



Daily News Bulletin

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84th Year

TOP NEWS IN BRIEF

Labor votes to join Sharon

Israel's Labor Party voted to join Prime Minister-elect Ariel Sharon's unity government.

Sixty-seven percent of the party's Central Committee voted in favor of the resolution, but fewer than half the committee took part in the vote. [Page 3]

State Dept. report divides blame

Israel and the Palestinians are both accountable for the violence in the region that erupted in September, the U.S. State Department said in its annual report on human rights. [Page 4]

Ethiopians a step closer to Israel

Applications and interviews for some 23,000 Falash Mura who hope to emigrate to Israel are complete and in the hands of Israeli officials, said a member of a United Jewish Communities delegation that visited Ethiopia last week.

Four members of the UJC Israel/Overseas Pillar traveled to Ethiopia expecting to monitor the applications process, only to learn it had just ended, said Cheryl Fishbein, the UJA-Federation of Greater New York representative on the mission.

Instead, the mission watched 100 Falash Mura, descendants of Jews who converted to Christianity, leave for the Jewish state, and others prepare for aliyah.

Europe to aid Palestinians

European foreign ministers promised to provide \$55 million to the Palestinian Authority, but called on the Authority to root out corruption and meet accepted accounting standards.

The ministers, meeting under the auspices of the European Union, also agreed to hold an international donors conference March 7 to raise money for the Palestinians. [Page 1]

Mubarak, Abdullah to visit D.C.

Egyptian President Hosni Mubarak and Jordan's King Abdullah will meet with President Bush in Washington in April, according to the White House.

Mubarak is slated to meet with Bush on April 2, Abdullah on April 10.

The announcements came after U.S. Secretary of State Colin Powell met with Mubarak and Abdullah during his trip to the Middle East this week.

BEHIND THE HEADLINES

Israel assailed for economic steps as Arafat says he can't pay salaries

By Avi Machlis

JERUSALEM (JTA) — As the Palestinian intifada enters its sixth month, international attention has shifted from the daily death toll to the tough economic measures Israel has imposed on the West Bank and Gaza Strip.

The measures include closing passages between the Palestinian-ruled territories and Israel proper, which keeps tens of thousands of Palestinians from working in Israel; travel restrictions that often prevent Palestinians from traveling between cities and villages in the West Bank; and withholding tax and customs money that Israel collects on behalf of the Palestinian Authority.

Israel says the measures are designed to prevent Palestinians from launching terror attacks and to pressure the Palestinian Authority to start clamping down on violence.

But critics in the United States and Europe say Israel is only embittering the Palestinian population and pushing the Palestinian Authority to the brink of collapse.

Recent U.N. reports indicate that Palestinian unemployment is rampant, poverty has jumped 50 percent since the violence began in late September and one-third of the Palestinian population lives below the poverty line.

The United Nations also has warned that the Palestinian Authority is on the verge of financial collapse: Palestinian Authority President Yasser Arafat claims he is unable to pay the salaries of civil servants and security forces.

On his first visit to the region this week, U.S. Secretary of State Colin Powell urged Israel to lift the blockade it has imposed on the Palestinian territories as soon as possible.

Ariel Sharon, Israel's prime minister-elect, says he will quickly lift the sanctions — as soon as the Palestinians stop the violence. With Palestinian security forces implicated in numerous shooting and terror attacks on Israelis in recent months, Israel is saying, in essence, that it will no longer subsidize its attackers.

"Israel has no interest in a difficult situation for either the P.A. or the population at large," says Dore Gold, foreign policy adviser to Sharon. "But if the security personnel who receive salaries from the P.A. are regularly involved in sniper attacks on Israeli civilians, it creates a very difficult situation."

Israeli officials do not deny the complexity of the situation.

"We distinguish between the people in the Palestinian Authority — who are suffering — and the Palestinian Authority itself," said an Israeli official, speaking on condition of anonymity. "The economic situation in the P.A. is not good, but we are not looking at the collapse of the P.A. as a system."

