Democratic party's, favor. As the Lewinsky scandal deepened—with President Bill Clinton admitting in August that he had, in fact,
had an improper relationship with a White House intern—nobody could say what the impact of the unfolding drama would be.

When the smoke cleared after Election Day 1998, it was evident that the nation's voters had defied pollsters and political commentators, electing a marginally more Democratic House of Representatives, retaining the 55-45 Republican majority in the Senate, and cutting by one statehouse the Republicans' dominance in governorships. The Democrats' gain of five House seats broke the traditional pattern of midterm election losses by the president's party (in midterm contests since World War II, the party in control of the White House has posted an average 27-seat loss).

Although the national vote was, roughly speaking, split evenly, exit polls had Jewish voters favoring Democratic candidates over Republicans by 78 to 21 percent. This was within the norm for the Jewish community, reflecting a traditional commitment to the Democratic Party in the face of Republican efforts to expand the Jewish vote for their candidates. Only one Republican Senate candidate, Peter Fitzgerald, won more than 30 percent of the Jewish vote, doing so in his successful bid to unseat Sen. Carol Moseley-Braun (D., Ill.), and he was largely seen as the beneficiary of an ABM—"anybody but Moseley-Braun"—movement, the result of repeated missteps by the Democratic incumbent.

The Jewish "caucus" in the House—24 members in the 105th Congress (down from 25 at the start of that session because of the death in March 1998 of New Mexico Republican Steve Schiff)—stood at 23 to be inaugurated in January 1999: 21 Democrats, one Republican, and one Independent (Bernard Sanders of Vermont, a nominal Socialist). Two Jewish Democrats did not seek reelection and were replaced in kind: nine-termer Charles Schumer—who gambled his safe seat in Brooklyn and came from behind to win the Senate nomination, defeating three-term Republican Alfonse D'Amato—relinquished his district to Anthony Weiner; Sidney Yates of Chicago, "dean" of the caucus and longtime champion of education and the arts, as well as Israel, stepped down after 24 terms (in his 90th year) and was succeeded by Janice Schakowsky. One Jewish Democrat was succeeded by a non-Jew: three-termer Jane Harman of Los Angeles gambled and lost in a bid for the California gubernatorial nomination; her seat was won by Republican Steven Kuykendall. One Jewish Republican lost and was replaced by a non-Jewish Democrat: two-termer Jon Fox of Philadelphia, who was defeated by Joseph Hoeffel. In the only election of a new Jewish member to a House seat formerly held by a non-Jew, Jewish Democrat Shelley Berkley won in the contest for an open Las Vegas seat.

The lone Jewish House Republican in the 106th Congress, New Yorker Benjamin Gilman, was elected to a 14th term. The most senior member of the "caucus," his reelection meant that he would continue to hold the position of chairman of the International Relations Committee, crucial to a broad range of policy issues of concern to the Jewish community. In the 105th Congress, Gilman, a strong advocate of a close U.S.-Israel relationship, increasingly found his con-
sistent support for the overall foreign aid program putting him in conflict with the more isolationist elements in his party. In an unprecedented development, the committee’s ranking Democrat in the 106th Congress was also expected to be Jewish. Sam Gejdenson of Connecticut, a son of Holocaust survivors, was slated to succeed Lee Hamilton, of Indiana, who retired after 17 terms. Gejdenson, who won by razor-thin margins in his last three reelection efforts (including a 21-vote victory in 1994), cruised to his 10th term with a stunning 61 percent of the vote. The senior Jewish Democrat in the coming House session, Henry Waxman of Westside Los Angeles, also won decisively for his 13th term.

Other members of the Jewish “caucus” elected in 1998 were Gary Ackerman (D., N.Y.); Howard Berman (D., Calif.); Benjamin Cardin (D., Md.); Peter Deutsch (D., Fla.); Eliot Engel (D., N.Y.); Bob Filner (D., Calif.); Barney Frank (D., Mass.); Martin Frost (D., Tex.); Tom Lantos (D., Calif.); Sander Levin (D., Mich.); Nita Lowey (D., N.Y.); Jerrold Nadler (D., N.Y.); Steven Rothman (D., N.J.); Brad Sherman (D., Calif.); Norman Sisisky (D., Va.); and Robert Wexler (D., Fla.).

Three of the most closely followed Senate races involved Jewish candidates—the New York race pitting D’Amato against Schumer, and the reelection bids of first-termers Barbara Boxer of California and Russ Feingold of Wisconsin. Feingold conducted his campaign by rules he hoped to see imposed on all Senate candidates by his “campaign finance reform” legislation—cosponsored by Sen. John McCain (R., Ariz.)—with tight restrictions on contributions and no campaign “issue-ads” by supportive interest groups. In the process, Feingold was nearly buried, but he stuck to his plan and finished three points ahead of his opponent. Schumer defeated D’Amato, a three-term incumbent, by a 55 to 45 margin. New York exit polls showed Jewish voters splitting roughly three to one for Schumer, in comparison to 1992 when D’Amato won some 40 percent of the Jewish vote. Many felt that D’Amato had hurt his standing with Jewish voters by his reference to Schumer as a “putzhead” at a meeting with Jewish supporters. D’Amato’s loss was deeply felt by some in the Jewish community, who credited the senator for his persistent attention to the community’s calls for justice in matters relating to Holocaust restitution. D’Amato’s relentless campaign against Swiss banks, including hearings he led as chairman of the Banking Committee, ultimately yielded a $1.25 billion settlement for Holocaust victims. D’Amato was also a passionate friend and defender of Israel. Nevertheless, Schumer also had a strong pro-Israel record, and his advocacy of tough antiterrorism legislation had resonated with many in the Jewish community. On domestic issues, notably reproductive rights and church-state separation in matters of public education, Schumer’s positions were closer than D’Amato’s to those held by a majority of American Jews.

With Boxer and Feingold retaining their seats, and the Schumer pick-up, the number of Jews in the Senate had, for the first time, grown beyond the required prayer quorum of ten (minyan) (first reached in 1992) to 11. Other Jewish sena-
tors up for reelection in 1998—Republican Arlen Specter of Pennsylvania and Democrat Ron Wyden of Oregon—coasted to easy wins. Six Jewish senators, all Democrats, were not on the ballot in this cycle and rounded out the roster of the 106th Congress: Dianne Feinstein, California; Herbert Kohl, Wisconsin; Frank Lautenberg, New Jersey; Carl Levin, Michigan; Joseph Lieberman, Connecticut; and Paul Wellstone, Minnesota.

In the wake of the Republican Party’s reversal of expected fortune, Georgia Republican Newt Gingrich, Speaker of the House, was under fire; within days of the election, he announced that he would not seek reelection as Speaker and would soon resign from Congress. In short order, House Appropriations Committee chairman Bob Livingston (R., La.) became the likely successor to Gingrich. Questions were immediately raised within the Jewish community as to what this portended for the U.S.-Israel relationship. Gingrich had been a strong supporter of the Jewish state; Livingston was a lesser known quantity.

The question of “Who is Bob Livingston?” had barely been asked when the Louisiana legislator announced that he would step down, a decision related to the House’s move toward impeachment of President Clinton in late December 1998. The question became, instead, “Who is Dennis Hastert?” as the deputy chief whip emerged as the likely Speaker for the incoming Congress. It was quickly noted that Hastert had a solid record in terms of Israel, but one less acceptable to much of the Jewish community on social issues, such as church-state relations and pro-choice issues. In another by-product of Livingston’s announcement that he would resign, David Duke quickly moved to run for the open seat. Republican National Committee chairman Jim Nicholson responded by asserting, “There is no room in the party of Lincoln for a Klansman like David Duke.”*

Governors’ Races

A notable feature of several of the tight gubernatorial races — and in line with the congressional results — was the trend away from candidates favored by the religious right. Governors David Beasley of North Carolina and Fob James, Jr., of Alabama, both closely aligned with the Christian Coalition, went down to defeat. Each held positions on school prayer and other church-state issues traditionally viewed with disfavor by Jews and other religious minorities and regarded as unconstitutional. James had been widely criticized for, among other things, his claim that the Bill of Rights did not apply to Alabama, as well as his defiance of court orders directing a state judge not to display the Ten Commandments in his courtroom and ordering an end to school-sponsored religious activities.

Even as Governors James and Beasley, not to mention Sen. Lauch Faircloth of North Carolina, anchors of their party’s right wing, went down to defeat, the

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*The preceding section is based in part on a paper written jointly with Jason Isaacson, director, Office of Government and International Affairs, American Jewish Committee.
Bush brothers, George W. and Jeb, were handily reelected and elected, respectively, as the governors of Texas and Florida, both running—explicitly or implicitly—on campaigns premised on “compassionate conservatism.” These more conciliatory candidates tended also to do better with Jews and other minorities than their more conservative counterparts. This play in the Jewish vote was demonstrated, as well, by New York’s Republican governor, George Pataki, who received 38 percent of the Jewish vote in his reelection effort. The Michigan gubernatorial race drew attention when Geoffrey Fieger, the controversial Democratic candidate and lawyer for Dr. Jack Kevorkian, compared Orthodox rabbis who oppose doctor-assisted suicide to Nazis. To nobody’s surprise, Fieger went down to resounding defeat.

With the return of a Republican Congress—albeit one likely to be tempered by a more moderate tone—Jewish groups expected to continue to battle against such unwelcome initiatives as education vouchers, a school prayer constitutional amendment, restrictions on choice in reproductive rights, and problematic proposals to reform the Immigration and Naturalization Service (INS) and naturalization procedures. But, observed Mark Pelavin, associate director of the Religious Action Center of Reform Judaism, “there’s still room to make some positive advances,” as in, for instance, the battle to strengthen hate-crimes laws and restore eligibility for public benefits to legal immigrants.

The election results notwithstanding, the religious right was expected to remain a crucial constituency of the Republican Party, and especially of its leadership in Congress. But with the ranks of congressional moderates of both parties now increased, the balance of power, at least in terms of the ability to stop extreme initiatives, was shifted toward the center. Thus, the so-called “religious freedom” amendment of the outgoing session—in actuality, an expanded school-prayer constitutional amendment—was even less likely to garner a two-thirds vote in the House, a target from which it fell short in the 105th Congress.

The election results suggested no lessening of support for Israel in the 106th Congress, nor any change in existing patterns of support for U.S. engagement in international affairs (an issue often tangled in partisanship and affected by fiscal decision making).

The Clinton Administration

The scandal that engulfed the administration for virtually all of 1998 had an extra fillip for the Jewish community because of Monica Lewinsky’s Jewish background. And the press’s first opportunity to question President Clinton about the unfolding story came as he sat with Yasir Arafat at a photo opportunity following a meeting of the two leaders, distracting attention from both the meeting and the peace process. There was even speculation in a number of Arab newspapers that Lewinsky’s role in the affair was part of a “Zionist conspiracy” to undo President Clinton because of the pressure he had begun to put on Israel to be more
forthcoming in negotiations with the Palestinians. And in the Jewish world, those who strongly objected to presidential pressure on Israel termed Lewinsky a “latter-day Esther,” referring to the Purim story heroine who saved the Jewish people from destruction. The Jewish dimension of the story was amplified when Lewinsky’s attorney, William Ginsburg, said that he and Lewinsky respected the president because of his policies regarding Israel. And, while rejecting any notion that Lewinsky might flee to Israel, Ginsburg suggested that “after it’s all over” it might be good for Lewinsky to go to the Jewish state.

President Clinton’s admission in August 1998 that he had misled the American people about the nature of his relationship with Monica Lewinsky at first left even his supporters in the Jewish community uncertain as to how to respond. After an initial silence, some, like erstwhile Clinton supporters Letty Cottin Pogrebin and Leonard Fein, urged him to resign. In contrast, Jack Rosen, president of the American Jewish Congress and a former Democratic party official, issued a statement on AJCongress letterhead, saying, “For too long, the Congress and the American people as a whole have been caught up in the president’s troubles. It is time to set aside our preoccupation with foolish things and for the Congress together with the president to deal with those matters that count.” Steve Grossman, national chairman of the Democratic National Committee and former head of AIPAC, insisted that the latter was more reflective of attitudes in the broader Jewish community, pointing to a continuation of Jewish community responsiveness to Democratic fund-raising appeals.

In September 1998, with the House of Representatives on the verge of releasing the report of independent prosecutor Kenneth Starr in all its lurid detail, President Clinton turned to a Reform Jewish text for Yom Kippur to make his most explicit expression of atonement for having misled the American people about the Lewinsky affair. At a national prayer breakfast held at the White House on September 11, he read a selection from Gates of Repentance, the Reform prayer book, that focuses on the Jewish steps for repentance—acknowledging wrongdoing, apologizing to those who have been wronged, and taking steps to avoid repeating the transgression. The prayer book had been given to the president one week earlier by Miami attorney Ira Leesfield with a note suggesting that the passage was one that the president might “appreciate looking at.”

Jewish representatives joined their colleagues in largely voting along party lines on the articles of impeachment presented to the House. The 21 Jewish Democrats unanimously voted against all four articles during the Saturday session. The two Jewish Republicans each voted for at least the two articles that were passed by the House, sending the matter over to the Senate for trial.

With year’s end, and a new congressional session and an impeachment trial looming, the question was whether an already distracted Congress and president would be able to focus on issues of concern to the Jewish community. The Jewish Telegraphic Agency quoted one anonymous “Jewish activist” as saying, “There’s nothing coming down from the White House anymore. The bureaucrats
will continue to grind away, but there are no initiatives on anything but the top-tier issues.” Others pointed to the president’s famed ability to compartmentalize, as witnessed by the impeachment-eve bombing of Iraq, and suggested that he would press to demonstrate his capacity to govern, the scandal notwithstanding.

