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83rd Year

TOP NEWS IN BRIEF

Egypt recalls its envoy to Israel

Israeli officials said they hope to persuade Egypt not to carry out its decision to recall its ambassador to the Jewish state.

Egypt announced the move Tuesday, citing Israel's air strikes the day before in Gaza City. Egyptian Foreign Minister Amre Moussa dismissed a remark by Israeli Foreign Minister Shlomo Ben-Ami, who said the envoy's recall would limit Cairo's ability to play a role in peacemaking. [Page 4]

Palestinian police can fire

Palestinian police can now fire on Israeli troops who shoot at Palestinian demonstrators, a senior Palestinian Authority official said. Ahmed Abdel-Rahman, the Palestinian Authority's general secretary, said Tuesday that the self-rule government made the decision after Israel "shot the peace process in the heart" with its missile strikes a day before in Gaza City.

Also on Tuesday, Palestinian police opened fire on Israeli troops guarding the settlement of Gush Katif in the Gaza Strip, the Israeli army said. A Palestinian intelligence officer was killed by return fire.

Palestinian gunmen also opened fire on an army patrol along the Israeli-Egyptian border in southern Gaza, prompting return fire from the Israeli troops.

In yet more violence in Gaza, an Israeli civilian was critically wounded after Palestinian gunmen shot him in the head as he was traveling in a convoy in the Gaza Strip.

The attack occurred as Israeli Prime Minister Ehud Barak visited a nearby military base.

Israel wants to delay probe

Israel told the United States the time is not right for a U.S.-led fact-finding mission into Israeli-Palestinian violence.

Foreign Minister Shlomo Ben-Ami sent U.S. National Security Adviser Sandy Berger a letter Tuesday saying, "It would be unfair, inappropriate and very problematic for this fact-finding committee to begin work in the current atmosphere of continuing violence."

The head of the U.S. commission, former Sen. George Mitchell, said Sunday he hoped to send the fact-finding team soon to the West Bank and Gaza Strip.

UJC creates emergency fund to respond to crises, catastrophes

By Julie Wiener

CHICAGO (JTA) — Spurred by Israeli requests for financial assistance, the North American federation system is creating a \$10 million emergency fund so that it can promptly respond to crises and catastrophes around the Jewish world.

The proposal for an emergency fund grew out of frustration that the United Jewish Communities could not quickly help Israel after its earlier-than-anticipated withdrawal from Lebanon in May, said Charles Bronfman, UJC's chairman of the board.

At the time, Israeli officials asked Jewish leaders, "Please send missions over and please be prepared to send money," said Bronfman.

The funds were requested to help provide humanitarian and social services for Israel's northern border communities.

"It would've been wonderful to be able to say, here's \$5 million to keep you going," said Bronfman.

The creation of the emergency fund — which will also be used for domestic needs and will be collected from individual federations — was one of several decisions approved at the UJC's board of trustees meeting during the General Assembly in Chicago last week.

Also decided at the G.A.:

- The UJC will borrow \$5 million from its endowment to develop comprehensive Web sites for Jewish federations. The effort, called FedWeb, will pilot in four cities — San Francisco, Las Vegas, Atlanta and Tidewater, Va. — and will enable federations to provide Internet content more efficiently.

- The UJC will launch weekly solidarity missions to Israel, beginning after Thanksgiving and lasting indefinitely. The missions are intended to show support for Israel at a time of isolation and major loss of tourism dollars.

- The UJC delegate assembly approved nine resolutions on topics ranging from the Middle East to support for Jews in the former Soviet Union and a call for Jewish organizations to offer more services for the growing number of Jews who adopt children.

When Israel made its request to North American Jewry after the Jewish state's withdrawal from southern Lebanon, the UJC did send missions over.

It is also raising \$500,000 to provide programs next summer for Israeli children living near the border.

Had the planned fund existed in May, it is unclear whether the border needs would have qualified as an emergency, but "we would like to be in position to consider such a request," said Stephen Solender, the UJC's president and chief executive officer.

