



Daily News Bulletin

Vol. 79, No. 107

Monday, June 11, 2001

84th Year

TOP NEWS IN BRIEF

Cease-fire accord may be closer

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His plan also calls for the Palestinian Authority to arrest Islamic Jihad and Hamas militants, halt incitement and destroy mortar ammunition stockpiles. [Page 3]

Hate suspected in rabbis' death

Swiss investigators say they believe anti-Semitism or a political motive was behind the June 7 shooting death in Zurich of a 71-year-old Israeli.

Rabbi Abraham Greenbaum, the father of 12 and the dean of a yeshiva in Bnei Brak, was in Switzerland on a fund-raising mission. [Page 2]

Mayor suspends Reform ties

Jerusalem Mayor Ehud Olmert said he is suspending ties with the U.S. Reform movement to protest its decision to cancel all youth trips to Israel this summer because of the security situation.

The Reform movement in Israel also criticized the move, saying parents should have been given a choice whether to send their children.

Emily Grotta, a spokeswoman for Reform congregations in the United States, said the movement's bonds to Israel do not start or stop with the mayor of Jerusalem.

"It's important to note that we are not suspending all visits to Israel by all Reform Jews," she added. "Many Reform Jews will be in Israel."

Meanwhile, the Israeli Foreign Ministry is directing its emissaries abroad to urge Diaspora Jewish communities not to cancel summer trips.

Palestinians vow revenge

Palestinians in the Gaza Strip vowed revenge during funerals Sunday for three women killed by Israeli tank fire the night before.

Israel said the tanks opened fire after three military posts near an Israeli settlement in Gaza were fired on by Palestinian gunmen. [Page 3]

AROUND THE JEWISH WORLD

For Jews from the Caucasus, freedom poses existential threats

By Lev Gorodetsky

MOSCOW (JTA) — The fall of communism has prompted so many renaissances in Jewish life across Eastern Europe that the phrase has become a cliché.

But post-Soviet turmoil has jeopardized the existence of "Mountain Jews," as Jews from the Caucasus region are known.

Until the 1991 collapse of the Soviet Union, most Mountain Jews outside of Israel lived in the Caucasus, the area of present-day Georgia, Armenia and Azerbaijan.

But increased ethnic tension — including numerous kidnappings by Chechen separatists — and an economic crisis have caused an exodus of Mountain Jews to Russia and Israel, and a fear that the community's distinctive identity will be lost.

To combat this possibility, more than 100 community activists gathered recently in Baku, Azerbaijan, to consider ways to keep alive the culture of Mountain Jews, whose numbers are estimated at around 100,000 worldwide.

"To preserve our identity as Mountain Jews in today's FSU, we have to create secular community centers of our own, besides the synagogues, and an umbrella structure uniting them," said Munashir Adilyaguev, a community leader.

The distinct identity of Mountain Jews is believed to have crystallized by the eighth century, when waves of Jewish immigrants began migrating to the Caucasus from Persia.

Members of the community spoke Dzhuhuri — a kind of "Persian Yiddish" — a Farsi dialect with a heavy mixture of Hebrew.

Another piece of evidence supporting a Persian origin is the fact that Mountain Jewish synagogues face west — the direction from Persia to Jerusalem — not south, as is customary in many synagogues in the former Soviet Union.

Later, some scholars say, Mountain Jews may have mixed with the remnants of the Judaic population of the mysterious Khazar empire. Situated between the Caspian Sea and the Black Sea, the Khazars converted to Judaism en masse and made it their state religion in the seventh century. Three hundred years later, they fell under attacks from the Byzantine Empire and the precursors of today's Slavs.

Living in enclaves surrounded by Muslims and Christians, Mountain Jews managed to maintain their identity and keep stable relations with their neighbors. The predominantly Muslim region rarely saw anti-Semitism, at least of the virulent European form.

Under the Russian czars, the Mountain Jews were left alone and free of pogroms — except during wars, when they were attacked by all sides.

After the Communist revolution of 1917, the Soviet state tried to "absorb" the Mountain Jews into a local ethnic group known as the Tats. Still, they preserved both their distinct role operating open-air markets and their traditional religious practices, which mix Sephardic and Askenazic customs.

All that has changed in recent years as 90 percent of the community emigrated.

The community is now evenly split, with some 50,000 members across the former Soviet Union and similar numbers in Israel.

Some who left for Israel have returned because of economic difficulties there.

In addition, many emigrants moved to large Russian cities, especially Moscow, where the number of Mountain Jews has reached 20,000, according to some estimates. The Moscow Choral Synagogue recently opened a special prayer hall for the Mountain community.

"There was no anti-Semitism in Azerbaijan. But when everything closed down, I

MIDEAST FOCUS

Poll: West Bank teens want out

One-third of Jewish teen-agers living in the West Bank and Gaza Strip want to leave because of the security situation, according to a study to be released Monday in a journal published by Israel's teachers union.

The Israeli daily Ha'aretz reported that the survey of some 1,000 youths aged 14-18 found there were high levels of anxiety among the respondents because of the violence they encounter daily.

