



## NEWS AT A GLANCE

■ President Clinton hosted a menorah-lighting ceremony in an Oval Office ceremony. He joined Israeli President Ezer Weizman and other world leaders — including representatives of the pope at the Vatican — whose Chanukah ceremonies kicked off a yearlong celebration of Israel's 50th anniversary.

■ The 33rd Zionist Congress opened in Jerusalem as hundreds of delegates from around the world gathered to mark 100 years of Zionism. Avraham Burg of Labor was re-elected chairman of the Jewish Agency for Israel and the World Zionist Organization for two years. He will be succeeded by Salai Meridor of Likud. [Page 1]

■ Three Israeli soldiers were wounded, one seriously, in an attack in the southern Lebanon security zone. Hezbollah claimed responsibility for the attack.

■ Lithuania moved one step closer to prosecuting alleged Nazi war criminal Aleksandras Lileikis when its Parliament amended its criminal code to allow those suspected of genocide to stand trial regardless of their health. Lileikis returned to the Baltic nation last year after the United States revoked his citizenship.

■ A convicted Italian war criminal left a military hospital to serve the remainder of his sentence at his lawyer's home. Erich Priebke, who has three months left to serve for participating in a 1944 massacre near Rome in which 335 people were killed, was greeted by a sign that said "Merry Christmas, Killer."

■ Israel moved closer to passing a controversial budget when the Knesset Finance Committee approved a compromise proposal. Coalition members dropped their opposition after Finance Minister Ya'acov Ne'eman agreed to cancel planned cuts in child allowances and to consult with a ministerial committee regarding any changes in health services.

**REMINDER: The JTA DAILY NEWS BULLETIN will not be published Friday, Dec. 26.**

## AROUND THE JEWISH WORLD

### Activity at Jerusalem Congress shows Zionist politics still alive

By Mark J. Joffe

JERUSALEM (JTA) — One hundred years after the First Zionist Congress, delegates from all over the world gathered here this week and engaged in passionate debates about the future direction and structure of the Zionist movement.

They came in droves from the Americas, Western and Eastern Europe, and, of course, from various parts of Israel. But they also came from countries such as India, New Zealand and South Africa.

While many openly questioned whether the 33rd Zionist Congress would be the last one ever, the frenzy of activity, the flurry of last-minute resolutions and the frequency of behind-the-scenes negotiations made it clear that Zionism is still very much alive.

Much of the business conducted at Zionist congresses, generally held every four years, centers around the election of people to powerful posts within the World Zionist Organization and its partner, the Jewish Agency for Israel.

This congress, held Dec. 23 to 26, was held as the central apparatus of the Zionist establishment is undergoing a major reorganization, with the bulk of the WZO being folded into the Jewish Agency and the agency itself undergoing tremendous belt-tightening.

Part of what is at stake is the distribution of world Jewry's resources, since the WZO has joint authority over the \$400 million annual budget of the Jewish Agency.

At least half of that money is contributed by American Jews through the United Jewish Appeal.

The bulk of the money is spent in Israel for the absorption and resettlement of immigrants. Much of the rest is spent for Jewish and Zionist education around the world.

The coveted leadership posts are divvied up among the major Zionist blocs — usually in deals sealed in closed-door bargaining sessions that take place long before the congress opens.

That was the case this time around as well, except that there were some last-minute surprises.

A raucous meeting early this week of the World Likud Union resulted in some last-minute nominations of people to key Jewish Agency posts.

### Moves catch Diaspora leaders by surprise

These moves caught Diaspora Jewish leaders by surprise, and there were indications that these leaders might exercise their right to effectively veto certain candidates after their election.

There was no division, however, over who the next chairman of the WZO and Jewish Agency should be.

Under a deal worked out months ago, the current chairman, Avraham Burg of the Labor Party, was elected unanimously to continue in his post for another two years, until the end of 1999.

He will be succeeded for the following two years by Salai Meridor of Likud, the outgoing chairman of the Jewish Agency's settlement department.

In an acceptance speech Tuesday, Burg observed that he and Meridor had lived on the same street as children and were now sharing the honor of chairing the premier Zionist institution.

He said his only regret was that he would have to turn over the post a day before the year 2000 begins.