According to the official, there are signs of "serious erosion" in the Palestinian Authority, although talk of institutional collapse are "exaggerated," and Arafat is still paying his civil servants.

"We have no interest in the P.A. collapsing," the official says. "We also intend to transfer the taxes. There is no decision in principle to hold this money, and it is not in Israel's interest to withhold the taxes since it is not our money."

For their part, European foreign ministers promised to provide \$55 million to the Palestinian Authority, but called on the Authority to root out corruption and meet accepted accounting standards. The ministers, meeting under the auspices of the European Union, also agreed to hold an international donors conference March 7 to raise money for the Palestinians.

The issue of tax receipts is among the most problematic. Under economic accords that accompanied the peace process, Israel collects customs, valued added taxes and

MIDEAST FOCUS

Syria criticizes Powell trip

Syria criticized U.S. Secretary of State Colin Powell for focusing more on Iraq than on the Israeli-Palestinian conflict during his current visit to the Middle East.

A front-page editorial in a state-run newspaper accused Powell of ignoring the killing of Palestinians by Israeli forces.

The article was printed as Powell arrived in Syria for talks with Syrian President Bashar Assad.

Settler group wants Arafat's head

The director general of the Council of Jewish Settlements in the West Bank and Gaza Strip called for the "elimination" of Palestinian Authority President Yasser Arafat, according to Israel Radio.

Israeli officials reacted to the proposal with shock and outrage.

The council has called on Prime Minister-elect Ariel Sharon to allow the Israeli army to take a stronger stand against terrorist attacks.

Two Palestinians arrested

Israeli security forces detained two Palestinians from a village near Bethlehem on suspicion of organizing stoning attacks in the area.

Israel Radio reported that the two were suspected of organizing attacks on Israeli drivers on the "Tunnel Road," a main highway connecting Jerusalem and the West Bank.

Center Party cannot hold

Israel's Center Party is expected to break up Wednesday.

Two of the party's six Knesset members, Dan Meridor and Roni Milo, are expected to become Cabinet ministers in Prime Minister-elect Ariel Sharon's government.

The party was formed amid much fanfare before the 1999 Israeli elections.



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taxes on goods imported to the Palestinian Authority through Israeli seaports and airports. Each month, Israeli finance officials calculate how much Israel has collected on behalf of the Palestinian Authority.

The Israelis then sit with Palestinian officials and offset the figure with various sums the Palestinian Authority owes Israel, primarily for utility service. Last year, Israel transferred roughly \$50 million a month to the Palestinian Authority, even after the Palestinian violence began.

Israel's Finance Ministry says the monthly sums were transferred as usual through the end of December, though the average figure declined slightly due to the slowdown in Palestinian economic activity. The last payment was made at the end of December, and a treasury official says Israel now owes about \$41 million.

"The clearance procedure was delayed for technical reasons," the official says, refusing to comment on whether Israel is withholding the money as a matter of policy.

The official also says the Palestinian Authority owes Israel about \$30 million for payments of utilities such as electricity and telephone services. Israel does not want to cut the Palestinians off from these services for humanitarian reasons, but it is considering recouping the debt from the tax money it owes the Palestinians.

Nasser Tahboub, the Palestinian commissioner of indirect taxes, rejects this idea.

"There is nothing overdue," he says of the utility payments. Tahboub also claims Israel owes about \$75 million in collected taxes since the beginning of December.

According to Tahboub, the backlog of tax revenue creates two main problems for the Palestinian Authority. First, the taxes owed make up more than 60 percent of the Palestinian Authority's monthly budget, he says.

In addition, he accuses Israel of blocking Palestinian imports through Israeli ports. This forces many businessmen to either forgo importing altogether or to smuggle goods — which further reduces tax receipts and creates a cash crunch for Palestinian Authority institutions.

"Israel talks about security, but preventing Palestinian goods from being declared in Israeli ports is not justified for any security reasons," Tahboub says. "They also have no right to hold the taxes since it is our money — and Israel is making nice interest income off of our revenues which they hold."