Annan to visit Middle East

U.N. Secretary-General Kofi Annan is slated to visit the Middle East this week.

He will be the latest in a parade of diplomats who have been visiting the region to urge Israel and the Palestinian Authority to end the violence and return to the negotiating table.

Extremist activist arrested

Israeli police arrested Kach activist Baruch Marzel in Hebron, Army Radio reported late last week. Police suspect Marzel of participating in a shooting attack against Palestinian residents of Hebron about two and a half weeks ago.

The militantly anti-Arab Kahane Chai and Kach movements were banned by Israel in 1994 and were designated terrorist organizations by the U.S. State Department in 1995.

Poll: Israelis back restraint

A majority of Israelis think their military should maintain a policy of restraint, in hopes that it will lead to a lasting cease-fire with the Palestinians, a new poll shows.

The Gallup poll published in the Ma'ariv newspaper found that 59 percent of Israelis believe Israel should keep up its side of a fragile cease-fire declared by Prime Minister Ariel Sharon several weeks ago and matched by the Palestinian Authority last weekend.

lost my job and we had to move to Moscow," says Rafail Shefundiyayev, 42. "Like lots of other Mountain Jews, we have been thrown out of the normal social and communal structure and brought to Moscow without money and social connections."

The Mountain Jews' role in the economic life of the Moscow Jewish community is also growing, especially in trade.

One of the largest Moscow open markets is run by Mountain Jews, many of whom had to change their professions to adapt to new reality.

Shefundiyayev, for example, who now works in the Moscow market, has a doctorate in geophysics.

Mountain Jews also face discrimination, both within the Jewish community and the larger society. Indeed, it is not unusual for them to be stopped by police — not for being Jewish, but because authorities who see their dark skin suspect they are thieves or terrorists.

Relations between the Mountain Jews and other Jews are problematic, as Ashkenazic Jews often treat them with contempt and prejudice.

A larger threat, however, is assimilation.

Some observers are skeptical that this community can survive outside of its traditional boundaries. But others see events such as the recent Baku conference — and the group's long history — as signs of optimism.

"Thirteen centuries of our survival is a proof that our community and its culture will live on," Adilyaguyev said. □

Murder of a visiting Israeli rabbi leaves Swiss Jews angry, scared

By Fredy Rom

ZURICH (JTA) — Switzerland's Jewish community reacted with shock and fear after a 71-year-old rabbi visiting from Israel was gunned down on the streets here.

Swiss investigators said they believe anti-Semitism or a political motive was behind the June 7 shooting death of Rabbi Abraham Greenbaum. They said robbery was an unlikely motive because the killer did not take the large sum of cash that Greenbaum was carrying.

A father of 12 and the dean of a yeshiva in Bnei Brak, Greenbaum was in Zurich on a fund-raising mission.

Staying at the home of a haredi, or fervently Orthodox, family, Greenbaum was shot several times after he had attended prayer services.

Police confirmed Saturday that they had arrested a suspect, but they refused to provide any details.

The murder was the latest of at least five attacks on Orthodox Jews in Zurich during the past four years. Two of the attacks claimed the victims' lives. In both of those cases, the assailants were mentally disturbed.

Because Greenbaum's garb made him instantly recognizable as a Jew, Swiss Jewish leaders claimed that anti-Semitism lay behind the attack.

"You don't have to look far for the reason," the honorary president of the Zurich Jewish community, Sigi Feigel, wrote in an op-ed in the Swiss daily newspaper Blick. "The motive for the murder was hatred, hatred of Jews."

Feigel also accused the Swiss media of "pouring oil on the fire" of anti-Semitism with what he charged was their pro-Palestinian coverage of the ongoing violence in the Middle East.

In recent years, there have been reports of growing Swiss anti-Semitism in reaction to pressure from Jewish groups on the nation's banks to settle Holocaust-era claims.

But Feigel said that even then he did not receive as much hate mail as he is now getting in reaction to the past eight months of Israeli-Palestinian violence.

The Zurich Jewish community reacted to Greenbaum's murder by calling on the Swiss government to increase its efforts in the battle against anti-Semitism and racism.

Meanwhile, Orthodox residents of Zurich say they are frightened because their clothing makes them obvious targets for anti-Semitic attacks.

"We only walk in groups on the streets," a woman who identified herself only as Rivka told JTA.

"We know that we live in an anti-Semitic society." □



Daily News Bulletin

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JTA DAILY NEWS BULLETIN is published five days a week, except holidays, by the Jewish Telegraphic Agency Inc., 330 Seventh Ave., New York, N.Y. 10001-5010. For information about how to subscribe by e-mail, fax or regular mail, call (212) 643-1890, or visit our Web site at www.jta.org.
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JEWISH WORLD

Mideast diplomatic efforts intensify in effort to end 8 months of violence

By Naomi Segal

Demjanjuk decision goes to judge

A U.S. judge is deciding whether John Demjanjuk, who is accused of being a Nazi death camp guard, should lose his U.S. citizenship. The judge now has the nonjury case after Demjanjuk's trial ended June 7 following seven days of testimony.