In the first appearance of his second term before a Jewish audience, President Clinton addressed the convention of the National Council of Jewish Women in February 1998. He praised the group’s historic role in exposing the child-care crisis in America—some 25 years earlier—and called for support for the administration’s initiative in this area and various educational programs.

**AIPAC AND PACS**

In May 1998 the U.S. Supreme Court rendered a decision in a case with substantial potential implications not only for the nature of the involvement of the American Israel Public Affairs Committee (AIPAC) in the political process but for the nature of that process overall. In December 1996 the full U.S. Court of Appeals for the D.C. Circuit had upheld a lower-court ruling that AIPAC should be regulated as a political action committee or “PAC,” a status that would compel the organization to file complete public reports on its receipts and expenditures. Notwithstanding its acronym, AIPAC is organized not as a PAC but as a nonprofit membership organization engaged in lobbying that is entitled to share information on politics and elections with its members.

The Supreme Court found that the plaintiffs—longtime adversaries of U.S. support for Israel—had standing to bring the case, a ruling that opened the door to additional lawsuits against the Federal Election Commission (FEC) by voters who believe that campaign regulation laws are not being adequately enforced. But the Court declined to render a determination as to AIPAC’s status, ruling instead, 6-3, that the case be sent back to the FEC for further consideration as to whether, in light of recent developments in the law, “AIPAC’s expenditures qualify as ‘membership communications’ and thereby fall outside the scope of ‘expenditures’ that could qualify it as a political committee.” AIPAC declared victory, predicting that the FEC would be compelled to treat AIPAC as a membership organization. But with the FEC’s final decision yet to come and appeals sure to follow whichever way its ruling went, American Jewish Congress counsel Marc Stern asserted that “it may not be tomorrow or the next day or even the next month before this matter is out of the way.”

While AIPAC continued its fight not to be classified as a PAC, the pro-Israel PACs continued their work of fund-raising on behalf of congressional candidates. An analysis of FEC data released by the Center for Responsive Politics in October 1998 indicated that these pro-Israel groups, as of that point in the election cycle, were giving some two-thirds of their funds to Democrats, as opposed to Republicans. (This was in contrast to the general practice of political action committees to strongly favor Republicans, an unsurprising phenomenon given
that Republicans controlled the Congress.) The continued high Democratic affiliation of pro-Israel contributors was undoubtedly a factor in the allocation of funds. Nevertheless, the center’s study reflected a proportionate increase in the contributions made to Republicans (prior to the Republican takeover of Congress in 1994, contributions by pro-Israel PACs favored Democrats three to one), as well as the fact that senior Republicans with a strong record of support for Israel received high levels of support from pro-Israel PACs.

Terrorism

In January 1998 Ramzi Yousef, the man earlier convicted by a New York federal court of masterminding the World Trade Center bombing that killed six people was sentenced to life in prison without parole.

A lawsuit was filed in the U.S. District Court of Los Angeles in March 1998 challenging as unconstitutional provisions of the 1996 antiterrorism act that criminalize fund-raising on behalf of foreign groups designated by the State Department as terrorist organizations, even where the moneys being raised are for “lawful and non-violent activities.” A number of Jewish organizations had strongly supported enactment of the challenged provisions, and Michael Lieberman, Washington counsel of the Anti-Defamation League (ADL), predicted that his organization would be in court defending the measure. “There is a seamless web,” he said, “between the terrorist activities of groups like Hamas and their social welfare initiatives.”

In March 1998 the Flatow family, New Jersey residents who had sued Iran for its role in supporting terrorists who murdered their daughter Alisa in an attack in Gaza, obtained a $247.5 million judgment against the Iranian government. Iran had been held in default for failing to respond to a lawsuit brought against it pursuant to provisions of the 1996 antiterrorism act. To the dismay of the Flatow family, the Clinton administration went to court seeking to prevent execution on the default judgment, arguing that foreclosing on Iran’s assets would be inconsistent with the nation’s national security and foreign policy interests.

Congress responded to the administration’s action by including the so-called “Flatow amendment” in legislation enacted as the congressional session ended. The amendment, sponsored by Sen. Frank Lautenberg (D., N.J.) and Rep. Jim Saxton (R., N.J.), required the administration to assist in the identification and location of assets of state sponsors of terrorism against which judgment has been obtained. The amendment also authorized the president to waive these requirements in the interest of national security. Almost as soon as the budget bill was signed, the president invoked the waiver provision. The White House argued that this action not only relieved it of its obligation to cooperate with asset identification, but also blocked the courts from executing a judgment.

In June 1998 the FBI seized $1.4 million in cash and property alleged to have been used by a Chicago-area couple as part of a money-laundering scheme that
resulted in funds being channeled to Hamas operatives in Israel and the West Bank. The husband, Mohammad Salah, had returned to the United States in November 1997, following a prison term of nearly five years in Israel arising out of similar charges. Salah, an American citizen, denied the charges, while representatives of Jewish organizations hailed the FBI's action and called for Salah to be prosecuted under American antiterrorism laws.

**Soviet Jewry, Refugees, and Immigration**

Extension of the Lautenberg amendment, which relaxes refugee admission criteria to the United States for Jews and persecuted Christian minorities from the former Soviet Union, among others, was far from certain in 1998, in part because of questions as to whether changed circumstances in the former Soviet Union necessitated this step. Pro-immigrant groups, spearheaded by the Council of Jewish Federations (CJF) and the Hebrew Immigrant Aid Society (HIAS), were able, however, in October 1998 to secure an extension for one year (through September 30, 1999), thanks to the backing of Senators Arlen Specter and Frank Lautenberg. The Jewish groups applauded this step and hailed as well an understanding between the administration and the Congress that the number of refugee slots allocated to Eastern Europe and the former Soviet Union would be maintained at the same level as in the previous year.

Even as these efforts were under way, HIAS and its affiliated agencies were grappling with the consequences of a dramatic downturn in the number of new refugees arriving in this country and requiring resettlement—some 9,000 in 1997 compared to 40,000 in a typical year during the early 1990s. The reduction in arrivals had led to a concomitant reduction in federal funding of resettlement agencies, which is calculated on a per capita basis and constitutes a major part of the funding of those agencies. In light of the changing circumstances, HIAS executive vice-president Leonard Glickman asserted, "We simply cannot sustain a [resettlement] structure this large in the years ahead." At the same time, Glickman noted, there were tens of thousands of refugees remaining in the system who would need the services of HIAS-affiliated agencies for some time to come, and recent increases in expressions of anti-Semitism in the former Soviet Union had led to an increase in "interest" by Jews there in the possibility of resettlement.

In other immigration-related developments, Congress granted an INS request to reprogram $171 million that had been previously allocated for other Justice Department and INS purposes. The money would be used to speed up the processing of citizenship applications, by reducing the backlog in applications that, as of the end of 1998, numbered approximately two million. The money was not a new appropriation, but rather a reshuffling of previously authorized funds. This reauthorization was also intended to be used to bolster technical and support staff, centralize key record-keeping systems, and make the entire naturalization process more user-friendly.
Rep. Lamar Smith (R., Tex.), chairman of the House Judiciary subcommittee on immigration, pushed for passage of the Naturalization Reform Act of 1998, an initiative which, in the view of Jewish advocates, would have made the citizenship application process unreasonably onerous by, among other things, requiring immigrants to produce letters of reference from the governments that persecuted them. The bill died in the House Judiciary Committee but was expected to reemerge in the next Congress.

U.S. – Israel Relations

A Maryland murder case with international ramifications continued to receive worldwide attention throughout 1998. One of two suspects in the crime, 17-year-old Samuel Sheinbein, fled to Israel in September 1997, where he claimed that his father’s Israeli citizenship made him a citizen as well. Israeli law forbids extradition of its citizens, although a citizen may be tried in an Israeli court for a crime committed abroad. A furor erupted immediately when it appeared that Sheinbein might avoid prosecution in the United States through this “loophole,” and efforts were made at the highest levels of government to bring about his return. Concerns were raised that the case presented a palpable danger to U.S.-Israel relations.

By early 1998 Israeli officials had determined that they would, within the limits imposed by the Israeli legal system, seek to comply with the request of American authorities for extradition. In February Israeli government officials took the position in Jerusalem district court that Sheinbein was not an Israeli because his father, a citizen by virtue of having been born in pre-state Palestine, had left the country at an early age. District court judge Moshe Ravid ruled in September that the accused teenager was “extraditable,” even though he found that Sheinbein was a citizen, grounding his conclusion on the lack of close ties between Sheinbein and Israel. An appeal to the Israel Supreme Court was still pending at year’s end.

On April 6, 1998, in the wake of the March killing of students by other students at a school in Jonesboro, Arkansas, President Clinton announced an executive order closing a loophole in a 1994 assault weapons ban that had enabled manufacturers, including Israel Military Industries, to ship thousands of military-style rifles to the United States. The loophole had received widespread attention the previous year when Sen. Dianne Feinstein (D., Calif.), a gun-control advocate, became aware of the Israeli manufacturer’s intention to modify the Uzi American and the Galil Sporter so as to qualify those weapons “for sporting purposes,” thereby making them eligible for export to the United States. Even before a temporary action by the president in November 1997, blocking import of many of the weapons later covered by the April 1998 action, the Israeli government (after an initial reluctance to do so) suspended sale of its assault weapons to the United States because of the “special sensitivity” of the issue in that country. The
president’s actions did, however, prevent import of weapons from other countries, such as Russia, Greece, and Bulgaria, that had geared up to take advantage of the loophole.

Jonathan Pollard

Efforts to free convicted spy Jonathan Pollard were rekindled early in 1998 when the Conference of Presidents of Major Jewish Organizations wrote to President Clinton urging that some “immediate action” be taken. “We believe,” stated the letter, signed by conference chairman Melvin Salberg and executive vice-chairman Malcolm Hoenlein, “that Mr. Pollard has paid his debt after more than 13 years of incarceration.” The appeal was rejected in fairly short order, when, in March, Charles Ruff, the president’s counsel, wrote back indicating that President Clinton was reaffirming his 1996 decision that, “based upon all the information before him, . . . the extraordinary remedy of executive clemency should not be used in this case.”

This was far from the end of the Pollard story for the year. In April, Reform, Conservative, and Orthodox leaders joined in a letter urging the president to “grant mercy” to Pollard. And, a month later, Israel admitted for the first time that Pollard had been its agent when he was arrested in front of the Israeli embassy in Washington in 1985. Pollard responded by stating that he was “relieved, thankful and honored by the Israeli government’s action.” Supporters of an early Pollard release, including Seymour Reich, former chairman of the Conference of Presidents of Major Jewish Organizations, suggested that the Israeli admission could make a difference because it put “the full weight of the . . . government behind the request for his release.”

The Pollard matter emerged conspicuously, and unexpectedly, in the waning hours of the peace process negotiations at Wye River in Maryland in October. On Friday morning, October 23, the White House and the State Department announced that an accord had been reached between Israeli prime minister Benjamin Netanyahu and Palestinian Authority chairman Yasir Arafat. The accord nearly fell apart, however, when Netanyahu indicated that it was his understanding that President Clinton had agreed to release Pollard immediately, leading to a five-hour impasse. Ultimately, a compromise was reached, with Clinton agreeing to give further study to the matter and Netanyahu agreeing to go forward with the accord.

Even given the limited nature of his undertaking, President Clinton drew strong criticism from U.S. intelligence officials and some members of Congress for even considering Pollard’s release. House Speaker Newt Gingrich asserted, “I think it would be a tremendous mistake for the United States to start putting traitors on the negotiating tables as a pawn, and I hope the Administration will now say they will not, under any circumstances, release Pollard.” Some Jewish leaders ex-
pressed surprise over the vehemence of the response regarding Pollard. In December President Clinton asked several top administration officials to provide him with a recommendation by January 11, 1999, as to whether Pollard’s life sentence should be reduced.

**Arab Boycott**

Ben & Jerry’s, the international ice cream manufacturer with a reputation for social consciousness, found itself caught in the crossfire of the Middle East dispute when it was accused of boycotting certain Israeli products. In the summer of 1998, Ben & Jerry’s, which licensed eight stores in Israel, received demands from dovish interfaith and Arab American groups that it cease purchasing water from Mei Eden, an Israeli water company located in the Golan Heights. An international spokesperson for the Ben & Jerry’s parent company was thereafter quoted as saying that the Israeli licensees would comply with the demand. This resulted in protests from American Jewish groups, with Avi Zenger, president of Ben & Jerry’s Israeli outlets, finally asserting that “the company is not boycotting products from the Golan Heights, nor would it join in such a boycott if one were organized.” The Anti-Defamation League asserted that it would only consider the matter closed when Ben & Jerry’s, in fact, purchased additional water from the Golan. In a September 25 letter to the company, ADL national director Abraham Foxman noted that, with Arab organizations and countries urging boycotts of Israeli goods, “Ben & Jerry’s has given the appearance of acquiescing to this campaign against Israeli products.”