"You will be there in the next century, to start the next century of Zionism," he told Meridor.

But if there was across-the-board satisfaction with this power-sharing arrangement, there were significant doubts about whether the Likud candidate for the second most powerful Jewish Agency post — that of treasurer — would ever take office.

The current treasurer, Hanan Ben-Yehudah of Likud, who enjoyed the backing of Diaspora leaders, suddenly withdrew his candidacy this week amid

the turmoil at the World Likud Union meeting. In his place, Likud nominated Nicki Caputo, a South African businessman who now lives in Israel.

There were indications that the Diaspora fund-raising leadership, which must give its consent to the chairman and treasurer, were concerned about Caputo's qualifications.

The concerns come at a time that the Jewish Agency's survival as an entity funded primarily by American Jewish community federations remains in doubt beyond the next two years.

Some federations have been reassessing their relationship to the agency to see whether it can continue to meet the changing needs of its donors.

The Jewish Agency has responded to these concerns by undertaking a major restructuring plan that aims for more efficiency and less politics.

Diaspora leaders were said to prefer that Meridor himself take the treasurer's post for the next two years until he assumes the chairmanship.

The election was scheduled to take place by the end of the Congress on Friday.

Meanwhile, there was behind-the-scenes wrangling over who would head the four major Jewish Agency departments.

Under an understanding reached among the various Zionist constituencies, the four posts and their multimillion-dollar budgets were to be carved up among the major blocs of delegates to the Congress.

Labor won control of the aliyah department, which is responsible for helping resettle immigrants to Israel from all over the world.

A bloc led by the Reform movement, which had scored a significant victory in the open election of U.S. delegates over the summer, won control over two other departments — one dealing with Israel-based projects and the other dealing with outreach to Jewish communities in the former Soviet Union.

The Reform bloc is seeking control of various departments to ensure that their point of view on religious pluralism — that the State of Israel should recognize the authority of non-Orthodox Jewish clergy on conversions, marriages, divorces and burials — is promulgated by representatives of the Jewish state working all over the world.

The fourth post — education — went to Likud.

Diaspora leaders were said to be concerned about Likud's top choice for the post, Amos Horev.

They were said to be hopeful that Likud's No. 3 candidate to head the department, Bobby Brown, would ultimately get the post.

Brown is currently Prime Minister Benjamin Netanyahu's adviser on Diaspora affairs.

He has played a leading role in trying to defuse the religious pluralism crisis, where a committee is currently trying to work out a compromise on conversions acceptable to the Orthodox as well as the Reform and Conservative movements.

### Youth rock the congress

The jockeying over political positions was not the only controversy to rock the congress, however.

On Tuesday, students holding a separate Zionist congress barged into a plenary session devoted to youth outreach and demanded the right to take part as delegates in all votes at the main congress.

"We represent the future of the Jewish people," said Neil Levitan, 18, of England, a Young Judea activist. "To deny us a vote in the Zionist Congress is to deny a vote to Israel's future."

Added Yoav Gordon, 21, also of England and a

member of the Betar movement, "If we're old enough to make aliyah and serve in the Israeli army, we are old enough to vote in the Zionist Congress."

Major battles were also in the works concerning dozens of resolutions on issues ranging from religious pluralism to farmers' rights in Israel.

But despite all the fireworks, an air of unity permeated the congress Tuesday night at festive opening ceremonies that featured performances by some of Israel's best-known artists and an address by Netanyahu.

The multimedia extravaganza began with the lighting of the Chanukah menorah by Batya Arad, the mother of missing Israeli airman Ron Arad, who told the Zionist delegates, "Your work is not in vain."

The ceremony also included a poignant family reunion. A teen-ager who had emigrated from the former Russian region of Dagestan watched a video of his mother saying how much she missed her son.

Moments later, she and the rest of the family strode onto the stage to the evident surprise of the young immigrant. □

### Time names Holocaust survivor the 'Man of the Year' for 1997

By Peter Ephross

NEW YORK (JTA) — Time magazine has named a Jewish Holocaust survivor its 1997 "Man of the Year."

The magazine honored Andrew Grove, who is the chairman and CEO of Intel, which produces nearly 90 percent of the world's personal computer microprocessors.

