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83rd Year

TOP NEWS IN BRIEF

Two more admit to spying

Two more of the 13 Iranian Jews on trial for espionage admitted they had worked for Israel.

The remaining eight defendants are expected to appear before the Revolutionary Court when the trial resumes Wednesday. [Page 1]

Large gaps remain in talks

Israeli Prime Minister Ehud Barak and Palestinian Authority President Yasser Arafat reaffirmed their commitment to reaching a final peace agreement, but they failed to bridge the large gaps separating them during their summit meeting.

The two agreed that the Israeli and Palestinian negotiating teams should resume talks Monday, after discussions were adjourned last week.

In another development, Barak confirmed that he wants to transfer three villages near Jerusalem to full Palestinian control.

But he said he may not be able to proceed with the plan for weeks or possibly months because of strong domestic opposition.

JCCs get \$500,000 grant

The umbrella organization for U.S. Jewish community centers received a \$500,000 grant to establish a center for Jewish education aimed at increasing Jewish content at JCCs across the United States.

The grant to the Jewish Community Centers Association from the Cleveland-based Mandel Foundation was announced at the JCCA biennial in Boston.

Assad travels to Egypt

Syrian President Hafez Assad arrived in Cairo for talks with his Egyptian counterpart, Hosni Mubarak.

The meeting comes amid reports in the Arab press that Syria is enlisting the support of key Arab allies in a bid to revive its peace talks with Israel.

Israel imposes closure for fetes

Israel imposed a closure on the West Bank and Gaza Strip. The closure began Monday evening, at the start of the Jewish state's Memorial Day for its fallen soldiers.

The closure is expected to last through Wednesday, when Independence Day celebrations are held.

Latest Iranian 'confessions' spur concerns about advocacy

By Michael J. Jordan

NEW YORK (JTA) — Iran's Revolutionary Court has recorded two more "confessions" from the 13 Iranian Jews accused of spying for Israel, bringing to five the number who have so far admitted their guilt.

The court's perfect record in confessions — which the five have claimed were voluntary, apparently in hopes of receiving mercy — has provoked further outcry from leading advocates for the "Iran 13." The advocates continue to insist on their innocence, describing the proceedings as a political show trial.

At the same time, advocates worry that the string of admissions may be creating strains in the global coalition that has rallied to the defense of the accused.

"The concern we have is that too many well-meaning people are starting to doubt themselves," said Malcolm Hoenlein, executive vice chairman of the Conference of Presidents of Major American Jewish Organizations.

"As each one confesses, people on all sides are asking, 'How can they all be confessing?' But they don't understand the circumstances under which these confessions are being made."

At a closed hearing, Monday Ramin Farzam, 36, and Nasser Levi-Haim, 46, a part-time Hebrew teacher, allegedly confessed.

Levi-Haim's confession, in particular, startled advocates, who had been led to believe by their sources within the Iranian judiciary that religious leaders in the community would not be lumped into the group of so-called conspirators.

After the hearing, Levi-Haim reportedly told reporters: "I swear on the Torah, in whose service I have been for 40 years, that I was under no duress in court to confess. I got religiously involved, and I was tricked by Israeli agents."

There appears ample reason to be skeptical about his confession.

In the Revolutionary Court, the judge is also the prosecutor, the jury — and the chief interrogator behind bars, said Sam Kermanian, secretary-general of the American Iranian Jewish Federation in Los Angeles.

"The authorities don't even need to use physical or psychological torture," said Kermanian. "The judge could visit and say, 'Listen my son, you cannot hope to get anywhere by not cooperating with me.' Anybody in their right mind would think, 'OK, this guy can execute me if he wants. My only chance is if I give him what he wants and hope for leniency.'"

"Some of them have been in prison for almost 16 months, where their only contact with the outside was five minutes a week of supervised time with their families, through thick glass and monitored telephone. The other 10,075 minutes of the week, they were under the influence of the authorities."

