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TOP NEWS IN BRIEF

Israel raids Hezbollah targets

Israeli jets continued to pound Hezbollah targets in southern Lebanon on Wednesday, a day after the group killed an Israeli soldier, the sixth casualty in two weeks. U.S. Secretary of State Madeleine Albright blamed Hezbollah for the recent escalation of fighting in the Israeli occupied security zone in southern Lebanon and urged the Syrians to use its influence and restrain Hezbollah.

Meanwhile, Foreign Minister David Levy warned that the "soil of Lebanon will burn" if Hezbollah gunmen fire Katyusha rockets at northern Israel to retaliate for the latest Israeli bombing raids. Levy made the comment to a group of foreign diplomats Wednesday after Prime Minister Ehud Barak met with an inner circle of ministers for three hours to weigh his next move.

Russian Jews trying to visit Iran

The Russian Jewish Congress is intensifying efforts to help 13 Iranian Jews who may soon be tried in Tehran on charges that they spied for Israel and the United States.

The RJC wants to send a delegation to Tehran that would include the group's president, Vladimir Goussinsky, and Moscow Chief Rabbi Pinchas Goldschmidt, but the Iranian Embassy in Moscow has not yet issued entry visas for them.

Haider denies SS collective guilt

The leader of Austria's far-right Freedom Party rejected the idea that the armed units of the Nazi SS should be held collectively responsible for the wartime crimes of some of its members. Instead, "individual guilt is what matters," Jorg Haider, whose party is now part of the country's government, said in an interview Tuesday with the newspaper Die Welt. "It can never be the Waffen SS as such, but only individuals" who "bear the responsibility" for crimes committed by the organization.

Meanwhile, a number of U.S. legislators introduced a resolution Tuesday condemning past statements made by Haider and calling on President Clinton, his Cabinet and other members of Congress to oppose the inclusion of Haider's far-right party in the new Austrian government. The congressmen urged American citizens to send a message to Austria by refusing to travel there or purchase Austrian products.

Austria's Jews nervously evaluate the rise of the right-wing government

By Ruth E. Gruber

VIENNA (JTA) — A rabbi and three guests walked home through the streets of the city center after having a Shabbat dinner last Friday, when they were stopped by a man in his 60s.

"I am a Roman Catholic," he told the rabbi, who with his long beard, and black coat and hat was clearly identifiable as an Orthodox Jew. "I just wanted to tell you how important the Jewish religion is to me."

Such are the contradictions of being a Jew in Austria today, where philo-Semitism can be used as a personal and political tool to balance fears of rising right-wing extremism and the lingering legacy of Austria's Nazi past.

Earlier that day, a stony-faced President Thomas Klestil had sworn in Austria's controversial new right-wing government, despite diplomatic sanctions by the European Union, Israel and the United States.

Noisy demonstrators marched through the city for hours, protesting the entry into the governing coalition of the far-right, xenophobic Freedom Party and carrying placards that compared party leader Jorg Haider with Hitler. There were violent clashes, and riot police used water cannons against youthful protesters.

The rise of Haider and his Freedom Party have triggered deep concern among Austria's 10,000 Jews, not just as Jews per se, but within the broader context of concern for their country as a whole.

"Democracy and the mentality of civil society are underdeveloped here," said a Viennese Jewish writer just hours after the new government was sworn in.

"You can't point your finger at one moment when fascism begins; it's little by little. It could take eight, 10, 12 years."

Said businessman Robert Liska, a member of the local Jewish community board, "I don't think of it as a Jewish question at all. Jews are affected as much as are Protestants and Catholics. No one knows how it really will be. Jews and other minorities will be warned and will watch the situation."

Before the Freedom Party joined the governing coalition, the president of Austria's Jewish community, Ariel Muzikant, had been vociferous in his condemnation of Haider — to the point where Haider had threatened to sue him.

This week Muzikant issued a brief official statement expressing "great sorrow" at the entry of the Freedom Party — known as the FPO — into government.

He also called on "the democratic forces in our country" to unite in opposition to a development which, he said, had polarized Austria internally and isolated Austria in the international arena.