In honoring Grove, 61, Time said he possessed a "paranoia bred from his having been a refugee," combined with an "entrepreneurial optimism" and a "sharpness tinged with arrogance."

Grove was born Andras Grof in Hungary to a dairyman and a bookkeeper.

He and his mother survived the 1944 roundups in Budapest by posing as "acquaintances of a Christian family," according to Time.

After the war, he studied chemistry. Opera was another passion.

When the Russians invaded Hungary in 1956, Grove left, escaping over the border into Austria by foot.

He made his way to Brooklyn, N.Y., where he lived with an aunt and uncle.

He then enrolled in New York's City College, graduating first in the 1960 engineering class.

After earning a doctorate from the University of California at Berkeley, Grove chose a job at Fairchild Semiconductor, a start-up company.

With his bosses, Grove moved to Intel in 1968, and in 1987, he was named to head the company. He has earned a reputation as a demanding manager within the company and a ruthless destroyer of Intel's competition.

It has paid off for Intel.

Intel, which produces the Pentium II chip, is now worth \$115 billion and earns \$5.1 billion annually in profits, making it the seventh most profitable company in the world.

And it has paid off for Grove. He and his wife, Eva, whom he met in 1957 when he was working at a busboy at a New Hampshire resort, have an estimated net worth of more than \$300 million.

Despite all of his successes, Grove's life experience appears to have taught him about the transience of life. He received another reminder of this fact in 1994, when he was diagnosed with prostate cancer.

Perhaps this is why, when asked by Time to contemplate technology, he answered, "Technology happens. It's not good or bad." □

# NEWS ANALYSIS

## Budget crisis imperils coalition, prompts delay on peace process

By David Landau

JERUSALEM (JTA) — Israeli Prime Minister Benjamin Netanyahu hardly expected to face a chorus of “Bibi, Go Home” from hundreds of workers in Ofakim.

After all, some 80 percent of this southern development town, with its largely Moroccan population, chose Netanyahu over the Labor incumbent, Shimon Peres, in last year’s election.

Yet when the premier swept into town this week, leading an anti-unemployment task force of ministers and senior officials, he was roundly booed. Ofakim, the site of violent protests for more than a week, has the largest unemployment rate in Israel — 14.3 percent.

Netanyahu arrived with plans to create some 300 new jobs for the town of 25,000 — but local residents still had their doubts.

As the premier arrived, the town’s second-largest textile factory announced that it was laying off some 100 workers. It is joining many others in the industry in moving part of its production to Jordan, where wages are markedly lower.

Ofakim is not alone. Unemployment in most other Negev development towns has surged past 10 percent in recent months — 13.2 percent in Sderot, 12.8 percent in Kiryat Gat and 12.7 percent in Yeroham — communities that also backed Netanyahu’s election.

While the Negev figures are way above the national average, there are now more than 151,000 Israelis out of work — more than 7 percent of the work force. It is the highest figure in years.

The economic data, released in mid-December, have placed the spotlight on the issues of unemployment and the widening social gap.

While working people often find it hard to make ends meet, a thin but growing segment of Israeli society is growing rich. Some surveys show the income gap to be among the widest among Western industrialized countries.

To make matters worse, the economic figures showed a negative inflation rate for the preceding month.

While in principle the dousing of inflationary flames is a prime goal of the central bank’s policies, the negative November figure gave rise to fears that a recession is deepening.

### Dec. 31 deadline looming

The grim statistics and the public preoccupation with jobs and wages could hardly come at a worse time for the prime minister and his coalition.

The Dec. 31 deadline for Knesset adoption of the annual state budget looms large on the political calendar.

Under Israel’s electoral laws, a government can technically survive for three months — until the end of March — without an approved budget.

But political experts say the blow to a government’s prestige implicit in a Knesset vote against the budget would most probably result in its early demise and the holding of new elections.

There is meanwhile no certainty, given all the infighting within the coalition in recent weeks, that the budget will pass.

Foreign Minister David Levy, who has been publicly critical of the prime minister and a hard-line group of ministers over plans for redeploying Israeli troops in the West Bank, is also among the sternest critics of the government’s economic policy.