**Communal Implications of the Budget Process**

From the inception of the 1996 welfare reform law, the American Jewish community was at the forefront of a campaign to roll back provisions that stripped away eligibility for federal public benefits from legal immigrants. Following some restoration of disability benefits in 1997, that campaign saw another success when, in June 1998, President Clinton signed into law a bill restoring eligibility for food stamps for children, elderly, and disabled legal immigrants present in the United States at the time the 1996 law was enacted. Overall, the restoration of benefits amounted to $818 million over five years. In addition, the period of time for which refugees remain eligible for food stamps was extended from five years to seven. Noting that 85 to 90 percent of Jewish immigrants and refugees would now continue to be eligible to receive food stamps, Diana Aviv, director of the Council of Jewish Federations’ Washington Action Office, stressed that the battle to restore benefits further would nevertheless continue. A future increase in immigrants ineligible for these benefits could leave local federations with a burden that, without government assistance, they would not “be able to handle.”
The United Nations and Israel

Congress included language in supporting documentation that accompanied the omnibus appropriations bill, passed in October 1998, expressing that body's concern with UN bias against Israel. For the 50 years since it became a member of the UN, Israel had suffered the unique disability of being ineligible to serve on the Security Council, the Human Rights Commission, and other key bodies because it is not a member of a regional bloc. (Several members of the Asia bloc, to which Israel, in the normal course, should belong, had prevented Israel from taking a seat in that body.) The supporting documentation for the omnibus bill included the sense of Congress that the secretary of state and the U.S. ambassador to the UN should take all steps necessary to insure Israel's acceptance into the Western European and Others Group (WEOG) regional bloc. The secretary of state was also requested to report to Congress in March 1999 on actions taken by representatives of the United States to promote Israel's acceptance into the WEOG and the diplomatic responses by other nations to this effort. Additionally, on May 22, 1998, the Senate adopted by voice vote a resolution, introduced by Senators Daniel Moynihan (D., N.Y.) and Richard Lugar (R., Ind.), expressing the sense of the Senate that the United States should take steps to promote Israel's acceptance into an appropriate UN regional group. The American Jewish Committee played an active role in pressing European and foreign officials, the administration, and Congress to take steps to end UN discrimination against Israel. In addition to launching a major advertising effort and mobilizing AJC chapters across the country, in April AJC president Robert Rifkind wrote a letter to UN Secretary-General Kofi Annan commending him for his public call to end UN bias against Israel.

ANTI-SEMITISM AND EXTREMISM

Assessing Anti-Semitism

The FBI's annual report on numbers of hate-crimes incidents, issued in January 1998 for calendar year 1996, continued to reflect an overall increase in such offenses, 8,734 as compared to approximately 8,000 for 1995, of which 1,400 were classified as religion-motivated crimes. Thirteen percent of hate crimes overall were committed against Jews; approximately 80 percent of religion-linked incidents were directed at Jews. Analysts were quick to caution that the increased numbers were as likely to be a product of improved compliance by law enforcement authorities in reporting incidents as an actual increase in incidents. Nevertheless, a jurisdiction-by-jurisdiction breakdown included in the report reflected that many areas continued to be lax in providing information. "You have bizarre
things that leap off the page,” said ADL Washington counsel Michael Lieberman, “like Miami reporting zero [hate crimes], New Orleans one, Detroit five.”

In November 1998 the FBI issued its annual report on hate crimes for 1997, with figures that once again showed Jews and Jewish property to be disproportionate targets of religious bias. There were 1,087 such incidents against Jews reported, almost 80 percent of religious hate crimes. Disturbingly to some observers, the statistics were collected by fewer law enforcement agencies than in 1996, the first decline in the number of participating agencies as compared to the prior year since these statistics were first gathered in 1991.

Crown Heights Riots

A number of loose ends were tied up during 1998, left over from the 1991 anti-Jewish riots in the Brooklyn neighborhood of Crown Heights, when crowds of blacks, enraged by the death of a young black boy who was hit accidentally by a car driven by a Lubavitcher Hassid, rampaged in the streets. In January 1998 the City of New York paid $200,000 in settlement of a lawsuit by Isaac Bitton and his son Yechiel, a hassidic father and son who alleged that police officers saw them being attacked during the riots but did not come to their aid. Their story received substantial attention when the New York Post ran a front-page picture of Yechiel Bitton crying over his father’s bloodied body.

Some two months later, U.S. district judge David Trager sentenced Lemrick Nelson, Jr., to 19 1/2 years in prison, more than one year after a federal jury had convicted Nelson for violating the civil rights of Yankel Rosenbaum, a young talmudic scholar who was killed during the riots. Nelson had earlier been acquitted of state criminal charges stemming from Rosenbaum’s death. Judge Trager ruled that Nelson could be prosecuted on the federal charges because the record provided sufficient basis to establish that Rosenbaum had been singled out for attack because he was a Jew. Nelson’s sentencing notwithstanding, Jacob Goldstein, a Lubavitcher and chairman of the community board for the area that included Crown Heights, asserted that there was still no “closure.” “As far as we’re concerned,” he told the Jewish Telegraphic Agency, “there were more than 20 other thugs involved in that pack, and the feds seem to be saying that they got us one or two, and that’s all they’re willing to do.”

Within a day of Nelson’s sentencing, New York City announced a $1.1 million settlement with 91 members of the Crown Heights Jewish community who had brought a class-action lawsuit claiming that the city had not done enough to protect the community during the riots. Mayor Rudolph Giuliani apologized to the victims on behalf of the city for the “mistakes” that had been made, declaring that “there is no excuse for allowing people to victimize others based on their race, religion, ethnicity for any other reason without a strong and immediate response from city government.” Michael Miller, executive vice-president of the New York Jewish Community Relations Council, proclaimed the settlement and apology
“warranted and appropriate,” while Franklyn Snitow, attorney for the class-action plaintiffs, asserted that the city’s action meant, “finally, official recognition for the horrible, anti-Semitic violence to which they were subjected.”

**Legislative Activity**

The organized Jewish community continued its efforts to enact the Hate Crimes Prevention Act, a bill introduced in 1997 that would extend existing hate-crimes law to those victimized because of their gender, sexual orientation, or disability, and would remove judicial impediments that sometimes prevent federal authorities from stepping in when local officials are unable or unwilling to investigate and prosecute. In the aftermath of the murder in Wyoming of Matthew Shepard, a crime apparently committed because of the victim’s homosexual orientation, the bill received increased attention during the waning days of the 105th Congress, but failed to pass in either house before the end of 1998.

**Other Matters**

On February 23, 1998, three men were arrested for plotting to blow up the headquarters of the ADL in New York, the Southern Poverty Law Center in Montgomery, Alabama, and the Simon Wiesenthal Center in Los Angeles, as well for a number of other offenses. The alleged perpetrators were said to be members of a neo-Nazi group, the New Order.

In August 1998 a Los Angeles jury awarded $2.2 million to Jeffrey Graber, a former employee of Litton Guidance and Control Systems, based on his claims that he had been subject to constant anti-Semitic harassment over a period of nine years. Graber charged that the harassment caused him to develop digestive problems as well as depression so severe that he was ultimately placed on permanent disability leave.

**INTERGROUP RELATIONS**

**Black-Jewish Relations**

**Louis Farrakhan and the Nation of Islam**

The Million Youth March led by former Nation of Islam official Khalid Muhammad in New York City on September 5 failed to attract anything close to the advertised number; by one estimate, there were perhaps 6,000 in attendance. However, unlike the much better attended—and more peaceful—Million Man March led by Louis Farrakhan in Washington in October 1995, the Million Youth
March ended with a set-to when police officers moved to end the event because it had gone beyond its court-imposed ending time. This followed a months-long effort by New York mayor Rudolph Giuliani to prevent the march from taking place, in the course of which he was rebuffed by the courts for overstepping the boundaries set by the First Amendment. In the aftermath of the rally, there was talk of bringing criminal charges against Muhammad for what city officials characterized as incitement to riot. Along with barbs directed at Mayor Giuliani and the police, Muhammad let loose from the platform with virulent anti-white and anti-Semitic invective, calling Jews the "blood-suckers of the black nation."

At first it was feared that the Million Youth March would do harm to black-Jewish relations, but the fact that some African American leaders joined their Jewish counterparts to condemn Muhammad and denounce him as an unfit leader for black youth was seen as encouraging.

**Mainstream Civil-Rights Organizations**

A study issued in early 1998 by the Foundation for Ethnic Understanding, an organization headed by Rabbi Marc Schneier of New York, found that cooperation, rather than conflict, was "the dominant theme between African-Americans and Jews." The report asserted that the media prefer to report on conflict, leading to the false perception of a relationship in decline. The second annual conference on black-Jewish relations at Yeshiva University in New York focused on that study, in particular its finding that approximately 43 percent of Jews and 53 percent of blacks believed that black-Jewish relations in the United States had gotten better in the past year. These findings, as well as agreement that public schools should do more to teach children about slavery and the Holocaust and other points of agreement, led Rabbi Schneier to reiterate his point that relations between the two groups should not be regarded as in decline.

Nevertheless, points of tension remained in evidence. Murray Friedman, Philadelphia area director of the American Jewish Committee and author of Why the Black/Jewish Alliance Failed, acknowledged that blacks and Jews were "feeling more positive this year than others," but asserted that polls showed as well that "racial preference policies and black leaders such as Nation of Islam leader Louis Farrakhan, who preach anti-Semitic views, are the two issues that continue to splinter blacks and Jews all over the country."

One cooperative effort did not end well when, in February, the Rev. Henry Lyons, president of the National Baptist Convention, was arrested on fraud charges stemming from misuse of $225,000 donated in 1996 by the Anti-Defamation League to help rebuild black churches that had been burned down. It was claimed that only $31,000 of the gift was used by Rev. Lyons as intended; following the disclosure, the missing money was returned to the ADL and redistributed to churches in need.

Julian Bond, chairman of the NAACP, appeared before the annual meeting of
the ADL in April 1998, urging that blacks and Jews must work together to “make the American promise real” and toward a day when groups like the NAACP and the ADL were no longer necessary.

**Interreligious Relations**

**Catholics**

Pope John Paul II’s historic path of reconciliation with the Jewish community continued through 1998, even as specific actions at times led to some tensions between the Jewish and Catholic communities. Perhaps the most visible such occasion was the release in March of “We Remember: A Reflection on the Shoah,” in which the Vatican expressed repentance for the failings of individual Catholics, but did not accept institutional responsibility for the Holocaust. The document also defended Pope Pius XII against criticism over his silence during that era.

Many in the Jewish community expressed disappointment following release of the document. Rabbi Mark Winer, president of the National Council of Synagogues, commented that “in ascribing sinfulness to individual Catholics, it sidesteps responsibility on the part of the Church. It never says that Catholic teaching was central to the teaching of contempt about the Jewish people.” But, whatever the disappointment, most spokespersons for Jewish groups were quick to look also to the positive side. Rabbi A. James Rudin, director of interreligious affairs of the American Jewish Committee, pointed out that the Vatican had created a teaching document on the Holocaust that “doesn’t give credence to Holocaust deniers,” and possibly had opened the door to allowing access to the Vatican archives, a step for which Jewish groups had long called. A series of meetings at the Vatican later in March between Jewish leaders and senior Vatican officials, scheduled long before the Vatican released the document, underscored the strong continuing relationship and resulted in a joint communique calling for a range of new cooperative efforts.

This ambivalent attitude toward the Vatican document seemed destined to be the prevailing Jewish verdict on the effort. In September, the International Jewish Committee on Interreligious Consultations (IJCIC), a coalition of Jewish groups that deals with senior Church officials, commended the document’s recognition of the Holocaust as a historical fact. This, the IJCIC statement noted, “should render impossible the obscenity of Holocaust Denial among Catholics.” At the same time, the IJCIC response pointed to shortcomings in the document, such as its minimization of the connection between church doctrine and anti-Semitism and its praise of Pope Pius XII for saving “hundreds of thousands of Jewish lives” without sufficient supporting evidence. Even with these perceived deficiencies, Jewish leaders expressed their hope that “We Remember” would be used as the basis to educate the world’s one billion Catholics about the Holocaust.
Many Jews voiced dismay when, in October, Pope John Paul II canonized Edith Stein, a Jewish-born Catholic convert who died in the Holocaust, praising her as “an eminent daughter of Israel and a faithful daughter of the Church” and announcing that Stein’s saint’s day would be commemorated as a memorial “of that bestial plan to eliminate a people, which cost millions of Jewish brothers and sisters their lives.” Rabbi Daniel Farhi, leader of France’s Reform movement, among others, protested that the pope’s action could only be understood as sending a message that “it is a Jew converted to Catholicism that is being shown as an example to the Christian people,” and warned that the move had created “a new stumbling block in the Judeo-Christian dialogue.” Rabbi Rudin, of the American Jewish Committee, took a more cautious approach, saying that while Stein’s canonization is filled “with ambiguity, ambivalence and confusion,” he believed that the movement toward more positive relations between Jews and Catholics would continue. Jewish objections were also heard when the Vatican beatified Croatian archbishop Alojzije Stepinac, accused of having been a collaborator with Croatia’s wartime Nazi puppet regime.

Steven Spielberg’s Righteous Persons Foundation funded an American Jewish Committee program in Philadelphia this year, the Catholic/Jewish Educational Enrichment Program, in which rabbis and priests attend each other’s religious day schools. This followed similar programs established in New York, Chicago, Los Angeles, and San Francisco.

MUSLIMS

As 1997 ended, American Jewish leaders quickly moved to express solidarity with American Muslims by condemning the defacement with a swastika of a star-and-crescent that had been placed on the White House Ellipse to mark the winter holiday season. But, proving that no good deed goes unpunished, M. T. Mehdi, president of the National Council on Islamic Affairs (the group that had arranged for placement of the Muslim symbol near a Christmas tree and a Hanukkah menorah traditionally placed on the Ellipse at that time of year) was quoted in the Washington Post as responding to the incident by calling the Nazis “the real founders of Israel.” “We hate the swastika,” he said, “because it reflects the Nazis and the hated Hitler, who killed six million Jews and frightened Jews to go to Palestine and create the Jewish state.” Mehdi also asserted that “Hitler helped Israel more than Herzl.” Jewish leaders were quick to condemn Mehdi’s remarks. They were supported by James Zogby of the Arab American Institute, who termed Mehdi’s comments “absolutely the wrong response to what happened.”

