



Daily News Bulletin

Vol. 78, No. 43

Monday, March 6, 2000

83rd Year

TOP NEWS IN BRIEF

Cabinet OKs pullback by July

Israel's Cabinet voted unanimously to pull Israeli soldiers out of Lebanon by July. The Cabinet said it preferred to withdraw the troops within the framework of a peace agreement with Syria, but could do so even without a deal. [Page 3]

Bank Leumi denies Shoah charge

One of Israel's leading banks is denying that it ever tried to hide the fact that it held dormant accounts from the Nazi era and that payments to claimants over the years were not adjusted for inflation.

Bank Leumi — believed to hold the most Holocaust-era accounts of all Israeli banks — says it is not to blame for the accounts. [Page 1]

Israel-Syria peace reports denied

Officials in Jerusalem, Damascus and Washington are denying a media report that Israel and Syria may be close to a peace deal.

Israel Television's Channel One reported last Friday night that Prime Minister Ehud Barak might present the agreement to the government, the Knesset and the Israeli people within three to five weeks, with a national referendum possible before Passover, which begins April 20. [Page 3]

Irving mocked Holocaust victims

Holocaust revisionist David Irving mocked victims of the Holocaust by "feeding and encouraging the most cynical anti-Semitism" in his speeches, it was alleged last week at a trial for a defamation suit that Irving has filed against a U.S. scholar.

The charge was leveled by the lawyer for Jewish historian Deborah Lipstadt. [Page 4]

Senate OKs school tax breaks

The U.S. Senate voted last week to approve tax breaks for private and public school expenses, allowing parents, employers, church groups or others to put aside as much as \$2,000 annually in education savings accounts.

Democrats argued that money should be pumped into public schools instead, and said the plan was a kind of voucher program.

Republicans hope the measure will pass the House, but the bill faces a likely veto from President Clinton.

FOCUS ON ISSUES

Holocaust survivors say Israel kept their assets after the war

By Avi Machlis

JERUSALEM (JTA) — During the past few years, as Jewish organizations pressed Swiss banks to make good on dormant bank accounts that belonged to Holocaust victims, Rachel Schreiber, an 86-year-old Israeli, started feeling uneasy.

As the battle heated up, the Polish-born Schreiber was filled with memories from 1935 — just two years before she married, moved to Palestine and left behind her parents and sister, who later perished in the Holocaust.

During a summer vacation back home in Warsaw from her dental studies in France, Schreiber had a conversation with her father, Henoch Nutkewicz, a wealthy real estate businessman, about his partner's success in getting a large sum of money out of Poland.

The money was not deposited in Switzerland, but in the Anglo-Palestine Bank, the precursor of Bank Leumi, Israel's second largest bank today.

"My father told me it was our money, too," says Schreiber. "Until the restitution issue came up, I never thought about it. It's one thing if Switzerland tries to avoid responsibility, but my money is here in Israel."

During the past few weeks, since the Knesset decided to launch a commission to investigate the issue of Holocaust-era assets in Israel, hundreds of Israelis have been coming forward with similar stories.

Schreiber's case — which was submitted last November in the form of a lawsuit that prompted Bank Leumi to open its files on dormant accounts — is just one that many say illustrates how Israel's record on restitution may be questionable.

Critics say Israel has waited too long to investigate what happened to financial and real estate assets that Holocaust victims deposited or purchased in pre-state Israel.

"It is a moral outrage that the state of Israel and Jewish organizations are campaigning against European companies, Swiss banks and foreign governments at a time when the State of Israel has not even bothered to look at the issue," says Gil Raveh, an Israeli lawyer who is Schreiber's grandson.

The issue was first raised in 1997 by Yossi Katz, a geography professor at Bar-Ilan University.

While conducting a study on the history of the Jewish National Fund, Katz discovered a document from 1947 in which the JNF asked Bank Leumi for information about financial assets it held that may have belonged to Holocaust victims.

Leumi responded that it could not provide information for reasons of banking secrecy.

"I nearly fell off my chair," says Katz. "I said to myself — this is exactly what happened with the Swiss banks."