“We are on the edge of disaster,” the foreign minister said at the Cabinet meeting Sunday, when he

accused the premier and Finance Minister Ya’acov Ne’eman of insensitivity and ignorance regarding the living conditions of low-income families.

Levy’s Geshet Party and the Shas Party are both keenly attuned to social welfare issues since both draw substantial support from Israel’s mainly working-class Sephardi population. Indeed, the minister of welfare, Shas’ Eliyahu Yishai, called Ne’eman a “slippery eel,” accusing him of wriggling out of social welfare commitments in the proposed budget.

Along with Shas and Geshet, the National Religious Party and Yisrael Ba’Aliyah Party had threatened to vote against the budget if planned cuts in child allowances and health spending are not canceled.

But coalition members dropped their opposition to the proposed budget after Ne’eman agreed Tuesday to cancel the cuts in child allowances and to consult with a ministerial committee before cutting health spending.

The bill was then approved by the Knesset Finance Committee, clearing at least one major hurdle toward its passage by the full Knesset. Despite the compromise, Ne’eman said he would not allow the changes to increase the budget deficit, adding that the ministerial committee would have to come up with new cuts.

Because of the wrangling over the budget, according to American sources, the Clinton administration let up on its diplomatic pressure concerning Israel’s redeployment from the West Bank and extended its deadline for a workable plan until mid-January.

Netanyahu has met twice this month with U.S. Secretary of State Madeleine Albright in Europe, and is expected to bring to the White House next month his government’s military pullback proposal.

Clinton administration officials are said to have acknowledged that Netanyahu’s leverage among his own ministers and coalition allies will be much stronger if and when he has the budget safely behind him.

Indeed, Netanyahu got his Cabinet to sign off on the Hebron Agreement in January once he was safely through last year’s budget process.

### Admiration for the ‘Iron Lady’

In the longer term, however, the premier’s domestic troubles are unlikely to end even if the Knesset passes the budget.

Economic experts say the essential difficulty is that the budgetary solutions envisaged by Netanyahu and Ne’eman need time to take effect, while the political problem posed by rising unemployment allows for no delays.

The budget is based on a philosophy that growth in the business sector is the best and healthiest way of creating more jobs. Ne’eman’s package proposes severe restraint on government spending — apart from investments in infrastructure.

It is designed to encourage greater competitiveness, to further liberalize foreign exchange regulations as an inducement to overseas investment and to plow ahead with the privatization of state-owned companies and financial institutions.

Netanyahu does not hide his admiration for Britain’s controversial “Iron Lady,” former Prime Minister Margaret Thatcher. But she took on the unions when backed by a sizable majority — and, more importantly, a dependable majority — in the House of Commons.

With socialist-leaning parties like Shas and Geshet in his coalition, Netanyahu cannot afford a fight with Israel’s labor unions — who launched a paralyzing five-day strike earlier this month — or, for that matter, with the workers of Ofakim, if he hopes to survive in office into 1998. □

# AROUND THE JEWISH WORLD

## Wealthy Ukrainian Jews design grand plan for local community

By Lev Krichevsky

KIEV, Ukraine (JTA) — When a group of Lubavitch rabbis working in Ukraine first asked a local multimillionaire to set up a Jewish charity, the tycoon refused.

Only after other Jewish businessmen declined did Vadim Rabinovich agree to become involved.

Now Rabinovich, one of Ukraine's richest citizens and a close friend of the country's president, has delved into the Jewish world with a vengeance.

The 48-year-old has organized the country's Jewish businesspeople behind his new communal organization, the All-Ukrainian Jewish Congress.

The congress has set for itself a grand plan in the former Soviet republic: to unite the disparate Jewish groups, fund communal projects, counter anti-Semitism and seek restitution of Jewish property.

The group concluded its first major gathering in Kiev last week by announcing that it has raised about \$2.5 million among the nation's businesspeople to support the country's 600,000 Jews and unite some 120 Ukrainian Jewish organizations.

Iosif Zissels, the head of the Ukrainian Va'ad, the country's oldest Jewish umbrella organization, said Jewish activists have wanted to involve Jewish businessmen in the community for several years.