In another incident, several Jewish groups protested when the State Department invited the Council on American Islamic Relations (CAIR) to participate in two events related to the department’s work promoting religious freedom abroad. In a letter to the State Department, the Anti-Defamation League de-
scribed CAIR as an organization that condones terrorism and serves as a propaganda arm for the terrorist group Hamas and urged the State Department "to scrutinize those groups it invites." The Zionist Organization of America objected, as well, to the inclusion of the American Muslim Council and the Muslim Public Affairs Council as "groups that publicly endorse groups on the State Department terror list" and defend regimes that engage in religious persecution abroad. Noting that these were public events, a State Department official said that "attendance by groups in meetings open to the public should not be interpreted to constitute an endorsement by the department of the views of those attending the meeting."

CHURCH-STATE MATTERS

In the most closely watched church-state case of the year, on June 10, 1998, the Wisconsin Supreme Court ruled, 4-2, that Milwaukee's school voucher program was constitutional. The Wisconsin high court—in the first-ever state supreme court determination on this issue—found that the program, which allows disadvantaged children to attend private and parochial schools at taxpayer expense, did not violate the constitutionally mandated separation of church and state. The Wisconsin court found that the program "has a secular purpose" and "will not have the primary effect of advancing religion," overturning an intermediate appellate court's decision that the Milwaukee scheme was unconstitutional.

The decision immediately provoked strong, but divided, reaction from the Jewish community. For the most part, the organized Jewish community condemned the decision as a breach in the wall of separation of church and state and as a blow to public schools. But Orthodox Jewish groups and Jewish conservatives applauded the decision. "This is a break in the dike," said Marshall Breger, law professor at Catholic University's Columbia School of Law. "We're going to have a full-scale voucher program in Wisconsin, and we'll be able to see what it looks like."

An appeal to the U. S. Supreme Court was filed, with supporters and opponents of vouchers alike urging the high court to accept the case for review. However, on November 9, the Supreme Court voted, 8-1, without comment, not to hear the matter. That action set no legal precedent other than leaving vouchers in place in Wisconsin. Voucher advocates were nevertheless quick to claim victory. "At a minimum, this clearly refutes those who would say that voucher programs are unquestionably unconstitutional," noted Nathan Diament, director of the Orthodox Union's Institute for Public Affairs. In contrast, David Feiff, president of the Milwaukee Jewish Council, expressed disappointment, saying, "Wisconsin taxpayers are going to be compelled to support religious schools in a fashion we believe violates the federal Constitution." All sides seemed to agree,
however, with the assessment of Agudath Israel general counsel David Zwiebel that "we all would have been better off if the Supreme Court had taken this case." With the resolution of the Wisconsin case, the constitutional issue remained open, with voucher litigation still pending in several other states and new voucher measures bound to crop up again in Congress and state legislatures and as referendum initiatives.

Another major theme of 1998's church-state cases had to do with attempts to stem official sponsorship of religious practice. In January a federal district court judge ruled that a two-part Bible course could go forward with that part of the curriculum dedicated to the Old Testament, because it was "ostensibly designed to teach history and not religion," but not with the New Testament portion of the curriculum. U.S. district judge Elizabeth Kovachevich found it difficult "to conceive how the account of the resurrection or of miracles [in the New Testament] could be taught as secular history." The American Civil Liberties Union (ACLU) and People for the American Way hailed the decision on the New Testament curriculum as an appropriate response to a "stealth curriculum" designed to teach religion while promising to carefully monitor the Old Testament class. A statement by the American Center for Law and Justice, a legal watchdog group affiliated with the Christian Coalition, commended the decision to allow the Old Testament class while promising to review the injunction against the New Testament class.

Groups advocating church-state separation were not pleased with the Alabama Supreme Court's decision at about the same time striking down, on technical grounds, a "religious liberty" lawsuit brought by Gov. Fob James and Attorney General Bill Pryor. Although the court dismissed the lawsuit and did not, as the plaintiffs hoped, uphold as constitutional Judge Roy Moore's practice of displaying the Ten Commandments in his courtroom and opening court with prayers, the effect of the dismissal was to allow those practices to continue. An earlier lawsuit brought by the ACLU had also been dismissed on procedural grounds.

In another chapter of the seemingly never-ending story of Kiryas Joel, a New York State intermediate appellate court upheld a ruling striking down, for the third time, an effort by the state legislature to create a special school district for a suburban village comprised entirely of Satmar Hassidim. The separate district would enable students residing there to receive publicly financed remedial instruction without having to go to area schools outside the village to receive those services.

**Legislative Activity**

The so-called religious freedom amendment, introduced in 1997 by Rep. Ernest Istook (R., Okla.), was immediately denounced by most Jewish groups, joined by a broad array of civil liberties and other religious organizations, as an invidious threat to religious liberty that would roll back much of the First Amendment's
prohibition on government establishment of religion. In the view of its opponents, the measure would amend the U.S. Constitution so as to allow officially sanctioned prayer in school classrooms and at graduations, allow religious symbols to be placed on government property, and permit government officials, public school teachers, and military officers to endorse religious activities or beliefs. Additionally, opponents maintained, the amendment would permit—if not require—the government to use taxpayer dollars to fund religious activities on the same terms that it funds secular activities. Interestingly, supporters of vouchers within the Jewish community, including leading Orthodox groups, saw fit for the most part to take no position on the amendment, even though it would have allowed for state funding of parochial schools. Opposition to the amendment was spearheaded in Congress by a new champion of church-state separation, Rep. Chet Edwards of Texas, a Democrat.

The amendment took a significant step forward when, on March 4, 1998, it was passed by the House Judiciary Committee on a party-line vote. Commentators widely held that the initiative had little or no chance of garnering the two-thirds vote necessary to pass in the full House, but that it was being moved forward in order to enable the Christian Coalition to include votes on this issue in that group's voters' guides. On June 4, the House voted down the measure by a vote of 224-203, falling 61 votes short of the 285 votes required to pass a constitutional amendment. No Jewish representatives, Republican or Democrat, voted for the measure. Even as the votes were counted, it was anticipated that amendment supporters would not give up the fight. "They're going to look for other ways that don't require two-thirds to push their agenda," commented Steve Silverfarb, deputy director of the National Jewish Democratic Council.

It was a different story for a voucher plan for the District of Columbia and an initiative to create "A-plus education accounts," a variant approach to the effort to allow tax dollars to be used to support parochial and other private schools. Opposed by much of the organized Jewish community as inconsistent with church-state separation and as bad public policy, the measures were strongly supported by Orthodox Jewish organizations such as the Union of Orthodox Jewish Congregations and Agudath Israel of America.

The D.C. voucher bill was touted by supporters as an appropriate trial balloon. "Perhaps Washington, D.C., is the place to do it because things can't get any worse [there]," commented Nathan Diament, director of the Orthodox Union's Institute for Public Affairs. But, retorted Richard Foltin, legislative director and counsel of the AJCommittee, Congress was simply allowing itself to be diverted from "what has to be done to provide proper educational opportunities for children in the inner city in order to enact a nostrum that is not going to work." The AJ-Committee organized a letter from leaders of 24 faith-based organizations opposing voucher proposals; the letter was sent to President Clinton early in 1998 and to members of Congress in April, in order to make the point that many religious groups were opposed to such initiatives. Nevertheless, on April 30, the
House of Representatives passed the D.C. vouchers bill by a vote of 214-206, following Senate passage of the bill the previous year. On May 20, 1998, President Clinton vetoed the bill, saying that it would undercut public education and prove to be a “disservice to those children.”

A proposal by Sen. Paul Coverdell (R., Ga.) for “A-plus education accounts,” although not strictly a vouchers measure, was also opposed by most of the organized Jewish community, with other “separationists,” on the ground that it was simply another way of using public money to support private schools. In April 1998 the bill was passed in the Senate, following passage in the House in 1997, only to be vetoed by the president in short order.

During the year the Jewish community paid increased attention to “charitable choice” provisions in federal law allowing taxpayer dollars to be directed to sectarian organizations that offer social services, but without the church-state safeguards that many in the Jewish community regard as essential. Opponents of the initiative argued that, in the absence of these safeguards, churches or synagogues could receive federal funds for programs in which they discriminate on the basis of religion in hiring or, in some instances, could require beneficiaries to adhere to the practice of a certain faith as a condition of receiving the service. Supporters, which—in a familiar scenario—included Orthodox and conservative organizations, argued that this approach was simply a nondiscriminatory and beneficial way for religious institutions to be involved in the provision of social services. “Charitable choice” provisions, previously enacted as part of the welfare reform law of 1996, were included in the Community Service block grant of 1998 signed into law late in the year. In addition, on May 7, 1998, Sen. John Ashcroft (R., Mo.), the main proponent of “charitable choice,” introduced legislation which, if enacted, would apply “charitable choice” provisions to all social service programs that receive federal funding.

“Free-Exercise” Developments

In early 1998 a decision by a Delaware court dealt with an unusual variation on the long-simmering controversy over how far secular law should bend in the face of a religious free-exercise claim. Alan and Sonye Grossberg of Wyckoff, New Jersey, were compelled to appear in court to testify about private conversations with their daughter, Amy, who was accused of killing her newborn baby. The Grossbergs had sought to quash the subpoenas requiring their testimony on religious grounds. They claimed that such testimony could not be permitted in a Jewish court, and that to force them to testify would violate their beliefs as Conservative Jews and thus infringe on their First Amendment right of free exercise of religion. In denying their claim, superior court president Judge Henry duPont Ridgely wrote that “the Grossbergs’ freedom to act must yield to the compelling state interest in hearing everyone’s testimony.”

Given the prevailing state of the law, there was actually little for Judge Ridgely
to consider. In 1993 Congress had attempted to restore the religious liberty protections weakened by a 1990 Supreme Court decision by passing the Religious Freedom Restoration Act (RFRA), a law that required government at all levels—federal, state, and local—to demonstrate a compelling interest if it passed a law or regulation that substantially impinged on an individual's free exercise of religion. But in 1997 the Supreme Court, in the case of City of Boerne v. Flores, struck down RFRA—at least insofar as the law was applied to state and local governments—on the ground that the law infringed on states' prerogatives. This decision left in place a regime under which the state can require individuals to violate their religious beliefs so long as there is a reasonable basis for the regulation in question, and the regulation is not enacted or enforced in a discriminatory fashion with respect to religion.

Immediately following the Boerne decision, the politically and religiously broad coalition that had come together in the early 1990s to push for passage of RFRA reconvened to draft and promote passage of new legislation that might survive the High Court's scrutiny. As the difficult drafting process stretched out over several months, hearings were held in Congress setting forth the case for (and against) a replacement bill. Rabbi Chaim Rubin, spiritual leader of an Orthodox congregation in Los Angeles, appeared before a February session of the House Judiciary subcommittee on the Constitution to make the case for legislation to protect religious freedom. Rabbi Rubin's congregation had relocated several years earlier to a community in which many aging congregants were located, only to be sued for violating local zoning ordinances that prohibit houses of worship in the vicinity. Other witnesses reported on their experiences with infringements on religious liberty, and several national experts, including Marc Stern, counsel for the American Jewish Congress, presented testimony.

On June 9, 1998, the Religious Liberty Protection Act (RLPA) was introduced in both houses of Congress as a bill drawn more narrowly so as to meet the constitutional concerns raised in the Boerne decision and still afford some protection to religious liberty against government action. The Senate Judiciary Committee and the House Judiciary subcommittee on the Constitution held hearings on RLPA in the summer of 1998. In the face of strong opposition to the bill from some groups on the right that objected to its partial reliance on the Constitution's commerce clause as a basis for jurisdiction, the House subcommittee abruptly held a mark-up of the bill in early August—at which time the provisions that relied on the commerce clause were removed. The RFRA coalition, right and left (including Jewish members of that coalition), strongly registered their opposition to the House Judiciary subcommittee's weakening of the bill. Although efforts to move the bill forward in both houses continued through the end of the session, by year's end there was no further progress.

Even as the RFRA coalition worked throughout 1998 to enact a replacement federal bill, it was also working to pass legislation modeled after RFRA at the state level. By year's end a mixed bag had resulted. Efforts to enact RFRAs in
Maryland, Virginia, New York, and New Jersey, among others, had stalled. A RFRA bill was signed into law in Florida and enacted by state referendum in Alabama. In two states, California and Illinois, RFRAs were passed by the state legislatures but ran into rough waters when they were vetoed by the governors of those states. In California, the bill died with the end of the legislative year. In Illinois, however, the governor's veto was overridden in a special session and the bill became law.

The Workplace Religious Freedom Act, a bill with wide support in the Jewish community that is intended to assure religiously observant employees reasonable accommodation of their religious practices, made little progress during 1998 because of concerns raised by business and labor. The bill was sponsored by Senators John Kerry (D., Mass.) and Dan Coats (R., Ind.) and, in the House, by Representatives Bill Goodling (R., Pa.) and Jerrold Nadler (D., N.Y.). With the retirement of Senator Coats, the chief Senate Republican cosponsor of the bill, its backers indicated that the first priority in the 106th Congress would be to seek another senior Republican as his replacement.

