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TOP NEWS IN BRIEF

U.S.: Israel shouldn't use F-16s

Israel should stop using U.S.-built warplanes for attacks on the Palestinians, Vice President Dick Cheney said Sunday.

But Cheney declined to say whether the United States would take steps to force Israel to keep the F-16s grounded.

After a Hamas suicide bomber killed five people in Netanya last Friday, Israel responded by launching its first F-16 strikes since the violence erupted last September, killing 12 Palestinians.

U.N. Secretary-General Kofi Annan criticized the terror bombing, but called the Israeli response "disproportionate." [Page 3]

Arabs call for freezing relations

Arab foreign ministers called for freezing relations with Israel because of the escalation in the conflict with the Palestinians.

Saturday's announcement was made following a Cairo meeting of the Arab League held at the request of Palestinian Authority President Yasser Arafat.

Israel said Saturday's announcement was a propaganda ploy that would backfire on Arab states. [Page 3]

Firms press Schroeder on fund

A group of German companies that contributed to a \$5 billion fund for Holocaust-era slave and forced laborers urged Chancellor Gerhard Schroeder on Sunday to pay the aging survivors before they die.

Forty-three of the 6,000 German firms that gave to the fund said in a letter that 200 of the victims are dying each day.

Schroeder said last Friday he expects the German Parliament will clear the way for the fund to start making payments by mid-July.

Jedwabne exhumation postponed

Poland's justice minister said Sunday he is postponing the exhumation of the remains of up to 1,600 Jewish victims of a 1941 massacre until he can confer with Jewish religious leaders.

The exhumation had been requested by the National Remembrance Institute, a government body investigating the massacre in the Polish town of Jedwabne. But some Jewish groups say disturbing the dead violates Jewish religious belief.

FOCUS ON ISSUES

Holocaust insurance panel faces allegations of improper spending

By Tom Tugend

LOS ANGELES (JTA) — An international commission charged with settling Holocaust-era insurance disputes has reportedly spent 10 times as much on administrative expenses than on payments to survivors and their heirs.

Since its founding in October 1998, the International Commission on Holocaust Era Insurance Claims, known as ICHEIC, allegedly paid out more than \$30 million for salaries, hotel bills and newspaper ads, while the five European companies that fund the commission have distributed only \$3 million to claimants.

The allegations are based on information from internal ICHEIC documents cited in a class-action lawsuit and in a Los Angeles Times report.

One internal memo, written in January by Geoffrey Fitchew, the commission's vice chairman, warns that "ICHEIC is at risk of facing increasing criticism, focusing on the low proportion of our claimants who have received offers" and "on the unfavorable ratio between the costs of administrating the ICHEIC claims process and the value of offers."

These offers have been as low as \$500 for multiple prewar policies — and more than half have been rejected by claimants, according to the class-action lawsuit, filed May 16 in Los Angeles Superior Court.

Former U.S. Secretary of State Lawrence Eagleburger, who heads the commission, acknowledged some of its shortcomings in an interview with the Los Angeles Times.

He conceded "the point that we have spent more money getting ready than we should have."

According to ICHEIC's documents, the commission has had at least 18 meetings, including seven in London, one in Jerusalem, one in Rome, eight in Washington and one in New York.

As many as 100 participants attended the meetings, some at luxury hotels.

In the commission's defense, Eagleburger said ICHEIC had to spend nearly \$9 million in newspaper ads to inform potential claimants and additional sums for searches of Holocaust-era archives.

ICHEIC was created following survivors' claims that European insurers refused payments on policies taken out by Jews who perished in the Holocaust.

It was founded by American and European insurance regulators, Jewish organizations and European insurance companies with the goal of resolving insurance disputes quickly and fairly, in the hope of avoiding lengthy battles in U.S. courts.

The five participating insurers are Allianz of Germany, Italy's 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.

The commission is a private organization not regulated by any governmental agency, and it makes its own budget decisions.