In January, Bank Leumi posted 13,000 dormant accounts on its Internet site — www.bankleumi.co.il — dating from the bank's establishment in 1902 through 1955. The bank will accept queries on the accounts until July 31.

Bank Leumi denies that it ever tried to hide the fact that it had dormant accounts.

"There were all sorts of reports in the press accusing us of saying that we had no dormant accounts," says Riki Carmi, Bank Leumi's spokeswoman. "We always said that we do have dormant accounts and there may be some that date back to the Holocaust."

But Leumi — believed to hold the most Holocaust-era accounts of all Israeli banks — says it is not to blame. Many were confiscated by the British Mandate in Palestine,

MIDEAST FOCUS

Barak calls for heightened alert

Israeli Prime Minister Ehud Barak is calling on the public to be on heightened alert for the possibility of terrorist attacks in the coming months.

Barak's remarks at the weekly Cabinet meeting came as Israeli security forces stepped up security measures in large cities and in central Israel following the smashing of a Hamas cell in an Israeli Arab town last week.

Meanwhile, Palestinian Authority President Yasser Arafat held talks last Friday in Ramallah with Knesset Speaker Avraham Burg in the highest-level public contact between the two sides since the talks broke off nearly a month ago.

Pope amends Shabbat schedule

The Vatican agreed to change the schedule of Pope John Paul II's visit later this month in Israel to avoid forcing Jewish security personnel to work on Shabbat.

The pope will stay over in Nazareth on Friday night, March 24, saving a Sabbath trip from Jerusalem to Nazareth and the need for hundreds of Jews to accompany and protect him.

Intel to invest in Israeli firms

Intel plans to invest in about 20 Israeli companies this year, according to an official with the Israeli operations of one of America's top microchip producers.

The investments would be part of Intel's efforts to widen its operations to become an "Internet economy" company, said Stephen Gray.

El Al to talk with Tower Air

El Al, Israel's national airline, says it will begin talks this week regarding investment or becoming partners with a U.S.-based airline that has frequent flights to Israel. Tower Air filed last month for bankruptcy protection.



Daily News Bulletin

Shoshana S. Cardin, *President*
 Mark J. Joffe, *Executive Editor and Publisher*
 Lisa Hastein, *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.
 © JTA Reproduction only by previous arrangement.

which seized all property belonging to citizens of enemy states during World War II.

In addition, the bank said, any accounts it did have were transferred to Israel's administrator general many years ago.

"This is why there is not much money in them," Carmi says. "We are talking about very low sums."

Meanwhile, since Katz first discovered the problem, he has delved into archives in Israel and Britain to produce a book, soon to be published in Hebrew, "Forgotten Property: What Became of the Assets in Israel of Holocaust Victims."

Katz estimates that Israeli banks and the government's administrator general, who manages abandoned property, may hold \$64 million worth of financial assets belonging to Holocaust victims.

Furthermore, he believes that many parcels of land — perhaps worth even more than the financial assets — were purchased in pre-state Israel by European Jews who died in the Holocaust.

"The question now is how will the committee work," says Katz. "This committee must consult with experts from various fields. If it misses the point and remains a political forum, it will not be worth anything."

Colette Avital, a former consul general in New York and now the Knesset member heading the committee, insists its work will be serious.

Avital pulls out a letter from the stack and reads aloud about a man who says his family deposited 1,000 pounds sterling in Bank Leumi during 1937.

She said that even when the account was located and identified, the bank refused to pay interest or link the money to inflation. It deducted management fees and paid the family a pittance, Avital said.

"This is robbery," she says. "The attitude of the banks is something I cannot accept, and what I find really revolting is that some state institutions have operated with the same norms."

Bank Leumi, for its part, denies that any payments made to claimants over the years were not adjusted for inflation.

Avital's finger appeared to be pointed at Israel's Administrator General's Office.

During World War II, the British Mandate in Palestine confiscated all "enemy property," including assets belonging to Jews who were citizens of European countries under Nazi control.

But according to a report published by Britain's Department of Trade and Industry last month, Britain is not liable for any claims since it settled all accounts in a deal with Israel in 1950.