A similarly broad coalition of conservative and liberal groups came together in 1998 to push for passage of legislation directed at religious persecution abroad, but on this initiative there was ultimately more success. The Freedom from Religious Persecution Act, sponsored by Rep. Frank Wolf (R., Va.) and Sen. Arlen Specter, was introduced in 1997 with strong support from conservative religious groups; the bill initially faltered, however, when its inflexible, sanction-based approach was opposed by the administration and business interests and failed to attract the support of many religious organizations, including Jewish groups. The concerns raised by those religious groups were, however, consistently tied to praise for the role the bill's sponsors had played in raising awareness as to the degree of religious persecution still occurring around the world. After changes were made modifying some of the bill's provisions, ADL, the Union of American Hebrew Congregations, and the Orthodox Union endorsed the measure, while others still had concerns they wanted to see addressed. The American Jewish Committee, for its part, continued to express reservations serious enough to keep that organization from endorsing the bill, even as it acknowledged the improvement. The modified bill was passed by the House of Representatives in May 1998.

In late March, Senate Majority Whip Don Nickles (R., Okla.) introduced the International Religious Freedom Act, a bill co-sponsored by, among others, Senate Foreign Relations Committee chairman Jesse Helms (R., S.C.) and Senators Joseph Lieberman (D., Conn.) and Connie Mack (R., Fla.). This initiative was presented as a more nuanced approach, designed to adhere to the requirements of U.S. foreign policy and broader human rights advocacy and include a more calibrated system for imposing sanctions. At a June hearing of the Senate Foreign Relations Committee, various groups that had been skeptical about the Wolf-Specter bill signaled their support for the Senate version (including Felice Gaer of the Jacob Blaustein Institute for the Advancement of Human Rights on
behalf of the American Jewish Committee). After this encouraging start, however, the bill stalled. The White House and the State Department, along with Senate Democrats and some Republicans, continued to insist that the bill would make for bad foreign policy and harm those religious minorities that it was intended to help.

The effort to move the Senate bill brought together a left-right coalition that saw the Episcopal Church and the Religious Action Center of Reform Judaism working hand in hand with the National Association of Evangelicals and the National Jewish Coalition to convince senators on both sides of the aisle that this was an initiative worth supporting. At the eleventh hour, with Congress winding down, changes were made in the bill that sufficiently satisfied the administration for the threat of a veto to be withdrawn. On October 9, the International Religious Freedom Act was passed by the Senate 98-0 and, one day later, the House of Representatives followed suit, with the president signing the bill into law on October 27.

**HOLOCAUST-RELATED MATTERS**

**Holocaust Reparations**

Efforts by Jewish groups to obtain compensation and restitution for Holocaust survivors continued to receive strong support from U.S. officials and the American Jewish community.

In February 1998, 22 Holocaust victims and lawmakers testified at a daylong hearing of the House Banking Committee about the legal status of art objects seized by the Nazis and about the failure of European insurance companies to pay claims on life insurance policies taken out by Holocaust victims. "These companies sought and obtained premiums up front, with no expectation of paying the claims in the end," Sen. Alfonse D'Amato (R., N.Y.) told the House committee. He proposed the creation of an independent committee to investigate the situation. The Italian firm Assicurazioni Generali, a leading underwriter of policies sold to Jews in Eastern Europe, promised to cooperate with the proposed panel, even as directors of some of America's top art museums pledged to research fully the ownership of holdings that might have come to them by way of wartime looting. This year also saw a raft of other legislative proposals, at both the federal and state levels, directed at looted art and insurance claims. Thus, in February legislation on these issues was introduced by Representatives Mark Foley (R., Fla.) and Elliott Engel (D., N.Y.) and Senators Arlen Specter and Robert Torricelli (D., N.J.), among others. And legislation moved through the California legislature designed to put pressure on insurers who failed to make efforts to resolve Holocaust-era claims.

In November 1998, Generali, joined by German-based Allianz and several
other insurance companies, announced, following negotiations with the World Jewish Restitution Organization and a special advisory committee of the National Association of Insurance Commissioners, that they would participate in an international commission to be formed to resolve the problem of unpaid Holocaust-era insurance claims. At the same time, the insurance companies agreed to provide an initial escrow fund of $90 million as proof of their intent to settle these claims over a two-year period. With estimates of the number and value of policies varying greatly, the companies would have to undertake a thorough review of all their records and provide a complete accounting of policy holders’ names and other available information. Left unresolved was what disposition would be made by participating insurance companies of heirless or unidentified policies.

On Friday, February 13, President Clinton signed the Holocaust Victims Redress Act into law, authorizing the United States to contribute up to $25 million to a new international fund to benefit Holocaust survivors and calling on all governments to adopt measures to return artworks confiscated by the Nazis or by the Soviets to their rightful owners. A further $5 million was authorized to support archival research and translation services necessary to assist in the restitution of looted and extorted assets. Later in the year, on June 23, he signed into law a bill introduced in April 1998 by Senators D’Amato and Moseley-Braun calling for the establishment of the “Presidential Advisory Commission on Holocaust Assets in the United States” to examine the disposition of assets of Holocaust victims, survivors, and heirs located in the United States. The commission was to focus its attention on dormant U.S. bank accounts, brokerage accounts, securities and bonds, artwork and religious and cultural artifacts, insurance policies, and German-looted gold shipped to the United States. Later in the year, President Clinton named Edgar Bronfman, president of the World Jewish Congress, to head the commission.

U.S. officials also continued to press for a full accounting of assets deposited with Swiss banks during the World War II era by Holocaust victims and their heirs. In addition to pressure from administration officials and members of Congress, several states took punitive measures against Swiss banks or threatened such measures, and multibillion dollar lawsuits were pending against the banks in the U.S. courts. In March, Switzerland’s three largest banks pledged to negotiate a settlement of these claims, and, by April’s end had participated in settlement negotiations in Washington, with the U.S. team headed up by Stuart Eizenstat, undersecretary of state for economic affairs.

As the efforts to resolve claims against the Swiss banks went forward, Switzerland and the United States issued reports relating to other claims against the Swiss. In late May, a report commissioned by the Swiss government and prepared by an independent panel of historians, concluded—much in line with a U.S. report issued in 1997—that during the war, Swiss bank officials had known, but chose to ignore, that gold they were buying from Nazi Germany had been looted from Jews and other subject populations. The new U.S. report, released early in
June, prepared under the leadership of Stuart Eizenstat, found that Switzerland was one of a number of ostensibly neutral nations that, by trading in war material with Nazi Germany, had “helped to sustain the Nazi war effort.” The pair of new reports led some in the Jewish community to insist that Switzerland should be part of a global settlement of claims arising from Holocaust-era actions. The Swiss government, in turn, asserted—as it had in the past—that, in light of postwar international treaties and a $68 million humanitarian fund set up by the Swiss National Bank in 1997, any further settlement would have to come from the banks and not from “taxpayers’ money.”

Negotiations with the Swiss banks seemed in danger by the summer of 1998, following a tender by the banks of a $600 million “best offer” that Jewish groups rejected as “insulting” and in “bad faith.” Eizenstat warned against moves toward sanctions, asserting that “Swiss opinion has been so hardened by threats of sanctions and other allegations that flexibility to achieve a settlement will be further complicated.” New York State comptroller H. Carl McCall argued that threats of sanctions were appropriate because Holocaust survivors were “exhausted, their patience is spent and they are rapidly running out of time.” In August, finally, Credit Suisse and Union Bank of Switzerland, Switzerland’s two largest banks, agreed to pay $1.25 billion to settle the claims against them, more than double their “best offer.” Politicians, lawyers, and other advocates for Holocaust victims and their heirs pronounced satisfaction in the result, with Estelle Sapir, a Holocaust survivor, asserting, “This is not charity from the Swiss. My father deposited money there. It is my money.”

Representatives of 44 nations met in Washington in December for an international conference on the disposition of Holocaust-era assets, including looted artworks and claims on life and property insurance claims. The event, convened by the State Department and the U.S. Holocaust Memorial Museum, opened with a speech by U.S. Secretary of State Madeleine Albright in which she included the most explicit public reflections to date on her discovery in 1997 of her own Jewish roots. Although the conference was not designed as a decision-making forum, Edgar Bronfman, president of the World Jewish Congress, urged that it become the occasion for “practical and immediate proposals to secure financial restitution.” In the course of the conference, Russia agreed to take steps to return art looted by the Nazis. At the conference’s end, the participating nations, joined by 13 nongovernmental organizations, adopted a set of nonbinding principles, to provide a framework for identifying and publicizing looted works of art, and most endorsed the newly created commission to deal with insurance claims. Restitution of communal property was among the other issues discussed, but no consensus was reached on how to deal with it.

The conference also witnessed some soul-searching as Holocaust survivors pondered whether success in obtaining restitution for Holocaust survivors and their heirs might not detract from a more important focus—the memory of the irreplaceable loss for which no amount of money can compensate. At the open-
ing of the conference, Nobel laureate Elie Wiesel commented, "Permit me to express my hope that we have not come here to speak about money. We have come here to speak about conscience, morality and memory." Michael Hausfeld, a lead attorney in the class-action lawsuit against the Swiss banks, asserted that money was not "the objective," but only "the means of illustrating the symbol and the symbol is still justice."

Late in November, amid continuing intense attention to the actions of European countries during the Nazis era, a *Washington Post* report brought to light allegations that Ford Motor Company and the General Motors Corporation had collaborated with Nazi Germany by allowing German affiliates to convert their facilities into military production plants, while resisting President Roosevelt's calls for increased military production at those companies' American plants. Documents said to support these claims were found by researchers working on behalf of former prisoners of war who had brought a class-action lawsuit against Ford in which they asserted that the company's German affiliate had benefited from their forced labor. Ford and General Motors both denied any collaboration with the Nazis or benefit from forced labor. Ford asserted that it lost contact with its German affiliate once the war began.

As the year ended, following his defeat in a bid for reelection, Senator D'Amato was appointed by a New York federal court as "special master" for settlement talks between Holocaust survivors and the German and Austrian banks accused of having been complicit with the Nazis in the latter's looting of gold.

**OSI Actions**

Throughout the year, the Justice Department's Office of Special Investigations continued its work in seeking to identify, denaturalize, and deport Nazi war criminals who had entered the United States in the years following World War II. In April a U.S. immigration judge directed that Jonas Stelmokas be deported to his native Lithuania for having lied about his role in killing Jews as a member of a Nazi-sponsored auxiliary police unit. Stelmokas died in November 1998, before he could be deported.

Developments abroad in one case showed that even when the OSI successfully obtained a deportation, justice was not complete without some action on the part of the receiving country. Aleksandras Lileikis left the United States for his native Lithuania in 1996, one month after he had been stripped of U.S. citizenship for his alleged role in handing Jews over to Nazi death squads. It was February 1998 before Lithuanian authorities filed charges of genocide against Lileikis, following months of speculation as to whether the government was willing to prosecute suspected war criminals. Polls of the Lithuanian population revealed overwhelming public sentiment that Lithuanians were not responsible for the Jewish genocide in their country, notwithstanding strong historical evidence that many
Lithuanians had cooperated with the Nazis. Trial was commenced in September, only to collapse immediately because of the defendant’s absence. His attorney claimed that Lileikis was too ill to appear in court or otherwise participate in the proceedings. The court directed that an independent medical examination be held to determine Lileikis’s condition, a procedure likely to take weeks. A U.S. State Department spokesperson called upon Lithuania “to take whatever steps are necessary to ensure that justice is rendered in this and other important war crime cases from Nazi occupation.”

The year ended without conclusion to the lengthy trial of the Ukrainian-born Jakob Reimer, the first proceeding ever brought by the Department of Justice’s Office of Special Investigations in Manhattan to strip an alleged ex-Nazi of his citizenship, a necessary precursor to seeking his deportation. Prosecutors asserted that Reimer would have been denied citizenship had he acknowledged in 1952, the year in which he applied to become an American citizen, that he had murdered a Jew in a Nazi camp and that he was one of 2,500 Ukrainian prisoners who served as auxiliary SS troops at the Trawniki training camp in eastern Poland. With no survivors able to identify Reimer as one of the Trawniki guards who carried out numerous atrocities in Jewish communities in eastern Poland, including the killing of tens of thousands of Jews in the Czestochowa ghetto, OSI prosecutors made their case, in part, by relying on the testimony of a historian who demonstrated that it would have been impossible for Reimer to be unaware of the horrors in which the Trawniki guards were involved.

John Demjanjuk

The decades-long effort to deport the retired Cleveland auto worker accused of having been Nazi war criminal Ivan the Terrible seemingly came to its close when, in February 1998, U.S. federal judge Paul Matia restored to John Demjanjuk the American citizenship that had been stripped from him in 1981. Demjanjuk was extradited to Israel in 1986 where he was convicted of crimes against humanity in 1988 and sentenced to death, but his conviction was overturned on appeal when the Israeli Supreme Court ruled in 1993 that he had not been proved beyond a reasonable doubt to be Ivan the Terrible. The Israeli court decided not to allow further proceedings on the basis of other wrongdoing by Demjanjuk.

The 1998 U.S. court ruling followed in the wake of a 1993 decision of the U.S. Court of Appeals for the Sixth Circuit that the Justice Department had knowingly withheld information in 1981 that could have been used by Demjanjuk to battle against the extradition proceeding. The district court found that, whether knowingly or unknowingly, the U.S. Justice Department actions had left open questions as to whether it had “denied Demjanjuk information or material which he was entitled to receive pursuant to court discovery orders, whether such conduct by the government constitutes a fraud upon the court and, if so, what the appropriate sanction should be.” In restoring Demjanjuk’s citizenship, the dis-
strict court left the door open for the Justice Department to file new denaturalization and deportation proceedings, a measure urged by Holocaust survivors.