But Ukraine's Jewish businesspeople have lagged behind their Russian counterparts in supporting Jewish communal groups. A lack of money is one reason. The Ukrainian economy has struggled as the country attempts to make a transition to capitalism in a land with strong Communist — and communal — traditions.

Anti-Semitism is another obstacle. Rabinovich, who owns several businesses in Ukraine, including the country's most popular television channel, says the fear to publicly acknowledge one's Jewish roots prevents many from contributing to the Jewish community.

But now this appears to be changing.

Grigory Surkis, whose commercial empire includes oil trading, a law firm, a television station and the country's most popular soccer team, Dynamo Kiev, was unanimously elected chairman of the board of the new congress.

Surkis, whom the Ukrainian press called the "man of the year" in 1996, told the 250-plus delegates attending the congress that the meeting marked the first time "in 47 years of my life that I felt Jewish."

### Community will benefit

Jewish activists say that whatever the reasons that motivated businessmen and women to donate money to the Jewish cause, the community will eventually benefit from it. "There is no question that the funds the congress is raising will make a difference to virtually every Jew," said Yefim Vygodner, chairman of a small community in Bershad, a former shtetl in central Ukraine that is still home to 150 Jews.

According to Rabinovich, membership on the group's board of major donors costs \$50,000. There are 20 people who have already donated this or larger sums.

The congress announced that it plans to divide the money in the following way:

- 35 percent of its funds will go to welfare programs to respond to the needs of the elderly, many of whom are Holocaust survivors;
- 15 percent is expected to be spent on Jewish educational institutions;

• 10 percent will go to support Jewish communities;

• 9 percent to youth programs;

• 6 percent to activities memorializing the Holocaust; and

• 4 percent to programs assisting aliyah.

Despite the new funds, Rabinovich said Ukrainian Jewry would be unable to survive without help from foreign Jewish groups.

"It would be great if we could cover one-tenth of what the community needs here," he said. "This is our insurance in case the aid from abroad decreases or stops."

The American Jewish Joint Distribution Committee, which runs a network of welfare centers throughout Ukraine, cautiously endorsed the new congress' plans.

"We are glad that we have got a strong partner like the All-Ukrainian Jewish Congress, with whom we have one and the same mission," said Leonid Zelikovsky, the JDC's representative in Kiev.

After Ukraine's two Jewish umbrella organizations, the Jewish Council of Ukraine and the Va'ad, joined the congress, the most influential rabbinical authority in Ukraine put aside his initial reluctance and joined the congress after weeks of negotiations with Rabinovich.

"Before I joined, I had to be sure that I was doing something that I will not regret in the future," said Ya'akov Dov Bleich, chief rabbi of Kiev and Ukraine.

Some of their hesitance might be traced to Rabinovich's shadowy past.

Media reports surfaced earlier this year in the United States and Israel linking Rabinovich to organized crime.

Rabinovich served until 1995 as the Ukrainian representative for Nordex, a Vienna-based company owned by Grigory Loutchansky, a Russian who the CIA has said in congressional testimony is linked to Russian organized crime.

Rabinovich said he had cut his ties with Loutchansky, who has denied that he was a member of the Russian mafia. Rabinovich was also jailed in a Soviet prison from 1982 to 1990 for allegedly stealing from the state.

He said in an interview that he had committed no crime and had been imprisoned for being Jewish. □

## German court orders probation for convicted former Nazi guard

By Deidre Berger

FRANKFURT (JTA) — A German court has given 20 months of probation to a man involved in the World War II murder of Jewish children in a Ukrainian village.

The court found Ernst Hering, 75, guilty of guarding the site in Israelowka where 19 children under the age of 10 were shot or beaten to death by the Nazi SS.

The judges said Hering also helped guard about 60 Jewish residents in his native village before they were shot to death in a pit on the edge of the town.

The Simon Wiesenthal Center welcomed the conviction in what may be one of Germany's last war crimes trials.

Hering's conviction "once again proves the possibility of achieving a measure of justice more than 50 years after the crimes were committed," Efraim Zuroff, director of the center's Israel office, said in a statement.

The trial took place in a juvenile court because Hering was 19 years old at the time the events took place.

The court said the sentence took into account Hering's confession during the trial, as well as his relative youth at the time of the crime.

State prosecutors had asked for a 2-year prison term. □