The Iran 13 would also be well aware of the fate that has befallen other Iranian Jews accused of spying. Since the Islamic Revolution in 1979, 17 Iranian Jews have been executed, most of them having been convicted of espionage.

Spying is also a common charge leveled against Iranian dissidents. The punishment has ranged from short prison sentences to execution, but some of those convicted have also had their eyes gouged out or limbs severed.

Confessions are commonplace and often repeated on television, just as four of the five Iranian Jews have done, said Pooya Dayanim, spokesman for the Los Angeles-based Council of Iranian American Jewish Organizations.

"The Iranian public has come to recognize that these confessions are made under

MIDEAST FOCUS

Independence Day clashes erupt

Seven Israeli police officers and at least two Israeli Arabs were injured in clashes that erupted during an Independence Day celebration for the Jewish state.

About 300 protesters disrupted Sunday's celebration in the Israeli Arab village of Shfaram, throwing rocks at police and setting fire to cars and tires. Israeli Arabs have threatened to boycott Israel's Independence Day celebrations, which will be held Wednesday.

Ceremony marks millionth emigre

Prime Minister Ehud Barak and other Israeli officials attended a ceremony at Ben-Gurion Airport to mark the arrival of the millionth Russian immigrant following the breakup of the Soviet Union.

Representatives of the Jewish Agency for Israel and legislators who are themselves Russian emigres also participated in Sunday's ceremony.

SLA head calls for amnesty

The head of the South Lebanon Army warned that his Israel-allied militia could get into a bloody confrontation with Lebanese authorities after Israel's planned troop withdrawal from the region.

Gen. Antoine Lahad said the alternative to more violence was a blanket amnesty for those Lebanese who collaborated with Israel over the years.

His remarks came amid reports in Israel that the Israeli army is reducing its weapons supplies to the SLA as part of preparations for the withdrawal.

Israel has promised to withdraw its troops from southern Lebanon by July.

Clashes erupt in West Bank

Stone-throwing Palestinians clashed with Israeli troops near the West Bank towns of Ramallah and Bethlehem.

The protesters were calling for the release of Palestinians still held in Israeli jails.



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pressure," Dayanim said. With that in mind, there seems to be no doubt among Iranian Jewish emigres that the Iran 13 are completely innocent.

That some outside observers are now wondering if the 13 are in fact guilty of the charges is prompting activists like Dayanim to release more details about how this case evolved into the international showdown it is today.

Dayanim revealed, for example, that soon after the 13 Jews were arrested in January and March of 1999, the Islamic hard-liners who control Iran's judiciary opened a line of communication with the Los Angeles community.

The purpose, he said, was to articulate their motives behind the arrests — and what they hoped to gain from this maneuver.

In a power struggle with their reformist rivals, the hard-liners would use the Iran 13 to undermine the reformist camp's relations with the West.

The Iranians also suggested that the prisoners could become bargaining chips in Iran's ongoing effort to recoup some \$650 million that it claims Israel owes from business deals prior to the 1979 revolution.

Finally, the hard-liners said, according to Dayanim, detaining the Jews would teach the Iranian Jewish Diaspora — which had spoken out about the arrests — a lesson about meddling in Iran's internal affairs.

"In all the contacts we've ever had with Iranian officials, they have never claimed these 13 people were spies," said Dayanim. "They were very forthright and up front about the fact that this is part of a game, and to show that Iran will not be bullied and that they have ultimate control over their citizens."

Kermanian now expects all 13 to confess to some role in the alleged spy ring. Sentencing is likely to come at the end of the month.

"There will be more confessions, and the authorities will fabricate any sort of documents or evidence they need to fabricate to make their point," he said. "If they don't, that's what would be surprising." □

Holocaust denier faces bankruptcy after he's ordered to pay legal costs

By Douglas Davis

LONDON (JTA) — Holocaust denier David Irving has come a step closer to financial ruin now that a British judge has ordered him to start paying millions of dollars in legal costs.