**Other Holocaust-Related Matters**

The War Crimes Disclosure Act, introduced by Senators Mike DeWine (R., Ohio) and Daniel Moynihan, was passed by the Senate by unanimous consent on June 19, and by the House by voice vote on August 6. It was signed into law by President Clinton on October 8. (A similar bill was introduced in the House by Rep. Carolyn Maloney [D., N.Y.]). The act is intended to assist families and researchers seeking information about Nazi war criminals who may have entered the United States illegally or about transactions involving assets of Holocaust and other Nazi victims. The legislation established a Nazi War Criminal Records Interagency Working Group to locate, identify, declassify, inventory, and make records relating to these matters public. In addition to possibly assisting in tracking down additional Nazi war criminals and recovering assets looted by the Nazis, said Rabbi Abraham Cooper, associate dean of the Simon Wiesenthal Center, "we expect to learn more details about the U.S. government’s knowledge of the Final Solution."

**Richard T. Foltin**
The United States, Israel, and the Middle East

The 50th anniversary of the establishment of the independent State of Israel, observed throughout 1998, provided an opportunity in both Washington and Jerusalem not only for celebration but also for reflection and re-examination. From its early years of military vulnerability and economic dependency, Israel had in five decades transformed itself into the strongest military force in the region and a high technology-based industrial power with double the per capita national income of oil-rich Saudi Arabia. Given this evolution, one of the questions that needed to be addressed was how to reshape the relationship between the United States and Israel from one of donor and client to a more balanced partnership.

One area of common concern was terrorism. U.S. vulnerability was highlighted in 1998 by devastating attacks against its embassies in Africa by radical Islamic militants, and by such intractable problems as Iraq’s continuing refusal to permit United Nations inspectors to find and eliminate Saddam Hussein’s remaining arsenals of offensive missiles and his capacity to develop nonconventional weapons of mass destruction. Israelis too remained vulnerable to terrorist attack, as well as the threat of medium- and long-range missiles, which not only the Iraqis, but also the vociferously anti-Israel Islamic Republic of Iran were actively working to acquire with Russian and other foreign help. Efforts to counter these strategic threats were one area in which Washington and Jerusalem would expand and broaden their close cooperation during 1998.

A far more contentious question that gripped the U.S. Congress and public in 1998 was what role the United States should play in trying to restart the frozen Arab-Israel peace process. As the year opened, there was a stalemate in the discussions between Israel and the Palestinians on the extent of a further redeployment of Israeli forces in the West Bank (Judea and Samaria). At the same time, formal talks with the Syrians, which had been broken off in the spring of 1996, had not resumed despite behind-the-scenes American efforts to bring the parties together.

The Clinton administration believed that it was a matter of urgency to break the logjam in the Palestinian-Israeli talks, that unless Washington could demonstrate signs of tangible progress in the peace process to countries such as Morocco and Tunisia in the West and Oman and Qatar in the Gulf, which had established economic and quasi-diplomatic relations with the Israelis, the carefully nurtured ties between Israel and the more moderate Arab states were in danger of totally unraveling. The prevailing atmosphere of acrimony, frustration, and mutual suspicion was in sharp contrast to the hopeful atmosphere of peace and reconciliation between Israel and the Palestinians that had emerged so dramatically when
the Declaration of Principles of mutual recognition and commitment to peace was signed in September 1993 on the White House lawn by the late Israeli prime minister Yitzhak Rabin and Yasir Arafat, chairman of the Palestine Liberation Organization.

The Clinton administration was also eager to break the impasse so as to counter charges from the Arab world that the United States was applying a double standard—imposing harsh UN sanctions on Iraq for its defiance of UN resolutions, while seemingly turning a blind eye to new Israeli settlements in the “occupied territories” and other unilateral actions. In an explicit public response to charges of Washington’s alleged double standard, Bruce Reidel, President Clinton’s special assistant for Near East and South Asian Affairs, insisted that “there is no equivalency between Israel and Iraq.” In a response to a question in a March 4 interview with Worldview Dialogue, he pointed out that unlike Saddam Hussein, Israel had never used weapons of mass destruction, nor fired ballistic missiles against its neighbors, nor used poison gas against its own citizens. Instead, Israel was engaged in a process of peace negotiations with its neighbors, a process the United States was committed to moving forward. Although many states in the world and in the Middle East had similar weapons, he stressed, “this Iraqi government is really unique,” for it had used such weapons “again and again and again.” Since it was a “repeat offender,” the international community had a responsibility to prevent Iraq from gaining the capacity to do so again.

The Peace Process

Prime Minister Benjamin Netanyahu had been critical of the “Oslo Peace Process”—as the negotiations with the PLO became popularly known—from the start. His official line after his election was that he would work to correct the deficiencies he saw in the Oslo accords and to insist that the PLO and the Palestinian Authority (PA) scrupulously and completely fulfill their commitments to peace, especially those affecting Israel’s security. He warned that unless there was reciprocity by the Palestinians in fulfilling all their commitments, Israel would be justified in halting its own implementation and possibly even abrogating the agreements entirely.

Under the Labor Party government, Israel had begun the process of relinquishing territory with an agreement on May 4, 1994, to withdraw from the Gaza Strip and Jericho on the West Bank. Under the subsequent “Oslo II” accords, signed in September 1995, Israel completed its withdrawal from six of the seven major Palestinian cities in the West Bank (Judea and Samaria) and transferred civil administration of virtually all the Palestinian villages in the West Bank to the Palestinian Authority, retaining only overall security control. (By the end of 1998, more than 98 percent of the Palestinians in the territories lived in areas where the PA was responsible for providing the basic services of daily life, including education, commerce, police, and religious institutions to the local Palestinian population. However, they did not have civil authority over the Israelis liv-
ing in the settlements. There were complicated arrangements for cooperation between the security forces of the PA and the Israel Defense Forces [IDF], which at times led to confrontations and clashes.)

The United States had played a crucial and intimate part in the months of painstaking negotiations over withdrawal from the seventh city, Hebron, leading to an agreement signed on January 15, 1997. A religiously conservative city with a reputation for fanaticism, the city had witnessed frequent violent confrontations between Palestinian militants and the ideologically driven 500 Israeli religious nationalists who were determined to reestablish a Jewish presence in the heart of the city’s 120,000 Palestinian residents. The extent of the exceptionally detailed role that the Clinton administration played in bringing about the complicated Hebron deal was illustrated by the fact that Ambassador Dennis Ross, the U.S. special peace coordinator, personally took a tape measure to determine where the line was to be drawn down the middle of the street dividing the 80 percent of the city to be placed under Palestinian authority from the remaining area that was to be an Israeli-administered enclave! During 1998 the United States was drawn ever more closely into the details of the negotiations, and the subsequent monitoring of the minutiae of the implementation of the Palestinian and Israeli commitments to each other continued. The wisdom of this expanded American involvement aroused concern among legislators and political observers in both the United States and Israel.

At the time of the Hebron agreement, the United States had also provided a “Note for the Record” that provided American assurances to both sides and set ground rules for future Israeli-Palestinian negotiations. The Hebron agreement also called for three further Israel army redeployments (FRDs), i.e., withdrawals from the West Bank, by mid-1998. Washington had formally assured Israel that the extent of each withdrawal was a matter of national security for Israel itself to determine, since the interim agreement stated only that the IDF would move to “specified military locations” designated by Israel. This language was taken from the 1987 Camp David agreement with Egypt, where Israel had successfully resisted Egyptian demands that the locations be agreed to by both parties. Despite these legal fine points, Washington increasingly sided with the Palestinians in urging Israel to enlarge the percentage of additional territory it was prepared to relinquish.

Netanyahu’s reluctance was formally couched in terms of Israel’s security requirements, which included not only such strategic considerations as commanding the high ground and the border along the Jordan River, but also control of the major aquifers in the West Bank. American observers were convinced, however, that Netanyahu’s position also reflected the severe ideological and domestic political constraints that his right-wing coalition partners sought to impose upon him. Unlike the Labor Party and its left-wing allies, who accepted the principle of trading land for peace, Netanyahu’s supporters, particularly the Jewish settlers in the territories, maintained that no part of the historic Land of Israel should be given over to foreign sovereignty. With the support of the Labor op-
position, the agreement easily passed the Knesset by 87 to 17. However, cabinet approval of significant further withdrawals became increasingly difficult to obtain.

As 1998 opened, because of the stalemate in Palestinian-Israeli negotiations, the timetable for implementing the remaining provisions of their agreements was far behind schedule. Formal negotiations had not even begun on the "final-status" issues, such as Jerusalem, refugees, and borders, including the fate of Israelis living in settlements in areas that might be relinquished by Israel, which were all supposed to be completed by the end of the five-year interim period on May 4, 1999. Arafat repeatedly threatened that he would issue a unilateral declaration of Palestinian independence (UDI) on that day if no agreement was reached by then.

The impending deadline was another reason the United States was determined to make yet another effort to get the talks moving again. In addition to private warnings to the parties not to take unilateral actions, the Clinton administration for the first time explicitly expressed in public its opposition to Arafat's planned declaration of independence. On July 29, Assistant Secretary of State for Near Eastern Affairs Martin Indyk, in his testimony before the House International Relations Committee, declared that the U.S. government "would oppose a unilateral declaration, and make clear that this is an issue for final status negotiations." In a further statement, on October 2, Indyk explained that a UDI "becomes a recipe for almost immediate confrontation, as Palestinians seek to assert their sovereignty, having made their declaration, and Israelis seek to deny that sovereignty." Israelis expressed the view that following a UDI, Israel would be free to act, possibly even to annex parts of the disputed territories.

Joel Singer, who, as an aide to Prime Minister Rabin and then legal adviser to Israel's Foreign Ministry had played a key role in drafting the texts of the Israeli-Palestinian agreements, pointed out in an interview with the Near East Report (September 7, 1998) that, although the interim agreement was set to terminate on May 4, 1999, the underlying principles of the Oslo accords—namely the mutual recognition, the commitment to reaching peace through negotiations, and the other elements of reconciliation between the Palestinians and Israelis—set out in the exchange of letters between Arafat and Rabin, and the Declaration of Principles of September 1993, were meant to have a permanent character. Singer therefore suggested that if no final-status agreement had been reached by the May deadline, the interim agreement could be extended either for a specific time period or indefinitely.

While it was natural for the United States to oppose any unilateral actions by either side during the interim period, Singer conceded that because the Oslo process deferred the most difficult issues to the end of the final-status talks, it created "a strong incentive for both of the parties to advance their relative position by creating facts on the ground," so that at the end of the five-year transitional period it would have "more chips with which to conduct the endgame."
Since control over territory was one of the key bargaining chips, Netanyahu wished to relinquish as little territory as possible, while Arafat sought as much as he could possibly get. At one point Netanyahu even suggested that the way out of this quandary was to move immediately to discussion of the final-status issues without any intervening FRDs. Arafat had rejected out of hand as totally inadequate an Israeli proposal to withdraw from an additional 6 percent of the area. Israel for its part pointed out that as a result of earlier withdrawals by the IDF, some 96 percent of the Palestinians were already living under the civilian administration of the Palestinian Authority.

Washington began its renewed efforts to break the stalemate by inviting both Netanyahu and Arafat to "a working visit" in late January. Although the atmosphere was colored by signs of personal animosity between Clinton and Netanyahu, Secretary of State Albright characterized the talks with Netanyahu on January 20 as "good serious meetings" conducted "in a friendly atmosphere." In response to a reporter's question, Netanyahu denied that President Clinton had tried to "pressure" him. He described the meeting as "a wholehearted and serious effort at finding common ground," adding that there was already much common ground between Washington and Jerusalem, "because we both want to see the peace process go forward." In their meetings, in fact, Clinton had urged Netanyahu to increase withdrawal to the "double digit" range as a credible sign of good faith, and to reduce the total time by compressing the three stages of withdrawal into three months. Netanyahu had explained the difficulties he was facing back home; and to the press he pointed out that it was "very, very painful for us" to part with land, each grain of which was viewed as being "saturated with the tears and blood of the Jewish people and the hopes of generations." Nevertheless, his government was "prepared to consider redeploying" from areas that were "less crucial" to Israel's defense as part of the interim agreement and "of a final settlement." The key to further progress in the negotiations, Netanyahu stressed, was the principle of reciprocity.

In a press conference on his arrival in Washington on January 19, Netanyahu explained that when the Israeli cabinet linked its agreement to further redeployment to the Palestinian Authority's fulfillment of its commitments, this was not meant as an "ultimatum," but as a reiteration of a principle that the Clinton administration had endorsed from the beginning of the talks. The U.S. "Note for the Record," drafted by Ambassador Ross to accompany the Hebron withdrawal agreement, explicitly declared that Arafat and Netanyahu had "reaffirmed their commitment to implement the [Oslo] agreement on the basis of reciprocity." Netanyahu would insist throughout the year that further withdrawal of the IDF depended on the Palestinians fully carrying out the terms of the agreement: the security provisions, including steps to combat terrorism and other violence, and complete renunciation by the Palestine National Council of the anti-Israel provisions of the Palestine National Charter.

As Arafat was preparing to come to Washington for his own talks with the ad-
ministration on January 22, there were encouraging reports of stepped-up security cooperation between the Israeli and Palestinian intelligence and security forces. For example, the Associated Press reported that on January 12, Palestinian police had raided a Hamas bomb factory in Nablus and had also arrested dozens of Hamas operatives. Thus Arafat expected to receive a favorable American reception from reporters when he came to the White House for his meeting with the president. However, before they could get down to serious discussion, the room was filled with reporters insistently pressing Clinton about news reports that he had engaged in an improper affair with a young White House intern named Monica Lewinsky. As the Palestinian chairman watched in amazement, no one thought to ask him or the president anything about the status of the Palestinian-Israeli talks. Arafat was to learn that not only in Israel, but in the United States as well, domestic politics could seriously threaten hopes for swift and decisive action in the peace process.