Some U.S. states have taken their own steps to speed up the claims process. In April 2000, Minnesota joined California, Florida, New York and Washington state, which have all enacted laws restricting the ability of European insurers to practice in their states without first settling Holocaust-era claims.

The class-action lawsuit was filed by attorney William Shernoff on behalf of 89-year-old Felicia Spiner Haberfeld.

She is the widow of Alfons Haberfeld, who ran a profitable distillery in the Polish town of Oswiecim before the war and who served as the last president of the town's

MIDEAST FOCUS

Protesters take on McDonald's

Fervently Orthodox demonstrators held Shabbat prayer services in the parking lot of a McDonald's restaurant in the Israeli city of Beit Shemesh to protest its decision to open on the Sabbath.

The restaurant management maintains that keeping the fast-food store open on Shabbat does not interfere with the religious community and is intended to serve people driving on main roads in the area.

Hezbollah vows to retaliate

Hezbollah said it would retaliate after Israeli soldiers shot and wounded two Lebanese youths throwing stones across the border.

"This is a new Zionist crime and a huge violation that we cannot overlook," Hezbollah said Saturday in a statement. Israel said last Friday's incident occurred when Lebanese protesters were trying to tear down a border fence between Israel and Lebanon.

The United Nations has asked Beirut to restrain the actions of its civilians at the border, saying they could cause an escalation of violence.

Soldiers' families plan campaign

Frustrated by what they believe is the Israeli government's failure to do enough to secure the release of their sons, the families of three Israelis who have been held by Hezbollah since last October plan to launch a new public awareness campaign.

The Israeli daily *Ma'ariv* reported Sunday that the families intend to hang large banners across from army induction centers, asking the parents of new soldiers, "Where Is Your Son? Ours Are Kidnapped in Lebanon."

Jerusalem bar owner finds bomb

A Jerusalem pub owner averted a terrorist attack last Friday night when she discovered a bomb in a nylon bag in the crowded bar and took it outside. A bomb-disposal unit later neutralized the device.



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Jewish community. Oswiecim is better known by its German name, Auschwitz.

In the fall of 1939, the couple left on a trip to attend the New York World's Fair, where the distillery had a display.

They left their 2-year old daughter, Franciszka, in Poland with her grandmother.

Caught on the high seas by the outbreak of war, the Haberfelds could not return to their home in Poland.

Their daughter and the grandmother perished in the Holocaust.

In the mid-1930s, Alfons Haberfeld took out a number of insurance policies with Generali, including one on his own life and one to provide a dowry for his daughter.

The Italian insurance giant was one of the largest insurers of Jews in prewar Eastern Europe.

Since 1957, when the policies matured, Alfons Haberfeld tried unsuccessfully to collect on the policies.

After his death in 1970, his widow continued the effort.

In a recent development, Felicia Spierer Haberfeld received a letter from Generali offering to settle all her claims for \$500, a figure that Shernoff considers ridiculously low.

In addition, the lawsuit claims, other survivors have received similar form letters, whose language implies that the memos were being sent at the direction of the Eagleburger commission.

Haberfeld's lawsuit seeks an injunction prohibiting Generali from trying to persuade other Holocaust survivors and their heirs in California "into settling their claims against Generali for a fraction" of their true value.

The class-action lawsuit also seeks to nullify already existing insurance settlements induced by the Generali form letter, and to stop any future mailings of the letter. A first hearing on the injunction request has been set for June 19.

Peter Simshauer, Generali's attorney in California, said in a phone interview that he was still evaluating the Haberfeld lawsuit, but believes that it has no merit.

He said Generali had established a \$12 million trust fund for survivors in Israel some years ago, and had pledged more than \$100 million for future worldwide claims through the international commission.

Also coming to the commission's defense was the World Jewish Congress, which is represented on ICHEIC by the WJC's executive director, Elan Steinberg.

Speaking from his office in New York, Steinberg acknowledged that the commission's "up front" expenses of \$30 million could have been handled more efficiently.