The now-defunct Council of Jewish Federations, which merged with the United Jewish Appeal and the United Israel Appeal to form the UJC, had an emergency fund for domestic needs.

But the new fund will be the first such reserve to also include overseas needs, said Solender.

The UJC is defining catastrophic events as incidents impacting the security of Israel, imminent danger for Jewish populations around the world and natural or man-made emergencies that adversely impact a Jewish community.

A special UJC committee will be created to assess emergency situations as they arise.

UJC officials will meet with local federation leaders in the coming weeks to

MIDEAST FOCUS

Israeli soldier dies from wounds

An Israeli soldier died from wounds he suffered Saturday, when a Palestinian policeman opened fire after infiltrating the Jewish settlement of Kfar Darom in the Gaza Strip.

Sharon Shitubi, 21, who died Tuesday, was a member of a top secret unit of the Israel Defense Force's Golani Brigade. Another soldier died in Saturday's attack, which ended when Israeli troops shot and killed the Palestinian.

U.S. asked to lift travel warning

Israel's Tourism Ministry said it asked the United States to lift its travel advisory warning its citizens not to travel to Israel while the violence is going on.

Tourism Minister Amnon Lipkin-Shahak made the request in a telephone call to U.S. Ambassador Martin Indyk, a ministry spokeswoman said Tuesday.

Victim's family appeals to Shas

The family of a Jewish settler killed in a drive-by shooting last week called on the fervently Orthodox Shas Party to withdraw the political "safety net" it recently provided Prime Minister Ehud Barak. Relatives of Sara Leisha called on Shas leader Eli Yishai to work instead for the security of Jewish settlements.

Violence costs Palestinians

The Palestinian economy has lost an estimated \$426 million as a result of the ongoing violence in the West Bank and Gaza Strip, U.N. officials said.

The officials also reported Tuesday that the socioeconomic situation among Palestinians facing border closures, loss of jobs in Israel and restricted mobility in the self-rule areas "is now taking on crisis proportions."

In a related development, U.S. State Department spokesman Richard Boucher said Tuesday the United States "does not believe that squeezing the Palestinians economically is the right course of action."



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determine how much each federation will contribute.

Of the reserves, \$1.2 million will be earmarked for disasters and emergencies in North America. While the emergency fund and FedWeb proposals both passed, the debate over these decisions illustrates an emerging split between the UJC's large and small member federations.

Large-city federations and smaller ones have vastly different resources available and disparate expectations of the year-old UJC.

Under the merger, federations are the "owners" of the UJC and control its agenda and major decisions.

In recent months, the differences between small and large federations have also come to the fore in discussions over the UJC's budget.

In general, the large federations, which rely far less on services from the umbrella organization, have urged the UJC to cut its budget.

Smaller federations have expressed concerns that such cuts would diminish the services upon which they depend.

Regarding the emergency fund, several large federations — including Detroit, Baltimore and New York — initially opposed it, complaining that the proposal was too vague, particularly in how the money would be collected.

"If I went to my board at home and said we have to set up a fund but we don't know where the money is coming from, they would laugh me out of the room," said Penny Blumenstein, president of the Jewish Federation of Metropolitan Detroit.

The large federations are expected to contribute the majority of the money for the fund.

In response to the large federations' concerns, Bronfman said the resolution will not be implemented until UJC officials meet with individual federations and get financial commitments from them.

But he made clear his desire to make it happen.

"When we announce to the world that we have \$7 billion in assets, and we sit around and say in an emergency we can't afford to give \$3 million to \$4 million, I think we look pretty stupid," he said.

While the large federations almost balked at the emergency fund, the small federations threatened to block FedWeb.

The smaller federations complained that the fees charged for the proposed service — \$250 to \$500 per month for small federations — would be out of their reach.