Shmuel Tsur, Israel's administrator general, insists that his office has a clean record since it published all records of property in its possession two years ago, including 1,000 homes and 4,000 plots of land worth an estimated \$50 million.

His office received "hundreds" of queries since then, but has never sifted through the files to determine what property may have belonged to Holocaust victims.

Tsur welcomes the establishment of the committee, since he thinks it may prove that much of the public uproar has been unjustified.

"Whoever says the state of Israel is not handling the issue properly is slandering the country for no reason," he says.

Yet even if Israel does hold assets that belonged to Holocaust victims, the question remains whether its record is comparable to that of the Swiss.

Bobby Brown, adviser to Sallai Meridor, co-chairman of the World Jewish Restitution Organization, says that there is a fundamental difference — at least regarding heirless property.

Israel, he says, had to absorb hundreds of thousands of Holocaust survivors after World War II, so any use it made of heirless property is morally justified.

Nevertheless, he adds, when it comes to property that can be identified and claimed by heirs, Israeli institutions and banks must live up to the same standards as Jewish organizations expect from any government or country around the world.

"I think this committee is not going to find a lot of money, but it will find a few outrageous stories that must be addressed," says Brown.

"If we have demanded justice in so many countries it should be done in Israel, too," he says. □

JEWISH WORLD

Israel pledges to get out of Lebanon by July, with or without a Syria deal

By Naomi Segal

JERUSALEM (JTA) — The Israeli government has unanimously endorsed a decision to pull Israeli troops out of southern Lebanon by July 2000, hinting this could be done even without an agreement with Syria.

After 18 years, "it is the end of the tragedy. It is the return of the boys home and the end of bleeding in Lebanon," Prime Minister Ehud Barak said on Israel Television following Sunday's Cabinet session.

Barak said that Israel preferred the troop redeployment take place as part of an arrangement, but if it becomes evident that a deal with Syria — the main power broker in Lebanon — is not in the offing, "the Cabinet will convene to discuss how to implement the decision."

Lebanon immediately welcomed the Israeli government decision, but stressed that it prefers any Israeli troop withdrawal be carried out as part of an overall peace deal. Lebanese Prime Minister Salim al-Hoss said Beirut does not trust Israeli intentions if it were to withdraw from Lebanon in the absence of an accord.

The United States praised the decision, but there was no immediate Syrian reaction.

The Cabinet statement also said that in the absence of an accord with Syria, the government would reconvene to discuss how to carry out the decision.

The government decision Sunday affirmed the pledge Barak made when he took office last year to pull the Israel Defense Force out of Lebanon by July 2000.

Public pressure has grown during the past year within Israel for pulling its troops out of Lebanon, where they have maintained a military presence for 18 years, amid continuing IDF casualties in clashes with the Iranian-armed and Syrian-controlled Hezbollah.

Opposition leader Ariel Sharon urged Barak to begin the troop pullback "immediately — do not wait for an agreement."

However, a unilateral pullback has also raised concerns that northern settlements will be left more vulnerable to cross-border attacks. The IDF chief of staff, Lt. Gen. Shaul Mofaz, told high school students Sunday that Syria is capable of reining in Hezbollah gunmen, but is not interested in doing so because it views the hostilities in Lebanon as a bargaining chip in negotiations with Israel.

He said Israel must be prepared for the possibility of continued violence on the border if a withdrawal is carried out unilaterally.

At the same time, observers have suggested that a unilateral pullback could put pressure on Syria by removing the Lebanon issue as a bargaining chip. It could also put further pressure on Syria over its presence in Lebanon.

Peace talks between Israel and Syria are currently frozen. U.S.-mediated talks broke off in January over Israel's refusal to give Syria assurances it will fully withdraw from the Golan Heights as part of a peace accord.

Despite the freeze, the sides have acknowledged efforts to revive the talks, but officials in Jerusalem, Damascus and Washington over the weekend uniformly denied an Israel Television report of a possible breakthrough on the peace track.