Israel does not deny the import problems, but it does dispute the cause. Yarden Vatikay, coordinator of government activities in the territories, says the Palestinians have only themselves to blame.

"The Palestinians want to point their guns at us, but they end up shooting themselves in the foot," he says. "Certainly, there are difficulties, but it is a result of the violent situation that they have created."

But do the economic sanctions work? Strategic analysts are divided.

Boaz Ganor, director of the international policy institute for counterterrorism at the Herzliya Interdisciplinary Center, said the sanctions send a strong message to both the Palestinian Authority and the Palestinian people that "you cannot have economic relations and fight at the same time."

Ganor dismisses the warnings that the Palestinian Authority is on the verge of collapse, as well as the argument that economic measures only further radicalizes Palestinian sentiment toward Israel.

"Economic punishment may contribute to this feeling, but it is not the only reason or main reason for the Palestinians' attitudes. The main problem is the incitement," from Palestinian Authority-run mosques, media and schools, he says.

Shlomo Gazit, senior research fellow at the Jaffee Institute for Strategic Studies at Tel Aviv University, sees things differently.

"I have not seen the effectiveness of these" economic measures, says Gazit, who served three decades ago as the first Israeli coordinator of government operations in the West Bank and Gaza Strip.

The ratcheting up of economic measures against the Palestinians has been accompanied by an increase in violence, not a decrease, Gazit says.

"All of these measures are, on the one hand, aggravating bilateral relations, while increasing hatred," he says.

Withholding tax money is a particularly bad move, he says.

"We are collecting taxes on behalf of the Palestinians, and it is our responsibility to pass over the money," Gazit says. "Holding the revenues is a not only a violation of an agreement; it is simply stealing." □

JEWISH WORLD

Rich: My pardon was fair

Commodities trader Marc Rich called his pardon a "humanitarian act" and said his 18 years of "exile" in Europe and Israel were necessary because he would not have received a fair trial in the United States.

Rich's comments from Jerusalem on Saturday were his first public statements since he was pardoned by President Clinton in January.

Several prominent Israeli and American Jewish leaders and organizations accepted contributions from Rich and wrote letters on his behalf.

Ex-RNC money chief to head bank

Mel Sembler, a prominent Republican Jew and former national finance chairman of the Republican National Committee, was appointed president of the Export-Import Bank of the United States, pending Senate confirmation.

The bank facilitates trade relationships between U.S. businesses and foreign countries, specifically those with financial problems.

Shoah survivors sue Austria

A group of Holocaust survivors sued Austria in a U.S. court for property and assets seized during the Nazi era.

Last Friday's lawsuit represented a rejection of the deal reached last month among survivors' representatives, the Austrian government and the Clinton administration.

Lawyers for the plaintiffs say the deal, under which Austria agreed to pay more than \$300 million, is inadequate.

Latvian extremists arrested

Latvian police arrested several members of a Russian-based illegal extremist group for armed robbery, according to the Union of Councils for Soviet Jews.

In addition to arresting members of the Russian National Unity organization, police also seized arms and ammunition. The incidents prompted speculation that the group is escalating its activities in Latvia.

Report: Samson had a disorder

The biblical hero Samson exhibited symptoms of anti-social personality disorder, according to a new scholarly article.

Samson exhibited six of the seven traits necessary for the diagnosis, writes Dr. Eric Altschuler in the Archives of General Psychiatry.

Altschuler cites Samson's failure to conform to social norms by torching the Philistines' fields and then refusing arrest; repeatedly lying to his parents; displaying impulsiveness; and repeatedly getting involved in physical fights and cruelty to animals.

After weeks of party strife, Labor agrees to join Sharon gov't

By Naomi Segal

JERUSALEM (JTA) — Shimon Peres may be unable to win an election with the Israeli public, but he can still carry the day in his own party.

Following weeks of infighting and recrimination that threatened to split the Labor Party, the party's Central Committee voted Monday night to take Peres' advice and join a unity government under Prime Minister-elect Ariel Sharon.

Peres is expected to serve as foreign minister under the Likud Party's Sharon, who is opposed to the Oslo peace agreements with the Palestinians that Peres helped to broker.