During a court session last Friday, Judge Charles Gray ordered Irving to pay some \$250,000 to Penguin Books by June 16 following his failed libel action against the publisher and American historian Deborah Lipstadt.

If the money — a down payment on total legal and research costs of some \$3 million — is not paid by then, the judge said Irving would face bankruptcy proceedings.

Last month, Irving lost his lawsuit against Lipstadt and Penguin, whom Irving accused of ruining his career by labeling him a Holocaust denier. Ruling against Irving on April 11, Gray called him an anti-Semitic Holocaust denier and Hitler apologist who distorted historical data to suit his own ideological agenda.

Penguin lawyer Heather Rogers had initially asked for a down payment of some \$800,000, but Irving's lawyer, Adrian Davies, replied that even half that amount could bankrupt Irving. Rogers told the court that Penguin had already paid out more than \$1.5 million to defense experts who testified at the three-month-long trial.

Irving, 62, who has not yet obtained permission to appeal the judgment, has argued that defense experts and lawyers were paid too much.

Gray ordered Irving to pay the \$250,000 on the basis that Penguin Books was prepared to accept that figure for the time being. The court was told that Irving had boasted to reporters that he had a "fighting fund" of more than \$500,000 made up of contributions sent to him by supporters around the world.

After the hearing, Irving refused to say whether he could or would pay. He said the money in the fighting fund was in an offshore account.

Meanwhile, Penguin lawyer Kevin Bays said the publishing house is determined to recover its legal and research fees from Irving. □

JEWISH WORLD

Shul program partially successful

The first comprehensive study on a Jewish family education initiative reported that participating parents significantly increased attendance at services and felt a deepened commitment to Jewish life.

But the study added that the participants' sense of connection to their synagogue increased only slightly.

The study of Boston's five-year-old "Sharim" program, in which the local Jewish federation helped pay for full-time family educators at 11 synagogues, also found "little evidence" that the program had improved "the Jewish quality of families' lives at home."

Court removes commandments

A U.S. federal judge ordered that the Ten Commandments be removed from courthouses and classrooms in several Kentucky counties.

The ruling came in response to suits filed by the American Civil Liberties Union.

The civil liberties group had argued that the displays breach the constitutional separation of church and state.

Poland apologizes for slurs

Polish Prime Minister Jerzy Buzek apologized for anti-Semitic incidents witnessed by Jewish youths visiting Poland last week.

The inscription "Jews to the Crematorium" had appeared in Lublin, a city close to the nearby former death camp of Majdanek.

The incident occurred a day after the presidents of Israel and Poland led thousands of Jews and Poles in the annual "March of the Living" commemorating the Holocaust.

Austrian leader speaks at camp

Austria's president criticized his nation's role during the Holocaust.

Thomas Klestil spoke at a ceremony marking the 55th anniversary of the liberation of the Mauthausen concentration camp.

The Vienna Philharmonic played Beethoven's Ninth Symphony at Sunday's event, prompting criticism that the concert was out of place for a death camp.

Swiss Jewish leader targeted

A Swiss man who attacked an Israeli tourist in Zurich last year admitted that he had also tried to attack a Swiss Jewish leader.

The man told a judge that he had waited outside Sigi Feigel's office in Zurich.

Feigel, however, had a speaking engagement that kept him from going to his office that day.

Israeli government wants to play Robin Hood with its tax reform plan

By Avi Machlis

JERUSALEM (JTA) — The Israeli government is proposing sweeping tax reforms aimed at addressing the widening gap between rich and poor in Israeli society.

The reforms, proposed May 4 by the Finance Ministry and approved by the Israeli government on Sunday, are Prime Minister Ehud Barak's first major economic policy move since he came to power on promises to address Israel's social and economic gaps.