According to the report, a formula had been found for defining the final border on the Golan Heights, which would run between the June 4, 1967 line and the international boundary. Under the formula, Israel would retain control and sovereignty over the Sea of Galilee and Jordan River, in exchange for concessions to the Syrians on El Hama.

The report said there was a chance Barak could present a peace accord with Syria to the government, Knesset and Israeli people within the next three to five weeks, with a national referendum possible before Passover, which begins April 20. However, Barak has repeatedly stressed he has no new information on when talks with Syria might resume.

Barak told the Cabinet on Sunday there were contacts with the Americans, but no direct contacts with the Syrians, to revive negotiations. He was quoted as saying that unless negotiations get under way within two to three months, it will not be possible to conclude an agreement in the next year to 18 months. □

Clerics urge ban on soft money

Rabbis and ministers called for a ban on soft money and an ultimate public financing system for elections, saying citizens should be given an opportunity for equal participation in the political process.

The call came last week as religious leaders and lawmakers gathered in Washington to discuss the role of faith in efforts to enact campaign finance reform.

Argentine fans hurl soap at Jews

Argentine Jewish leaders are calling on authorities to prosecute soccer fans who chanted Nazi slogans and hurled soap bars at a Jewish team.

The incident in late February, at which fans chanted, "We're going to make soap out of the Jews," came just before Jewish leader Rogelio Cicholowsky gave a report on anti-Semitism to Argentina's new president, Fernando de la Rúa.

WJC opposes insurance takeover

The World Jewish Congress said it would oppose a Dutch insurer's takeover bid of America's leading insurance company because the Dutch company has not joined an international commission on Holocaust-era claims. A unit of the Dutch-based ING Group made a bid for Aetna last week.

Indiana racists beat man at party

Indiana police arrested six men and charged them with attempted murder after beating a man who refused to perform a Nazi salute at a party.

The incident occurred in late February after a local hate group calling itself the Knightstown Boys began verbally attacking minorities.

Southerner wins book award

A collection of short stories by a Southern writer known for his magical realism and a book that chronicles the last words to God of a man dying during the Holocaust highlighted the winners of this year's Jewish Book Council awards.

A complete list of the winners, including Steve Stern who won the group's fiction award for "The Wedding Jester," and Zvi Kolitz, who won the non-fiction award for "Yosel Rakover Talks to God," is available at www.jewishbookcouncil.org.

Refugee, humanitarian dies at 86

Edmond Kaiser, a World War II refugee who founded several international organizations that work for children, died in India on Saturday at the age of 86. Kaiser, born in Paris, was a member of the French Resistance during World War II.

"If someone is crying on the ground, we try to pick them up, just like we would care for an injured bird," Kaiser said in 1994.

Criticisms of Irving fly as Holocaust trial nears end

By Douglas Davis

LONDON (JTA) — Holocaust revisionist David Irving mocked victims of the Holocaust by “feeding and encouraging the most cynical anti-Semitism” in his speeches, it was alleged last week at a trial for a defamation suit that Irving has filed against a U.S. scholar.

The charge was leveled by the lawyer for Jewish historian Deborah Lipstadt.

Irving, who denies that Auschwitz was a death camp or that there was systematic, mass destruction of Jews, claims that Lipstadt libeled him in her 1994 book, “Denying the Holocaust: The Growing Assault on Truth and Memory,” when she called him a Holocaust denier who twists facts to suit his ideological bias.

In an acrimonious exchange during the closing cross-examination, Lipstadt’s lawyer, Richard Rampton, told Irving that he “is feeding the anti-Semitism in your audience by mocking the survivors and dead of the Holocaust.”

Irving replied that he was “mocking the liars” who, he said, had misrepresented their experiences.

Irving told the court that “there have been increasing numbers in recent years who have capitalized on the Holocaust.”

“It’s become an important part of their social and religious awareness, and it is almost blasphemy to them to tread on that holy ground.”

Rampton quoted from a 1991 speech in Canada in which Irving told his audience that he saw no reason to be “tasteful” about Auschwitz. “It’s baloney, it’s a legend,” Irving told his audience. “Once we admit the fact that it was a brutal slave labor camp and large numbers of people did die — as large numbers of innocent people died elsewhere in the war — why believe the rest of the baloney?”