But otherwise, the community leadership was immersed in an intensive silent evaluation on how to react concretely to the new government. "We really find ourselves in a dilemma, an impasse," the community's general secretary, Absalom Hodik, said Tuesday. "We are not quite sure yet what to do." Hodik noted that the change in government had pragmatic consequences for the community, particularly regarding the day-to-day contacts with officialdom over issues essential for Jewish life and survival.

"We deal with the state on many issues," he said. "To do so, you have to be in contact with ministries. We don't know how to do this now, particularly if it would mean dealing with a minister, such as the social welfare minister, who is now from the FPO. Shall we downgrade our contacts?"

Among outstanding issues, he said, were restitution questions and the Jewish

MIDEAST FOCUS

Weizman cites double standard

Israeli President Ezer Weizman accused the international community of having a double standard when it comes to Israeli airstrikes in Lebanon, compared to similar airstrikes by the United States in Yugoslavia and the Russian onslaught in Chechnya.

His comments came after U.N. Secretary-General Kofi Annan condemned Israel's attack this week on Lebanese civilian power plants and urged both sides to exercise restraint.

Firms admit to trade with Syria

Ten Israeli plastic makers disclosed in a survey that they have conducted indirect trade with Syria valued at \$1 million during the past year, the Manufacturers Association of Israel said Wednesday.

The association did not divulge the names of the factories or other details.

Activist nominated for Nobel

A group of 50 Knesset members presented an Israeli peace activist with a letter they had sent to the Nobel Peace Prize Committee recommending him for the honor.

Abie Nathan, confined to a wheelchair from a recent stroke, ran the "Voice of Peace," a ship from which he broadcast programs backing the peace process and various humanitarian causes.

Turkish girl fulfills dream

Alif Gondoz, an 11-year-old Turkish girl who was rescued from the rubble of her home by an Israeli team four days after last August's devastating earthquake there, fulfilled her dream of visiting the Al-Aksa mosque in Jerusalem.

The American Jewish Joint Distribution Committee brought Gondoz to Israel this week for rehabilitation.

Her entire family was killed in the disaster and one of her feet was amputated.

community's hopes that the government would allow limited Jewish immigration to ensure the survival of Austrian Jewry.

"Our community is declining," he said. "Some 150 young people emigrate each year, and the death rate is higher than the birth rate. But, if we negotiate with the government — will they want something back from us?"

Hodik also voiced the community's concern that calls by international Jewish groups for a Jewish boycott of Austria, for mass aliyah of Austrian Jews and other measures had been taken "over the heads" of the local Jewish community.

"In some cases, they didn't tell us anything, it came out of the blue," he said. "But we are on the front lines here, and we bear the consequences."

Austria had some 185,000 Jews in 1938 when Hitler annexed the country — with the enthusiastic support of most Austrians. Many leading Nazis, including Hitler himself, were Austrian-born. Nearly 70,000 Austrian Jews were killed in Nazi death camps, and 70,000 more were driven out of the country. After the war, however, the Allies referred to Austria as Hitler's first victim. There was no real confrontation or public recognition of its role in the Shoah until the late 1980s, when Austria elected Kurt Waldheim as president, despite revelations that he hid a Nazi past.

Today, most of Austria's Jews live in Vienna, and most are Holocaust survivors, displaced persons or refugees from Eastern Europe and the Middle East and their descendants. They run the full range, from prosperous businesspeople to intellectuals, from fervently Orthodox to Reform, from Austrian-born to recent immigrants from the former Soviet Union.

Haider's party came in second in last October's elections, capturing just more than 27 percent of the vote. It was the best showing by a far-right party in Europe since the end of World War II.

Most members of the Jewish community are believed to have voted for the Social Democratic Party, the Greens or the tiny Liberal Party.

Only one Jew is publicly known for supporting Haider's Freedom Party — journalist Peter Sichrovsky.

Sichrovsky serves as a Freedom Party deputy at the European Parliament and is widely viewed as having been "bought" by the party to try to polish its image.

"Haider wanted Sichrovsky to be a bridge with the Jewish community and to soften its image abroad," said a Jewish art historian. "But it backfired. He is totally ostracized by the community."