Finance Minister Avraham Shochat launched a public relations blitz to present the package as a Robin Hood-like effort at a "social and economic revolution" that would reallocate Israel's wealth from rich to poor.

"The income tax burden will fall dramatically, and net income will rise significantly in a way that all of us will feel," he said.

The centerpiece of the reforms is a new capital gains tax of 25 percent on income and interest from investments and savings.

"This step will not only bring social justice but a major contribution to narrowing gaps" in Israeli society, Shochat said.

Avi Ben-Bassat, the reformist director general of the Finance Ministry who headed the tax reform committee, said, "The main step of our committee is to create a more just tax system for the state of Israel."

The capital gains tax is meant to increase the tax burden on wealthier Israelis, who account for the lion's share of earnings on the country's stock exchange.

Until now, in contrast to most countries in the Western world, Israelis were not liable for paying a capital gains tax on investments they made in Israel.

The committee also recommended lowering tax brackets gradually for middle-income earners.

For example, Israelis who earn about \$1,000 a month are subject to a tax rate — including Social Security and health tax payments — of nearly 40 percent.

Under the new proposals, this would fall to 35 percent in 2001, and eventually drop to 32 percent in 2003.

The highest tax bracket, which kicks in when earnings reach some \$4,600 per month, would fall from 59.7 to 50 percent.

The lowest bracket would fall only slightly from 15.7 percent to 15 percent. But the bracket for those earning about \$500 a month would fall from 25.76 percent to 15 percent.

Other elements of the plan include levying taxes on inheritances and gifts, and requiring more Israelis to file annual income tax reports.

The new capital gains tax is expected to generate about \$1.9 billion in taxes annually. Meanwhile, the government will lose about \$2 billion in revenues in the first year of the plan and about \$2.8 billion by 2003.

"This reform is long overdue," said Keith Phillips, an Israel analyst at investment bank Credit Suisse First Boston in London. "This is the way forward."

Five committees have recommended tax reforms in the past, but all were shot down by the Knesset.

The new reforms are expected to face a tough battle.

Ariel Sharon, leader of the opposition Likud Party, promised his party will object to several elements.

However, political opponents will find it hard to object to the core proposal — taxing earnings from the stock exchange. The debate will probably focus on proposals to tax savings plans.

"They are levying too little tax on capital and too much on savings," Professor Aryeh Arnon, director of the Economics Department at Ben-Gurion University in Beersheba, told Israel Radio.

"These are good steps toward rationalizing the system," said Arnon. "But the pretense that this is a social and economic revolution is exaggerated."

The Knesset is expected to begin debating the package next month, which will take effect in 2001 if approved. □

BEHIND THE HEADLINES**Jews question Chechen war as Putin is officially sworn in***By Lev Gorodetsky*

MOSCOW (JTA) — Nadezhda Korabelnik is clear about what Russia should do in Chechnya: Get out.

"This war is very convenient for the government to 'write off' many problems, including poverty and unemployment," says the Jewish researcher at the State Oriental Museum in Moscow.

Expressing concern that the war stirs up interethnic hatred, Korabelnik adds: "People are dying; Russia can't handle the problem. Let Chechnya be an independent state under international supervision."

Korabelnik is one of many Russians who are increasingly questioning the wisdom of Russia's military actions against its breakaway southern province.

The growing concern over the war in Chechnya is harming Vladimir Putin's standing at the polls even as the Russian president, who has been serving in an acting capacity since the beginning of the year, was officially sworn in Sunday in Russia's first peaceful, democratic transition in its 1,100-year history.

Putin's popularity soared to unheard-of heights of 60 to 70 percent last fall, due to his tough handling of the situation in Chechnya and in the North Caucasus, where rebels are seeking to establish an independent Islamic regime.

But as it has become clear that the Muslim rebels would not lay down their arms without a more-protracted struggle, Putin's popularity has sagged to less than 51 percent.