“I say quite tastelessly, in fact, that more women died on the back seat of Edward Kennedy’s car at Chappaquiddick than ever died in a gas chamber in Auschwitz.

“Oh, you think that’s tasteless,” he continued. “How about this? There are so many Auschwitz survivors going around — in fact, the number increases as the years go past, which is biologically very odd to say the least. Because I’m going to form an association of Auschwitz Survivors, Survivors of the Holocaust and Other Liars, or the A-S-S-H-O-L-S.”

Irving, who is defending himself, denied that there were “skinheads or extremists” in the audience, which, he said, appeared to comprise “a perfectly ordinary bunch of middle-class Canadians.”

At an earlier hearing, Hajo Funke, a professor at the Free University of Berlin, told the court he considered that Irving, 62, had “committed himself wholeheartedly” to neo-Nazism.

He said Irving had used Germany as a “playground” for his right-wing extremism until he was expelled in 1993. Funke, who had prepared a 137-page report on Irving’s alleged links to extremists, said Irving had “committed himself wholeheartedly to the cause of revisionism, and thus to neo-Nazism, in Germany.”

“By denying the Holocaust,” said Funke, “he willfully and persistently violated the criminal law in Germany.”

The German expert said that for several years, Irving was one

of the “main speakers and agitators” for the German People’s Union, which was extremist, anti-Semitic and “propagated racial hatred.” The court was also shown video footage of a meeting in Germany in the early 1990s, at which Irving was a speaker, with skinheads chanting “Sieg heil.”

In response, Irving said he accepted invitations from “whichever body invites me,” as long as his schedule allows it.

The hearing was adjourned until March 13 for closing arguments. □

Internet most-wanted list omits names of Arab killers of Americans

By Sharon Samber

WASHINGTON (JTA) — Like a high-tech “Wanted” poster, a State Department-run Web site offers a \$5 million reward and lists the names of many notorious terrorists.

But none of the names are those of Arab terrorists suspected of killing American citizens in Israel or Palestinian-controlled territory, critics say.

Marking the four-year anniversary of the deaths of Matt Eisenfeld and Sara Duker, who were killed by a suspected Hamas bombing of a Jerusalem bus, survivors and families of terror victims say the State Department is not doing enough.

“Matt and Sara’s names are absent and rewards for terrorists not offered,” said Matt’s father, Dr. Leonard Eisenfeld, referring to the site. “Peace can only exist alongside justice.”

The Rewards for Justice Web site, www.heroes.net, is serving as an interim homepage for the State Department’s Diplomatic Security Service. According to the site, rewards totaling millions of dollars have been paid in dozens of cases. The program was established in 1984, and the Web site has been active since 1995.

State Department spokesman Andy Laine said the department is looking into offering rewards for terrorists responsible for killing Americans in Israel. But the program applies to all acts of international terrorism, Laine said, so if someone were to come forward with information on a Palestinian terrorism case in Israel, the person would be eligible for a reward. Adding Palestinian terrorists to the site is currently under consideration, Laine said.

Since the Oslo peace accords were signed in 1993, 12 Americans have been killed by Palestinian Arab terrorists in Israel.

Lawmakers spoke out recently about the State Department’s approach to apprehending Palestinian terrorists to date.

Rep. Matt Salmon (R-Ariz.) complained about Middle East envoy Dennis Ross’ reported comment that putting Palestinian names on the site would “jeopardize national security.”

“The administration’s approach is incomplete,” Salmon said. “There seems to be a double standard.”

Salmon and Sen. John Ashcroft (R-Mo.) authored legislation, which became law in November, that requires the State Department to report to Congress on the number of terrorist attacks made on American citizens in Israel and the progress of investigations into those attacks. The first report is scheduled to be completed in May.

The reports will include a list of all U.S. citizens killed or injured in terrorist attacks; the person or groups claiming responsibility; a list of suspects and their nationality; which suspects are in custody of the Palestinian Authority or Israel; and whether the suspects have been released or are still at large. □