During the campaign, Haider's platform was not openly anti-Semitic, but his strident xenophobia raised fears that anti-Semitism could become a byproduct of his rhetoric, particularly as an undercurrent of anti-Semitism still persists among some sections of the Austrian public. "I get it on the street," said a young Chabad rabbi who preferred not to give his name. "People will laugh and point. The atmosphere was cold, is cold and will be cold. It will never change unless the people change."

Anti-Semitism "can be easily aroused by discussion over art restitution, general restitution, money claims, and the like," said Marta Halpert, director of the Anti-Defamation League's office in Vienna.

Some Jews are hopeful that the current political earthquake — in all its facets — may end up having positive results, including unmasking racism and xenophobia, and fostering combative new democratic forces. "You have two possibilities — to stay here and be active or run away," said Bettelheim. "I am going to try to organize a group of friends into a political human rights movement with a clear strategy."

Jews of all ages take part in the daily demonstrations held to protest Haider and the entry of his party into the governing coalition. "We are going on the streets every day," said Joanna Nittenberg, editor of the Vienna Jewish monthly *Neue Welt*. "So do my friends. We joke that we are seeing more of each other these days."

White-haired Mira Atlas said she, too, takes to the streets. "I don't trust Haider at all, even though he has made statements now pledging democratic policy," she said, as she cut up tomatoes and made sandwiches for the weekly club she leads for Jews who have immigrated to Austria over the years from Russia.

"He is a very powerful speaker, he really speaks well," she said. "So did Hitler."

"I don't really think that fascists can come to power today, but I am concerned at the situation," she added. "I don't think it will be like it was in the 1930s — but you never know what will happen." □



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JEWISH WORLD

Order issued on genetic tests

President Clinton signed an executive order prohibiting the government from using genetic information in hiring or promotion decisions. The order prevents federal employers from requesting or requiring that employees undergo genetic tests and using genetic information to classify employees in such a way that may deprive them of advancement opportunities.

Studies have shown that certain mutations of the BRCA-1 and BRCA-2 breast cancer genes occur with higher frequency in Ashkenazi Jewish women.

JESNA head tapped for new post

The top professional at North America's Jewish education agency will also staff a newly formed group that promotes Jewish learning and spiritual rebirth.

While keeping his current post, the Jewish Education Service of North America's Jonathan Woocher will also head the Renaissance and Renewal Pillar, one of four committees created to shape the agenda of the United Jewish Communities.

Austria tries to calm critics

Austria's new chancellor sought to assure critics that the country will remain "a stable democracy" and vowed to provide compensation quickly to Holocaust-era slave laborers. Presenting his government agenda to Parliament on Wednesday, Wolfgang Schuessel also called the international backlash against his coalition deal with the far-right Freedom Party of Jorg Haider "exaggerated."

Meanwhile, U.S. Deputy Treasury Secretary Stuart Eizenstat said his recent discussions with Austria's new government about compensation for Holocaust victims were "very positive." Speaking Wednesday at the beginning of two days of hearings by the House Banking Committee on Holocaust-era restitution efforts, Eizenstat also said Austria's new government is committed to exploring its Nazi past.

Hate motive ruled out

An attack on two elderly Jewish men outside a Toronto synagogue last August was not an anti-Semitic hate crime, according to a Toronto police detective who has made two arrests in the case.

The beatings of Silvain Miller, 66, and Jacob Lazar, 79, outside Torath Emeth Jewish Center involved a bad business transaction and "a case of mistaken identity," the detective said.

Doctors combat cystic fibrosis

Two doctors from Jerusalem developed a medicine to combat cystic fibrosis, according to the Jerusalem Post. The doctors, working at Shaare Zedek Hospital, administered the medicine in the form of antibiotic nose drops.

Jewish financier in Britain linked to Barak finance scandal

By Douglas Davis

LONDON (JTA) — A leading Jewish fund-raiser in Britain has been linked to the campaign finance scandal plaguing Israeli Prime Minister Ehud Barak.

At the same time, a charitable foundation in Canada has also been named as being among the foreign-based groups that helped Barak's election campaign last year.