That said, Steinberg was highly critical of the Los Angeles lawsuit.

"At the end of the five-year process, I expect that \$650 to \$700 million will have been paid out for settlements, with administrative expenses totaling \$90 million," he said.

The intention of the Haberfeld lawsuit "would appear to be that lawyers will be able to inject themselves in a process from which they are excluded at the moment," Steinberg said.

The remark drew a heated response from attorney Shernoff.

"Mr. Steinberg's comment shows a complete lack of understanding of what is really happening," Shernoff said. "He is trying to substitute the commission's secret process for the survivors' constitutional rights in court and additional rights under specific California legislation."

In a related development, the House of Representatives last week approved an amendment that calls on the U.S. State Department to review ICHEIC's procedures.

Supporting the amendment, Rep. Henry Waxman (D-Calif.) said, "ICHEIC is not doing the job Congress expected it to do, and I intend to ensure that it has fair procedures and is accountable to Holocaust survivors." □

Austrian neo-Nazis can take class

NEW YORK (JTA) — Neo-Nazi defendants in Austria are being given a chance to avoid a prison sentence if they are willing to take a history course to learn about their country's past.

The course focuses on the history of Austria's Nazi period and the development of democracy in the nation following the war. □

JEWISH WORLD

Sharon defends use of warplanes, but critics say it cost Israel support

By Naomi Segal

Court rules against Haider

An Austrian court issued a ruling ordering far-right leader Jorg Haider not to repeat remarks he made implying that Jewish leader Ariel Muzicant engages in dubious business practices.

Haider attacked Muzicant during the campaign for Vienna municipal elections earlier this year using a term that roughly translates as "having skeletons in the closet."

The Vienna commercial court said the term was untrue and damaging to the plaintiff.

Group opposes faith program

The American Jewish Congress is challenging a government-funded job training program because it is only open to faith-based providers.

The AJCongress says the charitable choice program is unconstitutional and discriminatory. The group also plans to bring suit against a federal health services program that is currently set aside for religious groups if the program's guidelines are not changed.

Fortune: AIPAC's in top 5

Fortune magazine again ranked the American Israel Public Affairs Committee among the top five in its annual survey of leading lobbying groups.

Ranked fourth overall among the magazine's "Power 25," AIPAC remains the No. 1 foreign policy lobby and the only Jewish group on the list for the fourth consecutive year.

Fire at site of Majdanek camp

Polish police said they believe arsonists were responsible for a fire that caused minor damage to a former Nazi death camp in eastern Poland.

Thirteen firefighters put out the blaze after it was discovered Saturday by employees at a museum at the site of the Majdanek camp.

Ukrainians back God to fight AIDS

Members of Jewish groups were among the 15,000 people who marched through the Ukrainian capital on Sunday, urging bystanders to turn to God in the fight against AIDS. Demonstrators in Kiev carried banners proclaiming, "Turn to God, He Will Help" and "You Have a Chance."

JTS finishes library renovations

The Conservative movement's Jewish Theological Seminary recently completed extensive renovations of a historic library destroyed in a 1966 fire.

At last week's dedication of the Kripke Tower on the school's Manhattan campus, JTS officials announced the launch of a \$250 million campaign, the school's largest ever, for programs in the institution.

JERUSALEM (JTA) — As Israel buried its dead this week from the latest terrorist attack, Prime Minister Ariel Sharon dismissed criticism at home and abroad over his use of F-16 airplanes in reprisal raids against Palestinian targets.

Last Friday, a Hamas suicide bomber killed five people and wounded more than 100 others in Netanya. The bomber detonated the explosives strapped to his body after a security guard turned him away from a shopping mall in the coastal city.

The explosion ripped away the mall's front wall.

Following the attack, Israel responded by launching its first F-16 strikes on the West Bank and Gaza Strip since the violence erupted last September. Twelve Palestinian policemen were killed in the Israeli air strikes.