While Americans were primarily concerned whether the revelations would lead to the president's impeachment, in the media in the Arab world, where conspiracy theories flourish, the affair and the timing of its revelation were given a sinister interpretation. Since Ms. Lewinsky was not only Jewish but had visited Israel and harbored Zionist feelings, she was obviously an agent of Israel's Mossad, planted in the White House either to persuade Clinton or to so embarrass him that he would be crippled politically and unable to pressure Israel into making concessions to the Palestinians. This same calumny was repeated—on the basis of absolutely no evidence—by some pro-Arab publications in the United States.

Conversely, whenever the Clinton administration pressed the Israelis to be more forthcoming in the negotiations, Netanyahu's supporters in Israel and American critics of the Oslo accords would charge that to enable Clinton to achieve a foreign policy success—to divert American public attention from his domestic difficulties—he would impose any agreement, even if it was prejudicial to Israel's security. The Lewinsky scandal also distorted the interpretation given to Clinton's other foreign policy initiatives. When he failed to act forcefully against Iraq earlier in the year, after Saddam Hussein interfered with the UNSCOM inspectors, this was seen as evidence that the president was either too distracted or politically too weak to risk a confrontation overseas. Yet when he did launch four days of heavy missile strikes and bomb attacks, toward the end of the year, he was criticized in Congress and by some of the media of timing his action to delay his impending impeachment in the House of Representatives.

Until the archives of this period and the memoirs of the participants are made available, it will be impossible to assess fully to what degree and in which ways, if any, the Clinton administration's Middle East policies and actions were affected by the president's need to devote attention to his personal problems. It should be noted that in public-opinion polls throughout the year, the president's job approval rating continued to be quite high, with more than two-thirds of the public opposing his removal from office. Moreover, Clinton's efforts to foster Arab-
Israeli peace received even higher percentages of approval from both the general American public and the Jewish community. For example, in a poll commissioned by the Israel Policy Forum in May 1998, 80 percent of American Jews said they “support the Clinton Administration’s current efforts to revive the Israeli-Palestinian negotiations” and agreed that “President Bill Clinton would not do anything that would harm Israel’s security.”

The Issue of Compliance

There was an ongoing debate and much disagreement during the year not only between the Israelis and the Palestinians, but also between the United States and Israel, as to whether the Palestinian Authority was in fact doing all it could to fight terror and prevent violence and hostile incitement, and how seriously one was to regard such matters as the PA’s failure to confiscate illegal arms and reduce the size of the Palestinian police force, which reportedly now had 12,000 more men than authorized under Oslo. PA representatives argued to the Americans that the Israelis were making unrealistic and contradictory demands: on the one hand, they complained that Arafat was not doing enough to dismantle the infrastructure of Hamas and crack down on other opponents of the peace process; on the other hand, they wanted to reduce his capacity to do so!

A national poll conducted in mid-April 1998 for the New York Times found that two-thirds of Americans (67 percent) believed the PLO had not done enough to prove it was interested in peace. (Only 15 percent thought they had.) Regarding Israel’s policies, Americans generally were more closely divided: 43 percent now said Israel had done enough, while 41 percent said it had not. This was a marked improvement over U.S. public opinion at the height of the intifada, a decade earlier, when 70 percent of Americans thought Israel was not doing enough to prove it was interested in peace, and only 17 percent thought it had done enough.

When Secretary Albright testified before the House subcommittee on foreign operations in March, she responded to concerns expressed by Rep. Nita Lowey (D., N.Y.) over reports that the PA was failing to carry out its security obligations and that Washington was planning to issue an “ultimatum” on the peace process. She replied that she had made it clear to Arafat that he must make a “100 percent effort” to stop terrorism and violence. She denied that the United States planned to unveil its own peace plan. When asked why she thought it was in the U.S. and Israeli interests to cooperate with the PLO and to vigorously push negotiations forward, she responded that U.S. help was needed because of the deep distrust between the parties. The Clinton administration was focusing on two things: improving security cooperation between the parties, and securing a “time out” by both sides regarding unilateral measures that were perceived to be “unhelpful.”

This, she indicated, was also a principle that the U.S. State Department was
following. When earlier in the month Sen. Daniel Inouye (D., Hawaii) asked the secretary for a progress report on the administration’s plans to move the U.S. embassy from Tel Aviv to Jerusalem, Albright replied that Jerusalem was a final-status issue and the president was keeping his options open. Albright gave a similar response when Inouye asked why the passports of American citizens born in Jerusalem continued to list Jerusalem, without any mention of Israel, as their place of birth. In a House floor speech, Rep. Brad Sherman (D., Calif.) expressed his disappointment with the administration’s request for funds to build an embassy in Berlin while continuing to delay implementing the Jerusalem Relocation Act. Sherman raised the same point, on March 10, when Assistant Secretary Indyk testified before the House International Relations Committee. Indyk assured him that the administration had every intention of upholding the law, but reminded Sherman that the law carried a waiver provision, which the president might use to delay implementation of the move.

During Indyk’s testimony the following day before the Senate Foreign Relations subcommittee on Near Eastern affairs, he declared that “pressure is not in our lexicon.” But expressing Washington’s frustration, he indicated that the administration’s capacity to bridge the difference between the parties was rapidly coming to an end. Speaking at the same hearing, Robert Satloff, executive director of the Washington Institute for Near East Policy, cited persistent press reports that the Clinton administration was planning to publicly announce its own proposal calling for a combined first and second Israel redeployment amounting to 13.1 percent of the area. This, he said, was contrary to Washington’s earlier assurances that it was up to Israel alone to decide on the extent of the FRDs. American acts of omission and inconsistency, he said, had “helped to relieve the political burden on the Palestinians to fulfill their own obligations” and had, inadvertently, “damaged the integrity of the negotiating process.”

**Senate Letter**

In mid-April the Clinton administration received a clear warning from Capitol Hill against changing its tactics in the peace process. Senators Connie Mack (R., Fla.) and Joseph Lieberman (D., Conn.) authored a letter to President Clinton that was endorsed by an overwhelming bipartisan majority of their colleagues. In the letter, 82 senators declared that it “would be a serious mistake for the United States to change from its traditional role as facilitator of the peace process to using public pressure against Israel.” On the substance of the issues in dispute, the senators contended that Israel had generally complied with its Oslo commitments, but that the Palestinians “have not provided Israel with adequate security,” and “Arafat has refused to conclude negotiations for the interim status issues.” Instead of allowing its frustration with the lack of progress to prompt it to try to force more concessions from the Israelis, the senators advised the Clinton administration quietly to urge the Palestinians to accept Israel’s latest with-
drawal offer and move to final-status negotiations. Reviewing past U.S. efforts, the senators’ letter concluded that “American Middle East diplomacy . . . has always worked best when pursued quietly and in concert with Israel” and urged the president to encourage “the direct negotiations of the parties themselves.” A similar bipartisan letter was signed by 236 members of the House.

To allay concerns among friends of Israel in Congress and the nation at large, Assistant Secretary Indyk gave a lengthy interview to the Near East Report, the unofficial organ of the powerful pro-Israel American Israel Public Affairs Committee (AIPAC). In the interview, published on April 20, the former assistant National Security Council adviser on the Middle East and former U.S. ambassador to Israel (before his current post), once again asserted: “‘Pressure’ is not a word in our lexicon—and has not been since day one of this administration.” He stressed America’s “very special relationship with Israel” and said he agreed that “this is the most pro-Israel administration in history,” adding that he was very proud of the Clinton administration’s role in “further deepening these relations.”

Asked why the United States had been pushing Israel to agree to a specific higher percentage withdrawal figure than it had offered, he explained that while the administration had succeeded in lowering Arafat’s expectations, as Israel had asked the Americans to do, it believed there was a minimum amount necessary to end the stalemate and bring about an agreement. Moreover, he pointed out, the administration had not sought the deeper role it had been playing in the peace process since 1996. In the past, the American role was merely “to give support as the parties moved forward.” But when the process broke down, following Palestinian riots in the wake of the Israeli opening of a new exit to the archaeological tunnel in Jerusalem, in September 1997, the Netanyahu government had specifically asked the administration to play a more active role. “It’s important to understand,” Indyk stressed, “we didn’t seek it. The Prime Minister wanted us in.”

The assistant secretary of state, who had long experience in dealing with the Arab-Israel conflict, first as a scholar and then as a diplomat, expressed the administration’s frustration with the long deadlock in the peace process: “This is not a very complicated issue. We’re not talking about final-status negotiations,” he said. “We’re talking about getting to the final-status negotiations.” All the administration was trying to do was to put together a package that is “credible, is reasonable, that meets both sides’ needs,” and provides a more favorable atmosphere for dealing with the difficult final-status issues.

He warned that when there was a prolonged stalemate, “violence and extremism” were likely to erupt. He was optimistic that once serious negotiations were resumed, the normalization process would also progress. In his travels throughout the Arab world, Indyk added, he had learned that while Arab governments were “facing severe questions from their publics about the value of the peace process,” they had expressed their readiness “to re-engage”—provided we can get this process started again. Because of the agreements already achieved, he was
optimistic that it would not take 50 years, but hopefully only about ten, to reach a comprehensive settlement of the Arab-Israel conflict.

**Wye River Agreement**

After the Clinton administration heeded the congressional advice not to publicly chastise or pressure Israel, persistent quiet diplomacy began finally to produce results. In late September, following a meeting with President Clinton in the White House, Netanyahu and Arafat announced that they had made progress on key components of an additional Israeli West Bank withdrawal. They were invited back in October to meet in strict seclusion from the press at the Wye River Plantation in Maryland. It took nine days and eight nights of intensive round-the-clock negotiations to hammer out agreement on all the detailed issues. At one point the Israelis packed their bags and threatened to pull out. By all accounts it was President Clinton, who devoted 90 hours of his time to the negotiations, who played the crucial role in keeping the parties from walking out and finally reaching agreement.

Whether an act of desperation or a stroke of genius, Clinton finally called on a gaunt and hairless King Hussein, who was undergoing intensive chemotherapy in the United States for the cancer that was soon to claim his life, to leave his hospital bed to make a final impassioned appeal for peace. Hussein addressed the "descendants of the children of Abraham—Palestinians and Israelis," and told them forcefully that they had no right to jeopardize the future of "our children and their children’s children" through "irresponsible action or narrow-mindedness."

But if King Hussein provided the moral suasion and sense of urgency, it was President Clinton who kept Netanyahu and Arafat at the table—and demonstrated to the American public and to all the world that, despite his impending impeachment trial, he was still in full command of his faculties. At the White House signing ceremony on October 23, President Clinton thanked all the members of his administration’s negotiating team, but it was clear from the words of the main players that he himself was the ultimate catalyst. Prime Minister Netanyahu called Clinton “a warrior for peace.” He went on to elaborate: “I mean, he doesn’t stop. He has this ability to maintain a tireless pace and to nudge and prod and suggest and use a nimble and flexible mind to truly explore the possibilities of both sides, and never on just one side. That is a great gift, I think a precious and unique one, and it served us well.” King Hussein noted that he had known every American president since Dwight Eisenhower, “but I have never, with all due respect and all the affection that I held for your predecessors, known someone with your dedication, clearheadedness, focus and determination to help resolve this issue.”

Clinton, who was frustrated and exasperated by Netanyahu on more than one occasion, also complimented the negotiating ability of the Israeli leader: “I was,
once again, extraordinarily impressed by the energy, the drive, the determination, the will, the complete grasp of every detailed aspect of every issue that this Prime Minister brought to these talks.” The embattled president recognized the difficulties that Netanyahu himself faced at home and noted, “He showed himself willing to take political risks for peace.” The following day, in Los Angeles, Clinton said that Netanyahu “had gotten some unfair criticism in this country for being too tough in negotiations,” but noted that in view of the opposition to further territorial concessions, Netanyahu would have an uphill battle to sell the Wye accord “to the people that are part of his coalition.”

In what may have been a desperate effort to make the Israeli concessions to the Palestinians—which included the promise to release 750 Palestinian prisoners—more palatable to his right-wing constituency, Netanyahu at the last moment, after all other issues had seemingly been resolved, demanded that President Clinton release convicted spy Jonathan Jay Pollard from prison and allow Netanyahu to take him with him on the plane to Israel. (Pollard, an American Jew, was serving a life sentence for having passed thousands of pages of classified data to the Israelis, while working as a civilian intelligence analyst for the U.S. Navy.) In May 1998 Netanyahu was the first Israeli official to publicly admit that Pollard had been an Israeli agent. But Pollard had apparently been recruited not by the Mossad, Israel’s equivalent of the CIA, but by Lekem, a rival intelligence agency that reported to Raphael Eitan, an associate of Gen. Ariel Sharon. Some speculated, therefore, that in addition to Netanyahu’s natural desire to placate his increasingly disgruntled right-wing supporters—unhappy over the territorial concessions he had agreed to in the Wye River Memorandum—by championing the Pollard appeal, another factor was the personal interest taken in the Pollard case by now Foreign Minister and Minister of National Infrastructures Sharon.

While there was considerable support within the American Jewish community for commuting Pollard’s sentence to time served on humanitarian grounds, an argument that had also been advanced by successive Israeli prime ministers to the Americans, Netanyahu’s undiplomatic timing made many American Jews uneasy and provoked nearly universal outrage in the American press. More significantly, George Tenet, the director of the Central Intelligence Agency, had reportedly threatened to resign if Clinton acceded to Netanyahu’s request. This was significant, since under the Wye accord, the CIA was to be given a specific role to monitor and report on compliance by both the Palestinians and the Israelis with the security-related provisions of the agreement.