FedWeb is a system being designed by UJC that will provide federation Web sites with easy-to-use site development tools, a wide range of news and feature content, and software modules that will enable federations to collect donations online, register people for events, distribute publications and provide various interactive features on the Internet, such as message boards and discussion groups.

The smaller federations, while eager to have Web sites, expressed concern that the FedWeb project is too extravagant and will cost more than they can afford.

Howard Ross, executive director of the Northern Louisiana Jewish Federation, said, "I question whether we need a Rolls-Royce when a Chevrolet will do the job."

In the end, the small federations agreed to approve the plan, on the condition that the UJC consider lowering the fees for small federations.

As for the positions passed by the UJC board of delegates, the following are some highlights from those related to the Middle East:

- In an "expression of solidarity," the UJC resolved to demonstrate solidarity with Israel through national and local programming, to use funds to "provide the resources required in Israel to address ongoing social service needs, particularly as that country is required to redeploy its own resources to meet the current crisis," and to continue to develop Birthright Israel and other Israel Experience programs.

- On the Middle East crisis, the UJC adopted a statement declaring that "responsibility for the violence falls squarely on the shoulders of Chairman Yasser Arafat and the Palestinian Authority." The group also rejected the recent United Nations resolutions condemning Israel, praised Prime Minister Ehud Barak for his peacemaking efforts and called upon the next U.S. president and Congress to "continue to view Israel's security and the achievement of peace in the Middle East as matters of high American national interest." □

JEWISH WORLD

Italian insurance agreement could speed other Holocaust policy deals

By Sharon Samber

WASHINGTON (JTA) — The light at the end of the tunnel has become a little brighter for some Holocaust victims and their heirs.

Prospects for payments on insurance policies issued in the years preceding the Holocaust improved after Italy's largest insurance company, Assicurazioni Generali, finalized an agreement to pay \$100 million to settle Holocaust-era insurance claims and provide humanitarian assistance to Holocaust survivors.

The Nov. 16 agreement could help pressure other European insurers to conclude deals, said Elan Steinberg, executive director of the World Jewish Congress.

Although the total number of claims to European insurance money is unknown because people can still file claims for the next three years, Jewish groups have projected how many claimants there will be.

Any money left over after the policies are paid out is slated to go to needy Holocaust survivors.

The agreement was signed by Lawrence Eagleburger, chairman of the International Commission for Holocaust Era Insurance Claims, Generali and Jewish restitution organizations. Generali was one of the largest insurers of Jews in prewar Eastern Europe.

The commission, known as ICHEIC, also announced last week that its researchers discovered 20,000 wartime policies in German archives.

The commission plans to publish the new lists on its Web site, www.icheic.org, to assist survivors and their families in determining whether European insurers owe them money.

U.S. Deputy Treasury Secretary Stuart Eizenstat, the Clinton administration's top official on Holocaust reparations, welcomed the Generali agreement.

Eizenstat issued a statement Nov. 16 saying the U.S. government encourages resolutions to Holocaust-era restitution matters on a "cooperative basis, rather than subject victims and their families to the prolonged uncertainty and delay that accompany litigation."

Eizenstat believes ICHEIC should be the "exclusive remedy" for resolving all claims.

The commission was created in 1998 to solve the problem of insurance policies dating back to the prewar years that were never paid to policyholders or their heirs.

The insurers, faced with lawsuits from policyholders totaling billions of dollars, agreed to participate in the commission as a means for settling those claims.

The commission includes representatives from the European insurers, the U.S. National Association of Insurance Commissioners, European insurance regulators, the World Jewish Congress and an Israeli official.

The five participating insurers are Allianz of Germany, Assicurazioni Generali, AXA Group of France, and Switzerland's Winterthur and Zurich.

These companies wrote about 35 percent of European life, homeowner and dowry policies between 1930 and 1945.

According to Eizenstat, Eagleburger believes he will soon be able to announce settlements with some of the remaining insurers participating in ICHEIC.

But those firms have yet to complete their negotiations and to agree on a final sum. The Generali agreement, though, could pressure them to reach a conclusion, Steinberg said.