In other violence last Friday, an Israeli army officer was killed and his mother was seriously wounded in a West Bank shooting attack.

Funerals were held Sunday for three of the five Israelis killed in the Netanya suicide bombing. The army officer also was buried.

Despite the carnage of the Netanya bombing, Sharon came under sharp criticism abroad for what was seen as a heavy-handed response. In Israel, critics said the action cost Israel dearly in terms of world opinion, while newspaper commentaries warned that the use of the F-16s would only escalate the conflict.

On Sunday, Vice President Dick Cheney said Israel should stop using the U.S.-built F-16s for attacks on the Palestinians. But Cheney declined to say whether the United States would take steps to force Israel to keep the F-16s grounded.

U.N. Secretary-General Kofi Annan criticized the Netanya terror bombing, but he called the Israeli response "disproportionate."

On Saturday, Arab foreign ministers called for freezing relations with Israel because of the F-16 strikes. Saturday's announcement was made following a Cairo meeting of the Arab League held at the request of Palestinian Authority President Yasser Arafat.

Egyptian President Hosni Mubarak warned that the region was heading toward a "point of no return."

But Sharon, in remarks published Sunday in the Israeli daily Yediot Achronot, said, "We will do what it takes and use everything at our disposal to protect the citizens of Israel."

Justice Minister Meir Shearit echoed Sharon's statement in reaction to Cheney's comments. "I think Israel is entitled to use anything we have in order to protect our citizens," Shearit told Israel Radio. "I believe the United States would use any tool it has if somebody else would attack its own citizens."

Sharon consulted only with his Inner Security Cabinet — which includes Defense Minister Benjamin Ben-Eliezer and Foreign Minister Shimon Peres — before deciding last Friday to use the F-16s.

But on Sunday, the more inclusive Security Cabinet reaffirmed the authority of Sharon, Ben-Eliezer and Peres to order pinpoint attacks against Palestinian targets.

Meanwhile, in a briefing to reporters Sunday in Jerusalem, an Israeli general said Sunday that Israel's use of the F-16s did not mark a change of strategy.

Maj. Gen. Giora Eiland, the head of the army's planning division, said the warplanes were used because the targets chosen for the attack were too big for helicopter gunships to have been effective.

Eiland also said the Palestinian Authority is working in full cooperation with Palestinian militants, and Israel no longer makes "distinctions between the different armed organizations of the Palestinians."

In fresh violence Sunday, an Israeli soldier was wounded in the stomach by Palestinian sniper fire near the West Bank city of Ramallah. During exchanges of fire later in the Ramallah area, the home of Jibril Rajoub — leader of Palestinian security forces in the West Bank — was damaged by Israeli shelling.

Palestinian sources said Rajoub was slightly hurt in the hand and several guards at a position near the house were injured.

An army spokesman denied there had been any attempt to assassinate Rajoub. □

A century after it was destroyed, a Star of David flies over Moscow

By Lev Gorodetsky

MOSCOW (JTA) — The symbolism was evident.

Last week, a group of Jewish children released a flock of doves at a ceremony last week marking the restoration of a dome and gilded Star of David on the capital's main synagogue.

The new addition to the Moscow skyline came at a time when relations between Moscow's Jewish community and the Russian authorities are marked by a relative peace.

Indeed, at the May 16 ceremony, Moscow Mayor Yuri Luzhkov and one of Russia's two chief rabbis, Adolph Shayevich, together laid a cornerstone for a new Jewish community center.

When Luzhkov was approached about the idea of restoring the dome, he reacted enthusiastically, said Pinchas Goldschmidt, Moscow's chief rabbi. Luzhkov helped the synagogue cut through the red tape for building permits needed in downtown Moscow and even suggested funding sources.

Luzhkov is known for his friendly relations with the Moscow Jewish community. A few years ago, he helped Lubavitch Jews restore the Marina Roscha Synagogue, which burned down in 1994.

The dome and star graced the Choral Synagogue for a short time in the early 1890s, when Czar Alexander III bent to the will of the Russian Orthodox Church and ordered them taken down.

