



# Daily News Bulletin

Vol. 77, No. 127

Thursday, July 8, 1999

82<sup>nd</sup> Year

## Israel's new Cabinet

PORTFOLIO	MINISTER	PARTY
Prime Minister, Defense	Ehud Barak <sup>1</sup>	One Israel
Foreign Affairs	David Levy	One Israel
Finance	Avraham Shochat	One Israel
Justice	Yossi Beilin	One Israel
Public Security	Shlomo Ben-Ami	One Israel
Communications	Benjamin Ben-Eliezer <sup>2</sup>	One Israel
Environment	Dalia Itzik	One Israel
Regional Cooperation	Shimon Peres	One Israel
Jerusalem Affairs <sup>3</sup>	Haim Ramon	One Israel
Labor and Social Affairs	Eli Yishai	Shas
National Infrastructure	Eli Suissa	Shas
Health	Shlomo Benizri	Shas
Religious Affairs	Yitzhak Cohen	Shas
Education	Yossi Sarid	Meretz
Industry and Trade	Ran Cohen	Meretz
Interior	Natan Sharansky	Yisrael Ba'Aliyah
Transportation	Yitzhak Mordechai	Center
Housing	Yitzhak Levy	NRP

<sup>1</sup>Prime Minister Ehud Barak is retaining control over four ministerial portfolios that he may distribute when and if he expands his Cabinet, as he is expected to do. The portfolios are Immigrant Absorption, Agriculture, Science and Tourism.

<sup>2</sup>Benjamin Ben-Eliezer also holds the rank of deputy prime minister.

<sup>3</sup>This is a new portfolio in the Prime Minister's Office.

## NEWS ANALYSIS

### Barak may have ushered in era of bad feelings among supporters

By David Landau

JERUSALEM (JTA) — Broken promises are ultimately what cost Benjamin Netanyahu the prime ministership of Israel.

Broken hearts may be the undoing of his successor, general-turned-politician Ehud Barak.

While it is still too early to tell how Barak's government appointments will affect the regional peace process, there were already rumblings that he was less interested in naming veteran members of his One Israel bloc to important Cabinet posts than in having those positions go to party members who would follow his own dictates.

As Barak took the oath of office, political old-timers whispered warnings that the bleeding political corpses strewn along Barak's path to the Knesset podium might yet, like the biblical dry bones, rise anew — and seek revenge from Israel's new leader.

For the moment, the warnings were quiet. The whisperers are not anxious to tangle with the incoming premier.

But what some viewed as Barak's high-handed treatment of his own party's best-known and most-able politicians has been duly noted and filed away.

A day of reckoning, say the whisperers, may yet come round.

Among the salient casualties of Barak's efforts to build a Cabinet are three men who together represent, to many Israelis and friends of Israel abroad, the promising hope of quality leadership in the future: Yossi Beilin, Shlomo Ben-Ami and Haim Ramon. Instead of installing them in top Cabinet slots, Barak has pointedly preferred to give all three relatively minor appointments.

Barak has named Avraham Shochat head of the key Finance Ministry, the same position he held in the previous Labor government, and given another long-standing loyalist, Benjamin Ben-Eliezer, the much-desired Communications Ministry.

Ben-Eliezer, who was housing minister in the governments of former prime ministers Yitzhak Rabin and Shimon Peres, will also carry the title of deputy prime minister. This is not in itself a position of politician power, but it is nevertheless a post that carries with it the political message that he has won the prime minister's trust and confidence.

Barak's close coterie of political aides reject any comparisons between him and the defeated Likud premier, who was perennially on bad terms with his own Cabinet ministers.

Netanyahu, they say, was famous — and eventually infamous — for misleading all around him, his own ministers included. Barak, by contrast, has concluded 50 arduous days of coalition negotiations with a whole slew of partner-parties without incurring one single accusation of having engaged in double talk.

Nor, they insist, did he ever promise Beilin or anyone else within One Israel anything he did not deliver.

This defense is true and valid as far as it goes, but it does not address the uncomfortable feeling, spreading rapidly through One Israel and through the wider political community, that Barak is ruthless with his supporters to the point of downright cruelty — and, perhaps more significantly, to the point of political foolishness.