Steinberg said a settlement is in the companies' interests because then they will know their total liability.

He also said it is in the restitution groups' interests because there can be a quicker disbursement of funds.

Generali has already made some payments, but Steinberg said there will be a rapid acceleration of payments in the first half of 2001.

Some German and Austrian insurance companies have refused so far to join ICHEIC and follow its guidelines. □

Timing of Swiss fund questioned

Holocaust survivors were among those who appeared in a Brooklyn court to give their opinions about a plan to divide up a historic Swiss settlement of Holocaust-era claims.

Some of the survivors expressed concern about how long it has taken to distribute the \$1.25 billion settlement, which Switzerland's leading banks agreed to in August 1998. Following Monday's hearing, the federal judge overseeing the settlement will decide what the actual distribution plan will be.

Russian governor's aide arrested

Russian police arrested a man who allegedly led an attack on a Jewish official outside the office of the new governor of the Kursk region in central Russia.

The victim, Sergei Maksatchov, the former deputy governor of the region, was hospitalized after several men pummeled him.

The man arrested Tuesday, Vasily Oleinikov, was described by police as an aide to the current governor of the region.

The attackers allegedly demanded that Maksatchov give them information about the region's former governor, Alexander Rutskey, whom they called "the main Jew-Freemason."

Neo-Nazi activities increase

Neo-Nazi activity in Germany is on the increase, the government said.

The increase in hate crimes ranges from displaying Nazi symbols to vandalism, beatings and murder, the nation's interior minister said Tuesday.

The total of such acts hit about 10,000 in the first nine months of this year, Otto Schily said, compared to a similar number for the full 12 months in recent years.

British day schools on rise

The number of children attending Jewish day schools in Britain increased by more than 50 percent during the 1990s, according to new research by the Board of Deputies, British Jewry's central body.

The board also reported that the number of schools grew from 96 in 1992 to 134 in 2000. The board plans to publish a fuller analysis in the spring.

No Nazi treasure found in lake

A salvage firm found evidence in an Alpine lake of a Nazi operation to counterfeit U.S. dollars and British pounds, CBS News said Monday.

The U.S. television news network said its "60 Minutes II" show on Tuesday night would focus on the evidence, found at the bottom of Lake Toplitz in the Austrian Alps.

The crew did not find any rumored Nazi treasure.

NEWS ANALYSIS

No more Arab representatives remain in Israel after Egypt recall

By David Landau and Naomi Segal

JERUSALEM (JTA) — Egypt has become the latest Arab country to take diplomatic action against Israel because of the ongoing violence in the West Bank and Gaza Strip.

In a sudden turn from its role of mediator in the regional conflict, Egypt recalled its ambassador to Israel on Tuesday.

Egyptian Foreign Minister Amre Moussa cited "Israeli aggression" for the decision, adding that it reflected Cairo's "extreme displeasure" with the way Israel was treating the Palestinians.

Egypt's announcement came one day after Israel launched missile strikes on Gaza City to retaliate for a deadly terror attack hours before on an Israeli school bus elsewhere in Gaza.

The planned departure of Egypt's longtime envoy in Israel, Mohammed Basiouny, leaves no Arab representatives remaining in the Jewish state.

Jordan, the only Arab country besides Egypt to have signed a peace treaty with Israel, has delayed sending its newly appointed ambassador to Tel Aviv to protest what it also sees as Israeli aggression against the Palestinians.

The ongoing violence has also prompted Morocco, Qatar, Tunisia and Oman to sever the low-level economic links that each established with Israel during more promising times in the Israeli-Palestinian peace process.

Egypt's recall of Basiouny — which could lead to an eventual downgrading of relations between the two countries — caught the Israeli Foreign Ministry by surprise and prompted diplomatic scrambling to understand its implications.

Israeli officials expressed disappointment with Cairo's decision, but said they do not believe the development indicates the Israeli-Palestinian violence is heading toward a wider conflict.