The scandal erupted late last month, when Israel's state comptroller issued a report that Barak's party — as well as several other parties, though to a lesser degree — were guilty of illegal campaign funding practices.

According to the comptroller's report, which prompted Israel's attorney general to order a criminal investigation, Barak's One Israel bloc set up nonprofit organizations to funnel donations for his campaign against Likud incumbent Prime Minister Benjamin Netanyahu.

Among the alleged violations of these organizations was channeling money from abroad — a violation of Israel's campaign-finance laws.

Barak has claimed that he knew nothing about the intricate network of charitable foundations that were set up by his campaign aides and through which funds were funneled for the election campaign.

This week, the London Sunday Times cited a confidential report by the New York detective agency Kroll Associates alleging that Lord Michael Levy, who bankrolled the election of British Prime Minister Tony Blair, had donated a "considerable" amount of funds for Barak and other top One Israel politicians.

According to the Kroll report, other senior Israeli ministers who benefitted from Levy's largesse included Justice Minister Yossi Beilin, Deputy Defense Minister Efraim Sneh and former prime ministers Shimon Peres and Yitzhak Rabin.

The Sunday Times pointed out that there is no suggestion that Levy is guilty of wrongdoing. Just the same, he risks being drawn into Israel's ongoing criminal probe.

The Kroll report is believed to have been commissioned by a Middle East client, apparently the Bahrain-based investment bank Investcorp, which may have been considering Levy for a consultancy role.

Levy visited Israel last week for what a British Foreign Office official described as a "private business visit." He then traveled on to Damascus and Beirut to deliver personal messages from Blair. The official insisted that Levy did not meet political leaders while he was in Israel, adding that the essence of the messages he carried to Syria and Lebanon was that Blair considered Barak to be sincere in his quest for peace.

Levy, who has been used as a conduit to Syrian President Hafez Assad in the past, is deeply mistrusted by large sections of the British political establishment and has been the subject of questions by legislators. They demanded to know why Levy — an unelected, untrained friend of Blair — rather than a senior, trained Foreign Office diplomat had been used as a channel for private messages.

Levy is estimated to have raised some \$60 million for Blair, much of it from Jewish donors and much of it channeled through a blind trust to shield the identity of the donors and protect Blair from scandal. With his open-door access to Blair, Levy now wears the mantle of Jewish community leader in the political arena, reducing the voice of his longtime predecessor, Sir Trevor Chinn, who was knighted by former Prime Minister Margaret Thatcher, to a mere whisper in the corridors of power.

Meanwhile, a Canadian-based foundation has also been linked to the Barak campaign's fund-raising scandal. Israel's state comptroller found that two checks totaling some \$15,000 were used by the Barak campaign from funds donated by the Alberta-based Kahanoff Foundation.

Earlier this month, the foundation issued a statement to clear its name. Active in Canada and Israel for two decades, the foundation said it was "disturbed" that donations it "made to support community programs in Israel were apparently used to support political activities." In an interview with the Jerusalem Post this week, foundation President James Hume said his group does not "do political funding," adding that it is against Canadian law to do so. □

Azerbaijan courts Jews, Israel to try to win favor with the U.S.

By Avi Machlis

BAKU, Azerbaijan (JTA) — Every time an American Jewish delegation visits the Jewish community in Baku, Azerbaijan's president goes out of his way to meet with the group.

President Heydar Aliyev was in Moscow when a delegation of more than 90 U.S. Jewish federation leaders arrived in Baku late last month for their annual Voyage of Discovery mission. But when his trip was cut short, his aides rushed to squeeze in a meeting with the Jews.

Although the meeting did not take place, Aliyev's eagerness highlights how many developing countries still consider strong ties with American Jews and Israel to be a key component in securing political support from Washington.

That belief is enhanced by a combination of common U.S. and Israeli interests in the Caucasus region and particularly in Azerbaijan, an oil-rich country strategically wedged between Russia and Iran.

"They still believe we can open doors in Washington," said a Jewish Agency for Israel official who is active in the region, speaking on condition of anonymity.

"After 10 years, they still do not always understand that it is not always so simple."

Like many former Soviet republics, Azerbaijan is deep in economic crisis.