The questioning of Russia's policy of pounding the Chechens into submission is even more pronounced among the nation's roughly 600,000 Jews.

Jews who support the war fall into two camps.

Some, including those in the military and many who have had direct contact with the Chechen fighters, support the war out of ethnic fear.

"These people will never live in peace, especially with the Jews. They hate us, they have been humiliating us most," says Semyon Dadashev, a Mountain Jew from Grozny, the Chechen capital, who fled to Moscow before the war began last fall.

"Their mixture of imported Muslim fundamentalism with a savage primitive clan culture is terrifying."

Others see a link between Russia's actions against the Muslim guerillas and Israel's fight against Arab terrorists.

"Russia has proven that it is possible and necessary to fight terrorism using military methods," says Avigdor Eskin, a Russian-born Israeli now living in Moscow.

"Chechnya today is a center of international terrorism, of fundamentalist and fascist groupings. Russia's handling of the situation is a good example for Israel."

Both of these groups point to the atrocities committed by Chechen gangs as support for their views. Among those opposed to the war are Western-oriented Jewish intellectuals in Moscow and St. Petersburg, people like the researcher Korabelnik.

These pacifists, who include many who supported liberal Grigory Yavlinsky in the March presidential election, demand an end to the military action, Russia's withdrawal of its troops and Chechen self-determination. This stance was internationally

publicized in the beginning of March, when Vladimir Goussinsky, the head of the umbrella Russian Jewish Congress, was quoted in an interview in *Le Monde* as saying that "the Chechens should be given the opportunity to detach themselves. Russia shouldn't keep any people by force."

Some observers believe that the media mogul's anti-war and, consequently, anti-Putin stance has been one of the main reasons behind the latest state financial pressure on Goussinsky's media empire and the latest attacks on him on state-controlled television channels.

But most Jews don't want the war, but at the same time don't understand how the problems of terrorism, kidnappings, militant fundamentalism and, above all, complete lawlessness in Chechnya can be solved without military action.

As Anna Smolina, a Jewish leader in the city of Kazan, puts it, "I am against any war because people die in wars."

But, she adds, "it is the business of the politicians to finish the action in Chechnya so that no terrorists will be left."

Retired Russian Maj. Vyacheslav Izmailov, a Jew from the Caucasus region, agrees the army shouldn't have entered Chechnya.

He predicts that the guerrillas will escalate their war against the Russian army during the summer, and with that escalation will come more Chechen kidnappings, including of Jews, who he says remain a profitable prey for bandits.

He says he is currently on the case of the son of an Israeli businessman kidnapped by the Chechens.

"The situation is very complicated," he says. "It has become quite hard to establish working contacts with the kidnappers, and many hostages are going to perish because of that." □

Concerns over safety at Olympics haunted by ghosts of 1972 killings*By Jeremy Jones*

SYDNEY, Australia (JTA) — The Palestinians are reportedly considering a Muslim and Arab boycott of this summer's Olympic Games here because of a memorial to the Israelis killed in the 1972 Munich Olympics massacre.

The claim in the Palestinian publication *Al Hayat al-Jadida* of a boycott over the memorial, which was dedicated in October, was subsequently denied by the Palestinians' representative in Australia. But the publicity given the February report — which came as Australian Prime Minister John Howard and Palestinian Authority President Yasser Arafat met in the Gaza Strip last week — threw the spotlight on Israel's security concerns as preparations for the Games begin.

Members of the Israeli Olympic Committee visited Sydney last week to discuss security arrangements for Israeli athletes.

The Games are scheduled to begin Sept. 15.

The Palestinian representative in Australia, Ali Kazak, claimed there are no plans at this stage for a boycott, but that the Palestinians are demanding the memorial be removed.

Kazak said that if the memorial remains, there should also be memorials to the athletes he claimed the Israelis had murdered in Lebanon and elsewhere.

He could not specify who he was talking about and when this had taken place. □