This decree started a period of persecution for the Moscow Jewish community. Thousands of Jews were evicted from the city between 1892 and 1897, and the Jewish population of Moscow dwindled from 26,000 to 5,000.

The Choral Synagogue was closed down. It was re-opened in 1906, but for the past century it has had only a plain roof.

According to legend, the church's opposition to the dome in the 1890s began after the then-mayor of Moscow saw the dome, thought it was an Orthodox church and crossed himself.

When Luzhkov told the story to Israeli President Moshe Katsav, who visited the Choral Synagogue last January, it turned out that Katsav already knew it.

Both laughed, apparently realizing that Luzhkov told the story to juxtapose his actions with those of his 19th-century predecessor.

In an interview with JTA, Goldschmidt emphasized that the restoration of the dome was a symbol of reconciliation not only with the Russian authorities but also with the Russian Orthodox Church.

The dedication "was a historically and politically important event. The dome was originally taken off because of the pressure of the church, and today we got congratulations from the church on the occasion of its restoration," he said.

In addition, a Russian Orthodox priest attended the ceremony.

Despite the good feelings at the dedication, some problems remain, including money.

"We already owe the construction company roughly \$1 million. And the overall cost of the works may reach \$5 million, plus a similar sum to build the JCC," Goldschmidt said.

The division within Russia's Jewish community was also in evidence last week.

Russia's second chief rabbi, Berel Lazar, did not attend the ceremony. He later explained that he did not accept an invitation because other Lubavitch rabbis had not been invited. □

Plan to build near site of massacre draws opposition from British Jews

By Richard Allen Greene

LONDON (JTA) — British Jews are protesting a proposed real estate development near the site of one of the worst massacres of Jews in English history.

An official with the Board of Deputies, the umbrella organization that represents most British Jews, said the planned \$84 million leisure and shopping center near Clifford's Tower in York — where the city's Jewish community of about 150 took refuge from a mob in 1190 — will "diminish the historical and spiritual impact of the tower."

"The shops and buildings would shut out the view of the tower," said Marlana Schmoof of the Board of Deputies.

Many of the Jews took their own lives in the attack; the rest were burned to death when the tower was set on fire or killed when they fled the inferno.

The government ministry responsible for projects like the York development has announced that a public inquiry will be held in the autumn.

The Board of Deputies said that it will present its objections during the inquiry; English Heritage, a semiofficial body responsible for preserving the country's historic monuments, said it will support the Coppergate project at the inquiry.

The developer, Land Securities, refuted some of the Jewish concerns.

"Rather than detracting from Clifford's Tower, we believe that the scheme will significantly add to its attraction," said Richard Akers of Land Securities. He said the development would increase the number of visitors to the site, "who will be able to learn for themselves about the tower's tragic history."

He pointed out that the development would involve removing the "busy and unsightly surface-level" garage that is currently next to the tower, replacing it with a grassy area "where people can sit and quietly reflect."

The York massacre on March 16, 1190, was the culmination of months of anti-Jewish violence across the country following the coronation of Richard the Lionheart.

The wooden tower in which the Jews took refuge from the pogrom was largely destroyed by fire. The present structure dates from the mid-13th century.

During an excavation in 1902-03, charred timbers that are believed to be remains of the fire of 1190 were found some 12 feet below ground. The Coppergate development is the second project to have been proposed for the site.

The York City Council first put out a tender for developing the area in the early 1990s, said Alesdair Morrison, the head of the city development council.

The first development program to get the nod from the city drew strong objections from English Heritage.

The new project was approved after the first development plan was rejected, and it has won the support of English Heritage.

"We believe that the design of the second Coppergate scheme is a significant improvement on the previous scheme and makes a positive response to the historic buildings around it," English Heritage said in a statement.

The group said the development "will not adversely affect the setting of Clifford's Tower and can only bring additional economic and cultural benefits to the city." □