Sharon overwhelmingly defeated incumbent Ehud Barak in special elections for prime minister earlier this month.

Sharon then urged Labor to join his coalition to help him confront the five-month-old crisis with the Palestinians.

The Labor meeting was stormy. Senior party members made impassioned pleas from the podium, while police tussled outside the auditorium with young party activists — many opposed to the unity government — who were not committee members and were denied entry.

The committee also had been expected to choose Peres as interim Labor Party leader until new primaries can be held, but that motion was struck down on procedural grounds.

"The time has come to listen to the nation for once," Peres said in a plea for unity, as supporters clapped and hecklers booed. "For once, listen to the will of the nation."

Peres was the most eloquent Labor voice for joining a unity government, but many leading members of the party opposed the idea.

Justice Minister Yossi Beilin, Peres' political protege and one of the main opponents of a unity government, said Labor's only purpose would be to extend the life of an ill-fated coalition under Sharon.

"Shimon, I love you, but listening to your remarks, I want to cry," Beilin said to Peres.

Beilin said it would be Sharon's wildest dream to have a "Nobel Peace Prize laureate as his foreign minister" to justify his government's allegedly hard-line policies abroad.

Foreign Minister Shlomo Ben-Ami warned that Labor needs a season in the political wilderness to rebuild itself, and would destroy itself by joining a unity government now.

"In the opposition we can be a united party," Ben-Ami said. "Joining a hard-line unity government will erase our identity as a movement."

Labor's bitter debate was intensified by the succession battle underway following Barak's resignation as party leader.

Labor and Likud reportedly have agreed that Labor will receive eight portfolios out of 30 in the government.

The sides also drew up general policy positions that smoothed over their ideological differences.

Sharon has said that peace will require painful concessions.

But he has reiterated that he will not negotiate with the Palestinians as long as attacks on Israelis continue.

Senior Labor Party members last week removed their opposition to sitting in the same government with far-right legislators Rehavam Ze'evi and Avigdor Lieberman, a development that outraged dovish members of the party.

Meanwhile, heavy exchanges of fire were reported Monday in the Gaza Strip, despite late-night talks Sunday between senior Israeli and Palestinian security officials on ways to stop the violence.

An Israeli soldier was lightly wounded when Palestinians threw an explosive device at Israeli troops along the Israel-Egypt border.

Israeli security forces also arrested two Palestinians in the Bethlehem area suspected of attacking drivers on a main highway linking Jerusalem and the West Bank.

The army also set up a new military post near the Ramallah-Nablus road after two Jewish settlers were wounded in shooting attacks in the area Sunday. □

Israelis, Palestinians criticized in annual U.S. human rights report

By Matthew E. Berger

WASHINGTON (JTA) — The United States is holding both Israel and the Palestinians accountable for the violence in the region that erupted in September.

Israeli forces “committed serious human rights abuses,” according to the annual Report on Human Rights Practices, released Monday by the U.S. State Department. The report sharply criticized Israel for its treatment of Arab citizens and its use of live ammunition and rubber-coated steel bullets in battles with the Palestinians.

“In many instances, Israeli security forces used excessive force against demonstrators in contravention of their official rules of engagement,” according to the report.

Specifically, the report says excessive force led to the deaths of 13 Israeli Arabs during widespread riots in October.

The Palestinian Authority was criticized for killing several Israeli soldiers during clashes with Israelis and for arbitrary arrest and detention of prisoners. It said Palestinian forces “failed to prevent armed Palestinians from opening fire on Israelis in places in which Palestinians were present.” The report said it was unclear whether Palestinian leadership authorized the incidents.

The report said human rights actions by both groups were improving before the recent violence began. The report’s author said stopping the violence in the region would greatly increase both sides’ human rights record.

“The report could actually be divided into two parts: up until September and post-September,” said Michael Parmly, the acting U.S. assistant secretary of state for democracy, human rights and labor. “We’re confident that the democratic institutions in Israel will get that country moving in the right direction,” Parmly said. “I would like to see Palestinians get out of the street.”