For seven long weeks he kept his party's ministerial hopefuls dangling in the wind. First, he said, he had to finish negotiating with the coalition partners. But by the time he had finished, there wasn't all that much left to be handed out in the way of Cabinet

## MIDEAST FOCUS

### Barak plans summit meetings

Israeli Prime Minister Ehud Barak planned meetings with the leaders of Egypt and the Palestinians on his first day in office.

Barak, who said when he was sworn in Tuesday that peacemaking will be his top priority, announced the following day that he will meet with Egyptian President Hosni Mubarak on Friday and with Palestinian Authority Chairman Yasser Arafat on Sunday. He also plans to meet with Jordan's King Abdullah before traveling to Washington.

Barak is scheduled to arrive in Washington on July 14 for a six- or seven-day trip that will include at least one meeting with President Clinton on July 15. Barak has left time open for a second meeting with Clinton on July 19.

In addition to meeting with Clinton, Vice President Al Gore, senior Clinton administration officials and members of Congress, Barak is scheduled to spend the July 16-18 weekend in New York, where he will meet with representatives of the organized Jewish community.

### Beilin slams Barak initiative

Israel's justice minister spent his first day in office drawing up a legislative amendment that would permit the Cabinet to be expanded to 24 ministers from the limit of 18 mandated by the nation's Basic Laws.

While doing so at Prime Minister Ehud Barak's request, Yossi Beilin nonetheless said he thinks it is a mistake to change the Basic Laws, which serve in lieu of a Constitution, for the sole purpose of fulfilling coalition negotiations.

Beilin added that he thought it more important to seek reform of the law that permits the direct election of the prime minister. He called the current electoral law, which permits Israelis to cast separate ballots for the premier and legislature, a "curse" on Israeli democracy.



## Daily News Bulletin

Caryn Rosen Adelman, *President*  
Mark J. Joffe, *Executive Editor and Publisher*  
Lisa Hostein, *Editor*  
Howard Lovy, *Managing Editor*  
Lenore A. Silverstein, *Business Manager*

JTA DAILY NEWS BULLETIN is published five days a week, except holidays, by the Jewish Telegraphic Agency Inc., 330 Seventh Ave., New York, N.Y. 10001-5010. For information about how to subscribe by e-mail, fax or regular mail, call (212) 643-1890, or visit our Web site at [www.jta.org](http://www.jta.org).  
© JTA      Reproduction only by previous arrangement.

plums. One Israel officials, sweating and embarrassed, began unceremoniously jostling up against each other in a desperate scramble for the jobs still remaining.

The media recorded their inelegant activities with amusement, incredulity — and eventually, distaste.

As the behind-the-scenes architect of the breakthrough Oslo accords, Beilin has established an international reputation for diplomatic resourcefulness and creativity.

His contacts and friendships with key Palestinian figures and others in the wider Arab world are legion.

He would have been a natural choice for foreign minister in a government avowedly bent on resuscitating the moribund peace process.

Instead, he has been consigned to the Ministry of Justice — not an unimportant task, but one deliberately marginal to the new government's task of forging peace.

Barak could have found no sharper way of conveying the message that Beilin, despite his past achievements and present aspirations, is not to be an intimate part of the peacemaking team.

Ben-Ami, a Moroccan-born history professor who served with distinction as Israel's ambassador to Spain and is enormously popular in the party, had openly hoped for the Education Ministry.

Failing that, he saw himself as a suitable candidate for minister of finance. His ethnic origins and his sophisticated "New Labor" socioeconomic worldview, recently outlined in a well-received book, made him, in his view at any rate, a perfect finance minister in a left-liberal government.

But he has ended up as minister of public security, which is a souped-up title for the old-style minister of police, a junior if not unimportant portfolio traditionally reserved for "ethnic" — that is Sephardi — ministers, presumably because most beat policemen are Sephardim.

Ramon, who, like Beilin, has past Cabinet experience and is considered one of One Israel's brightest stars, has been named a minister without portfolio in the Prime Minister's Office responsible for Jerusalem affairs. He was also named coordinator between the government and the Knesset.