At a joint press conference with Netanyahu in Jerusalem on December 13, Clinton was asked about Pollard. The president responded that he had instituted an “unprecedented” review of the case, asking the Justice Department and all other involved governmental agencies and all other interested parties to present their views on the matter by January 1999, after which he promised to review the sentence and “make a decision in a prompt way.” A reporter then asked Prime Minister Netanyahu: “Can you explain to the American people why you think Mr.
Pollard is worthy of a release at this point?” In a lengthy reply, the prime minister acknowledged that Pollard “did something bad and inexcusable.” “He should have served his time, and he did,” said Netanyahu, but Pollard had been virtually kept in solitary confinement for nearly 13 years, he went on, which was a “very, very heavy sentence.” Since Pollard “was sent by us on a mistaken mission, not to work against the United States,” but nevertheless broke the laws of the United States, he was making this appeal purely on humanitarian grounds. The prime minister insisted: “It is not political, it is not to exonerate him, it is merely to end a very, very sorry case that has afflicted him and the people of Israel.”

The Wye River agreement provided a detailed timetable over a 12-week period for the Israelis and Palestinians to carry out their obligations. It enshrined the principle of reciprocity, and each step in the process was linked to successful completion of the previous step. At the end of the process, 99 percent of the Palestinians would be living under their own rule in 40 percent of the West Bank, with PA control being complete in 18 percent; in the other 22 percent Israel would still retain some security functions. A Palestinian airport in Gaza was to be opened, with a discreet behind-the-scenes Israeli security role. A new joint industrial park would be built straddling the border between Israel and the Gaza Strip, which could conceivably provide employment for 20,000 Palestinians. Two corridors for travel between the West Bank and Gaza were also to be established.

Opponents of the accord noted that the IDF withdrawals would leave some settlements isolated and vulnerable, and that 25 percent of the land over the Yarkon aquifer, a key water resource for Israel, would be in Palestinian-controlled territory. Although the PA was committed to working together with the Israelis on monitoring and developing their shared water resources, critics of the accord pointed out that in the Gaza Strip, Palestinian overpumping and other mismanagement had exacerbated the problem of sea-water intrusion and had contaminated much of the area’s fresh-water supply.

On the positive side, from Israel’s standpoint, the Palestinian Authority committed itself to apprehend and imprison wanted terrorists, to outlaw and dismantle the infrastructure of terrorist groups, to confiscate unauthorized weapons, and to bring the Palestine police down to the authorized level. As a further move to demonstrate that the Palestinian commitment to peace with Israel was genuine and permanent, Arafat agreed to convene the Palestine National Council to publicly and finally revoke the anti-Israel provisions of the Palestine National Charter. In addition, a trilateral Israeli-Palestinian-American anti-incitement committee was to meet regularly to monitor and prevent incitement to violence and terror in the press, on radio and television, in textbooks, and in other vehicles of information.

In his trip to the area in mid-December, President Clinton placed a stone from the White House lawn on the grave of Prime Minister Rabin, joined Premier Netanyahu in lighting Hanukkah candles at the Hilton in Jerusalem, and reassured the Israelis of the American commitment to their security and peace. However,
the most noteworthy event was Clinton’s visit to Gaza, where he landed at the new Palestinian airport in his Marine One helicopter, to meet with the Palestine National Council. In his presence, roughly 500 members—out of an estimated total membership of 650—stood and raised their hands before a worldwide television audience to reaffirm Arafat’s earlier written declarations that the anti-Israel provisions of the PLO charter had indeed been removed. In Jerusalem, Prime Minister Netanyahu said he accepted the vote as “a real change, a very positive change.” Nevertheless, he refused to move further with the redeployment process, beyond the first 2 percent post-Wye withdrawal, until the Palestinians had met all their other commitments. This caused much disappointment not only among the Palestinians but also in the Clinton administration.

Facing right-wing defections from his government over the terms of the Wye agreement and an imminent vote of no-confidence, Netanyahu agreed on December 21 to dissolution of the Knesset and a call for early elections, which, after some debate, were scheduled for May 17, 1999. Although Netanyahu said he was still committed to implementing the Wye accord, in fact the process was again to be frozen as the Israelis geared up for their election campaign.

In contrast to the frustration in Washington over the Israeli failure to move forward, which threatened to put a strain on the much vaunted Israel-U.S. “special relationship,” 1998 marked the year in which the Clinton administration moved closer to recognition of a Palestinian state and developed a closer relationship with its leadership. In his speech to the PLO leadership in Gaza, Clinton declared: “I am profoundly honored to be the first American president to address the Palestinian people in a city governed by Palestinians.” Congratulating them on their vote to formally renounce their opposition to Israel’s right to exist, he said that they were “taking the lead in writing a new story for the future,” adding pointedly: “And you have issued a challenge to the Government and leaders of Israel to walk down that path with you.”

First Lady Hilary Rodham Clinton was greeted with thunderous applause and hailed as a champion of Palestinian statehood wherever she went in Gaza. Although she walked a careful diplomatic line in her public appearances, praising Palestinian national aspirations while avoiding comments that could be considered a call for sovereignty, the Palestinians remembered the comment she had made some seven months earlier, in response to a televised question from a gathering of Israeli and Palestinian schoolchildren, to the effect that at the end of the peace process a responsible Palestinian state could make a positive contribution to regional peace and security. Although that statement was immediately disavowed by the White House press secretary as not reflecting official U.S. policy, statehood was clearly the direction in which Washington was moving.

Indeed, even in Israel there was a widespread and growing body of opinion that eventually there would be a Palestinian state west of the Jordan River. The task of Israel’s negotiators was, as Ariel Sharon put it, to make sure that that Palestinian entity or state’s exercise of sovereignty was so limited as to prevent it from
constituting a military or political threat to Israel and its neighbors, notably the Hashemite Kingdom of Jordan, which already had a Palestinian majority in its population.

The degree of achievement in the Middle East peace process at the end of 1998 was given a rating of only 3.5 out of a possible 10 from "Peace Pulse," an index prepared each year since 1990 by a team headed by Prof. Steven Spiegel at the UCLA Center for International Relations and cosponsored by the dovish Israel Policy Forum (IPF). Peace Pulse monitors prospects for peace according to 14 indices, ranging from terrorism to the unemployment rate to tourism. On the positive side, the 1998 report noted that a decade-low total of 40 Israelis and Palestinians died in "political violence," and that Israeli-Jordanian relations had improved. Among the negative factors were the decline in the Israeli economy and the assessment that Iranian and Iraqi threats had increased "because of the successful Iranian tests of [missiles that could deliver] weapons of mass destruction and the decline of UNSCOM in Iraq." The report estimated that had the Wye agreement not been signed, the Peace Pulse for the year would have declined to 2.7, "making it the worst year of the decade." (The highest rating was 6.4 in 1994 following the start of Israel-PLO talks and the signing of the Jordanian-Israeli peace treaty.) "The bottom line is that the peace process is still teetering on the brink," the report stated. Assessing the American role, it concluded: "The U.S. was the hero... in 1998, preventing disaster through dogged diplomacy. Only the U.S. can make a difference, and if it does not keep constantly at the task, frustration and violence will result."

**Economic and Defense Cooperation**

The United States was maintaining its high level of current aid to Israel and agreed to increase the amount of military assistance because of the increasing costs of defending Israel against the new threats in the region. In January the Netanyahu government proposed gradually eliminating the $1.2 billion in annual U.S. nonmilitary aid over a 10–12-year period. Welcoming this proposal, Assistant Secretary of State Indyk pointed out that the phasing out of economic aid was occurring in the context of "a growing Israeli economy with a GDP of $90 billion—an economy which really does stand on its own two feet." He also noted that the Israeli-American bilateral relationship was helped "when the dependence is reduced." Indyk added that the administration planned to use the dollars freed up by the cut in economic aid to Israel to enable the Middle East Peace and Stability Fund to help other countries either engaged in the peace process, or who were normalizing relations with Israel. The first immediate beneficiary was to be Jordan, which was undergoing severe economic difficulties.

The appropriations bill passed by Congress for Fiscal Year 1999 (which began on October 1, 1998) was the first to implement the new arrangements worked out between Washington and Jerusalem. It earmarked $1.08 billion in Economic
Support Funds (ESF)—$120 million less than in previous years, and $1.86 billion in Foreign Military Funding (FMF). Of the latter amount, Israel was authorized to spend $490 million in Israel itself to research, develop, and produce sophisticated new defense systems to meet the challenge of the increased missile capacity of its potential Arab adversaries and Iran. Congress also agreed that all the aid would be disbursed 30 days after passage of the bill, rather than being doled out gradually. The bill also provided $70 million for refugee assistance in Israel. Egypt received $1.3 billion for FMF and $775 million for ESF, reflecting a $40 million reduction in economic aid from the previous year. Of the $75 million in U.S. aid to the Palestinians, Congress prohibited any funds going directly to the Palestinian Authority or to the Palestinian Broadcasting Authority because of its continuing inflammatory anti-Israeli broadcasts.

While there was little progress on the diplomatic front in 1998, there was enhanced Israeli-American cooperation in the area of defense and confronting terrorism. Congress was active in its efforts to stop the spread of missile technology to Iran, especially from Russia. Although President Mohammed Khatami made some positive remarks about favoring a cultural dialogue between Iranians and Americans in a lengthy CNN interview in January, he rejected Washington's offers to begin an official dialogue to discuss outstanding issues, and he and other Iranian officials reiterated in the most vitriolic terms the Islamic Republic's opposition to the State of Israel. They also denounced the Palestinians for seeking to reach a peace agreement with Israel. In the face of the evidence that Iran had not really moderated its anti-American and anti-Israel policies, in May the U.S. Senate passed by 90 votes to 4 the Iran Missile Proliferation Sanctions Act (IMPSA), which was designed to impose sanctions on Russian companies supplying missile technology to Iran. In June the House passed IMPSA by an overwhelming 392-22 margin. The president at first vetoed the bill, claiming it would interfere with ongoing negotiations with Moscow on this issue. However, when faced with overwhelming congressional support for overriding his veto, in July Clinton issued an executive order imposing sanctions on nine Russian companies for aiding the Iranian ballistic-missile program.

Congress also took additional steps to bolster Israel's ability to defend itself against the growing missile threat. The United States had been working with Israel for several years to develop the Arrow antimissile rockets to intercept incoming missiles while they were still in the upper atmosphere. In May Congress appropriated an additional $45 million for the program, so that Israel would obtain a third Arrow missile battery, beyond the two originally budgeted. In the FY 1999 defense appropriation bill, Congress approved an additional $47 million for the Arrow program—some $9 million more than the Pentagon had requested. Congress also added funds for some other joint U.S.-Israeli missile-defense programs. This followed the news that Iran had in July test-fired the first prototype of its Shihab-3 rocket, almost a year ahead of Western defense estimates. With a predicted range of 900 miles, and with the planned Shihab-4 reaching even fur-
ther, Israel was now potentially a target of Iranian nuclear or chemical weapons. The launch on May 31 by North Korea of a missile that landed near Alaska caused additional concern, since North Korea had been a traditional supplier of ballistic missiles to Iran, Syria, and Egypt.

In September the close defense cooperation between Washington and Jerusalem was highlighted by the inauguration of the U.S.-Israeli Interparliamentary Commission on National Security. A joint hearing was held, with a bipartisan group of American members of the House and Senate and a group of Knesset members from across Israel's political spectrum. The first meeting dealt with the danger of missiles in the hands of rogue states. Further institutionalizing their defense cooperation, on October 31 Clinton and Netanyahu signed a new Memorandum of Understanding to enhance cooperation in the defense field. There were also a variety of joint military training exercises during the year.

Symbolic of the broadening strategic cooperation among America's friends in the turbulent Middle East, in January 1998 the U.S. Sixth Fleet joined with units from the Israeli and Turkish navies in their first trilateral military exercise. Significantly, Jordan sent military observers. Although this initial exercise, dubbed operation "Reliant Mermaid," was ostensibly only to demonstrate humanitarian search-and-rescue missions at sea, it served to underscore to potentially unfriendly states in the region that the rapidly developing strategic ties between Jerusalem and Ankara had the blessing of the Clinton administration in Washington.

During the year both the United States and Israel suffered casualties from terrorist attacks, most of them by radical Islamic militants. By far the worst incidents were the August 7 bombings of the U.S. embassies in Nairobi, Kenya, and Dar es-Salaam, Tanzania. Reportedly 257 persons were killed, including 12 Americans, and over 5,000 were wounded. Israel won universal praise from the African states and the United States for the heroic round-the-clock efforts of the Israeli rescue teams that were sent to the sites immediately following the disasters.

Washington was convinced that the mastermind of the attacks was Osama Bin-Laden, a wealthy Saudi exile who had become a militant Islamic extremist, who was suspected of involvement in earlier terrorist attacks, including against U.S. installations in Saudi Arabia. In February 1998, Bin-Laden had issued a "Declaration of the World Islamic Front for Jihad against the Jews and the Crusaders," which urged Muslims around the world to kill Americans, because, among other reasons, the United States had defiled the sacred soil of Saudi Arabia by stationing its troops there. The United States offered a $5 million reward for his capture and also bombed his suspected headquarters in Afghanistan. The bombings at the U.S. embassies, like the World Trade Center bombing several years earlier, once again awakened Americans to the grim realization that they and the Israelis faced a common threat from radical Islamic terrorists.

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