Israeli President Moshe Katsav said it was reasonable for Egyptian President Hosni Mubarak to want to consult with Basiouny. But Foreign Minister Shlomo Ben-Ami called the move "very grave" and said it would impede Egypt's ability to play a role in peacemaking.

Moussa later dismissed Ben-Ami's comment, saying Egypt "shall participate in the peace process. The peace process has no tickets that Israel issues."

Israeli officials said Tuesday they hope to persuade Egypt not to recall Basiouny. They also said they had no plans to recall the Israeli ambassador in Cairo. The last time Egypt recalled its ambassador was during Israel's 1982 war in Lebanon.

An Islamic summit held last week in Qatar "invited" Arab and Muslim states to sever all relations they have with Israel, but left it to the individual capitals to decide whether to follow this suggestion.

The Egyptian move threw into sharp relief the gulf between expectations and realities as the Israeli-Palestinian crisis lurches from incident to fatal incident.

Only two days earlier, former Israeli President Ezer Weizman and the prime minister's security chief, Danny Yatom, returned from talks with Mubarak saying they believed he now better understood Israeli concerns in the conflict.

And just hours before Cairo's announcement Tuesday, Israeli sources had been saying that Mubarak would make a last-ditch effort to head off a looming escalation.

They said he had summoned Palestinian Authority President Yasser Arafat for urgent talks Tuesday, following an impassioned telephone call from Weizman, who assured Mubarak that Arafat is capable of reining in the violence if wants to.

Palestinian sources said Arafat had not been summoned but rather had been planning a trip to Cairo on Tuesday, one of the frequent visits he makes to the Egyptian capital.

In any event, Arafat decided not to go, citing the situation in the wake of the Israeli missile strikes the night before.

The change in atmosphere was as swift as it was dour. Indeed, over the weekend, the situation had looked relatively promising.

Last Friday, Arafat ordered Palestinian gunmen to stop firing at Israelis from Palestinian-ruled areas.

Some Israeli army officers were skeptical, saying it was possible Arafat had given implicit approval for Palestinians to shoot from areas under Israeli control.

This criticism, however, seemed for a time to be disproved by events on the ground.

True, one serious episode took place in Gaza on Saturday, when a Palestinian police officer attacked an army installation, killing two soldiers before he himself was shot dead by Israeli troops. But apart from that, the violence appeared to be subsiding.

At the same time, the diplomatic track seemed to intensify.

U.S. Middle East peace envoy Dennis Ross held separate talks with Israeli and Palestinian officials, and signals from Washington suggested that Barak and Arafat had agreed that President Clinton try to convene another three-way summit sometime next month.

This was to be the outgoing president's final effort to salvage the peace process in which he has invested so much time and energy.

There were even hints from Israel that it might soften its opposition to the Palestinians' demand that the United Nations dispatch an international observer force to the West Bank and Gaza as part of an effort to stop the violence.

Optimists suggested that Clinton could cobble together an agreement that would award the Palestinians their state in more than 90 percent of the territories, with the issue of Jerusalem sovereignty left for subsequent negotiations.

Under this agreement, Israel would recognize the new state. The Palestinians, for their part, would pledge that the remaining issues would be resolved only by peaceful diplomatic means.

Now, after Israel's helicopter strike on Gaza City, the Palestinians' demand for the protection of a U.N. force has grown more strident.

And Israel, for its part, has reverted to its refusal to allow "the internationalization of the conflict," as Israeli officials describe the Palestinian demand.

With hopes of a return to the negotiating table dimmed again, attention is focusing on the imminent advent of the Muslim holy month of Ramadan, which begins this week.

Ramadan traditionally is a time of prayer.

But in the past weeks, Israel has barred all but elderly Palestinians from praying on Jerusalem's Temple Mount compound.

Experts say a continued policy of restricting entry could trigger further violence in Jerusalem and throughout the West Bank and Gaza. □