Theoretically, these nebulous titles could conceal a wealth of secret and semi-secret assignments that need fulfilling at the highest and most discreet levels of every Cabinet.

But in this appointment, too, there is an inescapable sense that Barak, far from seeking to affirm the appointee's seniority and centrality in the new government, is seeking to marginalize him.

In addition to these three appointments, there is what has been perceived as the new premier's disrespectful treatment of Peres, who has been named to the vaguely defined post of minister of regional cooperation.

Among Barak's critics, what emerges from these appointments is a picture of an autocratic, supremely self-confident leader riding roughshod over the political ambitions and sensitivities of those who should form the most solid phalanx of support around him.

Some political observers trace Barak's decisions to past altercations between him and each of the disappointed One Israel ministers.

Since the milk of human kindness is not commonly expected to course through politicians' veins, Barak's behavior needs to be judged in the cold terms of political expediency.

But in those terms, too, it seems short-sighted.

One Israel struck back at Barak on Monday, when the party's Central Committee overwhelmingly balked at Barak's nominee for the powerful post of Knesset speaker, Shalom Simchon, and voted instead for a Labor Party veteran who recently stepped down as chairman of the Jewish Agency for Israel, Avraham Burg.

This was a signal that, however large his own margin of victory was in the May elections, and however large were One Israel's reversals in the separate vote for the Knesset — in which the party lost eight seats — Barak won't be having it all his own way.

But, given the electoral system, which confers quasi-presidential powers on the premier, he will — for the moment, at any rate — be having most of it his way.

The rest is silence — or, at most, muted whispers. □

## JEWISH WORLD

### Families visit Iranian detainees

Most of the 13 Iranian Jews arrested earlier this year on charges of spying for Israel have received visits from their relatives, according to the executive vice chairman of the Conference of Presidents of Major American Jewish Organizations.

The first visit involved a mother and her 16-year-old son, Malcolm Hoenlein added.

The mother of Navid Bala Zadeh, Zoleikha Behrokhinezhad, was quoted by an Iranian newspaper Wednesday as saying the authorities were treating her son well and providing him with kosher food.

### Assad, Yeltsin voice optimism

The government of Israeli Prime Minister Ehud Barak will create new chances for peace in the Middle East, Syrian President Hafez Assad said during a visit to Moscow.

In a joint statement with Russian President Boris Yeltsin issued Tuesday night, Assad said Barak's election has brought "specific opportunities for constructive efforts to advance toward a comprehensive and just peace in the region."

### HIAS gives \$1 million for refugees

The Hebrew Immigrant Aid Society awarded \$1 million from its endowment funds to resettlement agencies across the United States. The initiative came as a result of the financial pressures that local Jewish communities are facing due to decreased government funding caused by the arrival of fewer refugees.

### Balkan religious leaders speak up

Jewish, Christian and Muslim leaders from the former Yugoslavia and other Balkan countries agreed Tuesday to set up an interreligious working group to instill a spiritual dimension to reconstruction efforts in the war-torn region.

Following a one-day meeting in Budapest, they also stressed that education was needed to prevent "religious and cultural hostility."

The Budapest meeting was the first such interreligious conference since the Kosovo conflict.

### Hungarian neo-Nazis arrested

Hungarian police arrested two suspects in connection with the weekend desecration of a Jewish cemetery in the town of Szombathely.

The suspects were described as members of the neo-Nazi Hungarist Movement, which views itself as the successors of the Hungarian Arrow Cross Party, which collaborated with the Nazis during World War II.

The desecration, in which vandals painted swastikas and anti-Semitic drawings on 15 graves, was denounced Monday by Hungarian President Arpad Goncz.

## AROUND THE JEWISH WORLD

### Ukraine bans Jewish mogul, charging 'damage to economy'

By Lev Krichevsky

MOSCOW (JTA) — Ukraine has banned a Ukrainian Israeli business mogul from entering the former Soviet republic for five years for allegedly causing "considerable damage to Ukraine's economy" through his business activities.

A Ukrainian native, 46-year-old Vadim Rabinovich is an Israeli citizen and one of the leaders of the 500,000-strong Jewish community of Ukraine.