However, enormous oil reserves in the Caspian Sea, just off the coast of Baku, has attracted some of the world's biggest energy companies to this predominantly Shi'ite Muslim country of 7.8 million people.

The United States is backing a network of pipelines throughout the region, including a \$2.5 billion, 1,200-mile pipeline from Baku to Ceyhan, a Mediterranean port in Turkey. It is a cornerstone of U.S. policy in the region, aimed at creating a counterbalance to Iran's regional influence.

"This is a common interest for the U.S. and Israel," said Dr. Nimrod Novik, senior vice president of the Merhav Group, an Israeli consortium that has carried out \$1.4 billion in regional energy projects, mostly in nearby Turkmenistan.

"The primary interest is to prevent the development of Turkish strategic dependence on Iran, given the unique emerging strategic relationship between Turkey and Israel."

Forging ties in the region is also part of Israel's strategy to build a belt of friendly countries on the periphery of the Middle East running east from Turkey along the northern frontier of Iran. This is crucial given the region's proximity to Iran, and the improbability of Israel's conflict with the Islamic republic diminishing even if a peace accord is signed with Syria.

In return, Baku tries to leverage Israeli and U.S. Jewish influence as part of a campaign to lift curbs on investment that were imposed by the United States during the Azerbaijani-Armenian conflict between 1992 and 1994.

Andy David, a diplomat at the Israeli embassy in Baku, downplayed the strategic interests in the region, and says the issue is more symbolic. "Having good relations with a Shi'ite Muslim country proves that the regional tensions for 100 years are not tensions between religions," he said. □

PROFILE

Businessman turns love for Israel into big returns for fund investors

By Brianne Korn

JERUSALEM (JTA) — "The land of the prophets is becoming the land of profits," says an American businessman who has transformed his passion for the State of Israel into a successful business venture.

Cliff Goldstein, 42, launched AMIDEX35 last year, a mutual fund index that tracks and invests solely in 35 of Israel's largest companies. The mutual fund's exclusive interest in Israel is a first for any American fund.

While his project continues to prosper, its success has a more personal meaning for its founder. Goldstein's interest in Israel began at the age of 7, when his father brought him to a shareholders' meeting of Ampal, an Israeli holding company.

"He bought me five shares," Goldstein, who lives in Pennsylvania, recalls, "which totaled about \$1.50 back then, but it made me a shareholder." He remembers those who participated in that meeting at the Waldorf Astoria as a group of people who were not only interested in making money.

"These people were there for a purpose: to invest and support Israel," Goldstein says.

When his father died three years ago, Goldstein began to learn more about his father's connections with Israel and its future. Goldstein felt the proper thing to do with his inheritance would be to invest in his father's dream.

So the index of AMIDEX35 was born on Jan. 1, 1999, with Goldstein's hopes of honoring his father's legacy and "finding a path to assist others to invest in Israel."

The mutual fund was introduced by Goldstein's company, TransNations Investments of New York, later on in June. The fund represents a diverse spectrum of Israeli businesses.

Since its launch date, AMIDEX35 has gone up 42.9 percent, and assets approach \$10 million, according to Goldstein. Companies tracked by the index include Check Point Software Technologies, TEVA Pharmaceuticals and Gilat Satellite Networks.

"It often shocks people," Goldstein says of the image people hold of Israeli businesses. "They imagine some guy in shorts and a funny hat selling oranges, but the image is changing."

According to Goldstein, Israel is second behind the United States in the number of new high-technology start-up companies.

"Israel has become a second Silicon Valley in every shape and form," according to Abba Horovitz of Yeoman Capital, an investment firm in Israel. "Wall Street has started to acknowledge that." Horovitz says there is an increased interest in Israeli investment.

"Buying Israel Bonds has always been popular," Goldstein says. "But that is a debt — you're lending money to the government. This is different. You're investing, not lending, and becoming a partner in the private sector. It's a proud moment for every American Jew."

While the fund currently attracts mostly individual investors, Goldstein expects future investors to include pension funds, foundations and other types of industries. □

AMIDEX35's Web site can be accessed at <http://www.amidex.com>.