The Israeli Foreign Ministry defended its use of force in a statement Monday, saying it must be seen within the context of “daily terrorist acts against Israeli civilians.”

“Since September, the Palestinian Authority has engaged in over 3,000 live ammunition attacks against Israeli soldiers and civilians,” the statement said. “Israel has reacted in a proportionate, measured and responsible fashion to the systematic, ongoing attacks by Palestinian militia and members of the Palestinian Authority.”

The Anti-Defamation League called the report’s characterization of Israel “unfair and distorted.”

“The report rushes to judgment by harshly condemning Israeli action as ‘excessive force’ while ignoring the involvement of the Palestinian Authority in inciting and directing anti-Israel violence,” the ADL’s national director, Abraham Foxman, said in a statement.

The report devotes almost five pages to issues facing Israeli Arabs. The report found that Arabs do not have the same quality of education, housing, employment, and social services as Jews, but noted a \$975 million governmental assistance plan for Arab citizens that was approved in the fall.

Among the report’s other findings for the year 2000:

- Three Palestinian prisoners died in Israeli custody under unclear circumstances, and there were “numerous credible allegations” that Israeli police beat detainees.

- Some of the Palestinians killed during the autumn violence “were targeted specifically by Israeli security forces.”

- Palestinian soldiers prevented medical aid from reaching an injured Israeli border policeman in October. The man later died.

- Palestinian Authority officials continue to harass and abuse journalists, leading to self-censorship by Palestinian media.

- Israel was cited for arresting hundreds of Arab citizens during the period of demonstrations that started in September, and for arresting people more than a month after the disturbances ended.

- Conditions for Palestinians in Israeli prisons were described as “poor.” Conditions in Palestinian facilities were considered “very poor.”

- Problems in the treatment of women by both the Israelis and Palestinians were noted. Women’s groups in the Palestinian territories were cited for heightening awareness of problems of rape, domestic violence and “family honor” violence attacks, but problems remain widespread. In Israel, the report notes concern about the trafficking of women for prostitution.

Other countries came under criticism for their treatment of Jews:

- In Iran, anti-Semitic propaganda increased after the arrest of 13 Jews in early 1999 for alleged spying for Israel. Ten of the Jews have since been sentenced to terms of two to nine years. The Jewish community in Shiraz has been under close governmental surveillance, and Jewish businesses have been the targets of vandalism and boycotts. The report said Jewish leaders are reluctant to draw attention to the “official mistreatment” because of fear of governmental reprisals.

- Despite government reports on the issue, only limited steps have been taken in Russia to prevent anti-Semitism. Also, Russian President Vladimir Putin was accused by some of playing a role in the election of a second chief rabbi there. Putin has been accused of creating division within the Jewish community for advocating a rival to longtime Chief Rabbi Adolph Shayeveich, who is aligned with groups critical of Putin. □

Frightened by Mideast violence, British nixing Israel travel plans

By Richard Allen Greene

LONDON (JTA) — Despite several high-profile solidarity missions, British tourism to Israel has fallen dramatically since Palestinian violence erupted in late September.

Thomson Travel, Britain’s largest package-tour operator, has canceled all trips to Israel through the end of the year, and El Al has reduced its number of weekly flights because of low interest.

Thomas Cook, one of the largest travel agents in Britain, told JTA that travel to Israel in January was down by about two-thirds from the same period last year.

About one-third of British travelers to Israel are Jewish, according to the Israeli government tourist office here. Britain’s Orthodox and Reform communities have sent more than 100 people to Israel on separate solidarity missions in the past few months.

The “millennium effect” — travel to Israel last year to commemorate the 2,000th anniversary of Jesus’s birth — may have skewed last year’s figures, but the drop is still very pronounced, Thomas Cook spokesman Nick O’Donnell said.

People familiar with the region are less likely to be scared off than those with little knowledge of the Jewish state, he said.

“Tourists who have not been there before tend to look elsewhere now,” he said. “But people who have been before know that Eilat is 300 miles away from the center of the conflict.” □