In a news conference in Tel Aviv last week, Rabinovich accused the former Soviet republic of trying to control Ukraine's Jewish community.

But most observers and some Jewish leaders in Ukraine are denying that anti-Semitism was behind the move. Instead, they believe that the decision was part of a power struggle taking place in Ukrainian political circles.

Indeed, one of Rabinovich's most outspoken critics, Ya'akov Bleich, the chief rabbi of Kiev and Ukraine, said in an interview last April that were it not for Rabinovich's status as a Jewish leader, he would have already been deported from Ukraine.

The officials' statement, which has alarmed many Ukrainian Jews, referred to a similar decision made by security officials last December, banning the entry of Leonid Vulf, a Ukrainian Israeli who is an alleged leader of a gang suspected of contract killings in Ukraine.

"Nobody knows who this Leonid Vulf is," says Iosif Zissels, one of the leaders of the Jewish Confederation of Ukraine, who has previously criticized Rabinovich. "But such a reference, which was obviously used to justify the move against Rabinovich, creates an impression that Ukrainian Israelis have shaped a Mafia plot to undermine Ukraine's security."

Rabinovich is the founder and president of the All-Ukrainian Jewish Congress, a Jewish umbrella group. His assets are estimated at \$1 billion, making him one of the wealthiest men in the former Soviet republic.

His fortune and political skills led him to become a member of Ukrainian President Leonid Kuchma's inner circle.

But this year Rabinovich has seen his influence wane — both in Ukraine's political arena and among the country's Jewish community.

As Ukrainian presidential elections slated for October near, Rabinovich's business rivals and political foes have succeeded in driving the tycoon out of the entourage of Kuchma, who is seeking re-election.

Meanwhile, Jewish critics of Rabinovich broke away from the All-Ukrainian Jewish Congress to set up a new umbrella organization, the Jewish Confederation. In response, Rabinovich created a new group, the United Jewish Community.

The tycoon's goal, these critics said, was to win international and domestic recognition for himself as the pre-eminent Jewish leader of Ukraine in a bid to gain more influence with Kuchma.

Rabinovich, in turn, charged that other Jewish leaders failed to cooperate in meeting the community's needs. But longtime Jewish leaders parted company with Rabinovich for another reason — the tycoon's increasingly tarnished reputation.

For years, Rabinovich has been dogged by rumors about alleged connections to shady businesses, including some involving arms and nuclear materials trade with countries such as Iran and North Korea.

Rabinovich says he has never been involved in illegal business dealings, but the allegations prompted the United States to revoke his visa a few years ago. And he reportedly has been denied visas to Britain and Austria in the past few years for the same reason. Lately he has divided his time between Kiev and Netanya, Israel.

Few observers believe that Rabinovich will let matters stand. If he is not allowed to return to Ukraine, these experts say, he is likely to use compromising material on some of Kiev's leading politicians in order to continue playing a role in Ukrainian politics. □

## NEWS ANALYSIS

**Assad's quest for arms in Russia will not earn him friends in Israel***By Lev Krichevsky*

MOSCOW (JTA) — While Syrian President Hafez Assad and his Russian hosts talked about the Middle East peace process this week, Assad had a different priority: an estimated \$2 billion arms purchase from Moscow.

Indeed, this became a matter for concern at the U.S. State Department, which issued a warning Tuesday that Russia could be denied American assistance if it concludes a new weapons deal with Syria, which Washington has designated a state sponsor of terrorism.

But even if Syria does sign an arms agreement with Moscow, the move is not necessarily directed against Israel, according to at least one Middle East expert here.

Syria does not need these weapons "to solve its problems with Israel," said Yevgeny Satanovsky, head of the Institute for Israel and Near Eastern Research, a Moscow-based think tank.

"Syrian problems with its other neighbors, including Turkey and Iraq, are viewed in Damascus as no less serious," Satanovsky added.

"Syria's desire to regain at least part of its former defense capability is also a reaction to the worsening of its relations with Turkey, which controls its water supplies."

Just the same, most analysts agree, if Assad signs an arms deal here, it will do little to improve Israeli-Syrian relations or, for that matter, Israeli-Russian ties.

This week's visit is Assad's 14th official trip here — and the first since the 1991 collapse of the Soviet Union. Assad had close ties with Moscow even prior to becoming Syrian president in 1971 — he was even trained at a Soviet military college.

His latest trip comes only weeks after he made his first public comments about Israel's new premier, Ehud Barak, describing him as a "strong and honest" leader. The remark prompted widespread optimism that Israel and Syria are on the verge of resuming peace talks that were suspended in 1996.

Assad undoubtedly had the peace process on his mind during this week's visit.

Assad said during his meeting with President Boris Yeltsin that he hoped Russia would help restore political balance in the Middle East, Russian television quoted the Syrian leader as saying.

And Assad's talks with Yeltsin and Foreign Minister Igor Ivanov focused on Moscow's possible participation in renewing Israeli-Syrian negotiations.

Yet for all the talk about the Middle East, political commentators here suggest that Moscow is not likely to be able to boost its role in the region.

Its relations with Israel in the wake of Barak's recent election as prime minister remain unclear. Moreover, they say, Russia's economic troubles, coupled with the focus the Kremlin is putting on domestic issues — foremost among them, the parliamentary elections slated for later this year and the presidential elections in the summer of 2000 — will not permit Moscow to increase its influence in the Middle East.

Instead, they agree, Russia-Syrian relations are likely to focus on arms sales and on upgrading Syria's aging military arsenal.

A Russian news agency estimated that 90 percent of Syrian weapons were built in Russia and the former Soviet Union, from which Damascus was a major weapons buyer during the Cold War.

During this week's visit, Assad was believed to be seeking a restructuring of Syria's \$10 billion to \$12 billion debt to Russia, much of which lingers from Soviet times.

At the same time as he seeks debt relief for those earlier arms purchases, Assad will also be negotiating the new arms deal, which according to some reports totals \$2 billion.

Some analysts predict, however, that Russia's desire to see hard cash for the purchases, coupled with Syria's inability to pay the full amount, will cut the final figure by almost half.

The attention Russian leaders devoted to Assad's visit demonstrated Moscow's readiness to negotiate the final details of the deal, which has been in the pipeline for months.

As part of the deal, Damascus wants to purchase modern Russian SU-27 fighter jets to replace its outdated Soviet-made MIGs.

Also on Syria's shopping list are T-80 tanks, S-300 anti-aircraft systems and anti-tank missiles.

In addition, Syria wants Russia to upgrade more than 100 of its MIG jet fighters.

Last year, Russia agreed to sell Kornet-E and Metis-M anti-tank missiles to Damascus, prompting U.S. protests. While that contract has not been finalized, Moscow has made it clear, contrary to U.S. pressures, that Syria is not on any Kremlin list of countries with which it is unwilling to do business.

If the latest arms deal goes through, it will reflect Moscow's desire to re-establish its traditional alliance with Syria and boost its standing in the Middle East, according to Middle East expert Konstantin Eggert.

At the same time, Eggert added, the deal will provide some much-needed relief for Russia's cash-strapped munitions industry.

Other analysts in the Russian media suggested that any military contract between Moscow and Damascus will likely tarnish Israeli-Russian relations.

Assad's visit here comes less than four months after outgoing Israeli Prime Minister Benjamin Netanyahu came to Moscow.

During that visit, Israel and Russia agreed to cooperate to prevent the proliferation of weapons of mass destruction in the Middle East and also reached an agreement aimed at boosting bilateral trade.

Netanyahu's trip marked the high-water mark in relations between Moscow and Jerusalem since they renewed diplomatic relations 10 years ago.

But even so, Israel's relationship with Russia has traditionally been marked by distrust — and this would only increase in the wake of a Kremlin arms deal with Assad. □

**Two legislators bolt from party**

JERUSALEM (JTA) — Two members of the immigrant rights Yisrael Ba'Aliyah Party are breaking away to form a party of their own.

Legislators Roman Bronfman and Alexander Tzinker attributed Wednesday's move to ideological reasons.

The party's leader, Interior Minister Natan Sharansky, denounced the move as a betrayal of those who had voted for the party and called on the two to relinquish their Knesset seats. □