A decision is not expected for several weeks.

N.Y. rally held for disco victims

Politicians and Jewish leaders gathered last Friday in New York to hold a memorial service for the 20 Israeli youths killed June 1 by a Palestinian suicide bomber outside a Tel Aviv nightclub.

The service marked the end of the traditional week-long mourning period for the dead. Sen. Charles Schumer (D-N.Y.) said it is time for the United States to deal with Palestinian leaders other than Palestinian Authority President Yasser Arafat, whom Schumer described as unpredictable.

Maccabiah decision delayed

Maccabiah leaders from around the world agreed to an Israeli request to postpone a decision on when the Maccabiah Games, scheduled for this summer, will be held.

Also on Sunday, an Israeli deputy minister backed growing calls to postpone the Games because of feared Palestinian attacks. Rabbi Michael Melchior, Israel's deputy foreign minister for Diaspora affairs, said he had just returned from a tour of Jewish communities in Europe and found that most sporting delegations would not attend the July 16-26 event.

Italian appointments worry Jews

Two appointments by Italian Prime Minister-designate Silvio Berlusconi appear likely to raise concern among members of Italy's Jewish community. On Sunday, Berlusconi named Gianfranco Fini, the leader of the right-wing National Alliance, as his deputy prime minister and Umberto Bossi, leader of the Northern League, as minister for reform and devolution.

The National Alliance grew out of a former neo-fascist party, and many Jews distrust Fini. The platform of Bossi's party was tinged with xenophobia.

Iran, Libya sanctions introduced

The Senate introduced legislation to extend sanctions against foreign companies that invest in Iran's and Libya's energy sectors, mirroring a measure that will be debated this week in the House of Representatives.

Sen. Gordon Smith (R-Ore.) said the bill, which would extend the sanctions for an additional five years as a deterrent to business with the two states, already has 75 co-sponsors.

JERUSALEM (JTA) — Israel and the Palestinian Authority appear to be inching closer to accepting the outlines of a U.S. cease-fire proposal.

Israeli and Palestinian security officials reportedly accepted CIA Director George Tenet's proposal for a cease-fire, but each side had some reservations.

In a further hopeful sign, Israeli and Palestinian security officials met twice over the weekend in an attempt to end more than eight months of violence. Another meeting was slated for Monday.

In his proposal, Tenet — who had arranged the series of meetings after arriving in the region last week — called on Israel not to hit Palestinian targets, to pull troops back to positions held before the uprising began last September and to prevent revenge attacks against Palestinians, according to Israeli media reports.

His plan also calls for the Palestinian Authority to arrest Islamic Jihad and Hamas militants, halt incitement and destroy mortar ammunition stockpiles.

The cease-fire would be the first step in implementing a peace plan recently issued by a U.S.-led fact-finding panel. Under the plan recommended by the Mitchell Committee, a cease-fire would be followed by a cooling-off period, a series of confidence-building measures and a return to negotiations.

On Sunday, Israel responded positively to most of the sections of Tenet's proposal.

Speaking at a news conference with visiting European officials, Foreign Minister Shimon Peres said the U.S. proposal "isn't perfect" but was the "best bet" to end the violence. Israel's Channel Two Television reported that the Palestinians had accepted the agreement in principle as well, but with their own reservations.

European officials shuttled between Jerusalem and Ramallah on Sunday for talks aimed at cementing the fragile cease-fire agreement.

The prime minister of Sweden, Goran Persson, and the European Union's chief foreign policy official, Javier Solana, held talks with officials from both sides.

Solana said Sunday that Israel and Palestinians should implement a cease-fire before agreeing to confidence-building measures such as a freeze in Israeli settlement construction.

Israel has been trying to garner international support for its claim that the Mitchell Committee recommendations call for a cease-fire prior to a freeze in settlements. The Palestinian Authority insists that a freeze in settlements come as part of a cease-fire.

Diplomatic efforts suffered a setback Sunday, when Palestinians in the Gaza Strip vowed revenge during funerals Sunday for three Bedouin women killed by Israeli tank fire the night before. Israel said the tanks opened fire after three military posts near an Israeli settlement in Gaza were fired on by Palestinian gunmen.

The Israel Defense Force's chief of staff, Lt. Gen. Shaul Mofaz, said Sunday the deaths may have resulted from a targeting mistake.

In other violence, Palestinians fired mortars Sunday at the Gaza settlements of Kfar Darom and Gadid. There were no injuries reported. In the West Bank, Palestinian gunmen fired shots at an army jeep near Hebron, but caused no injuries.

In another development, Israeli doctors said Sunday the condition of a 5-month-old boy wounded in a Palestinian attack last week had deteriorated.

The infant suffered severe brain damage following an Arab stoning attack in the West Bank. A day after the June 5 stoning, Israeli settlers went on a rampage near an Arab village in the West Bank, setting at least three Palestinian-owned buildings on fire.

On Sunday, Prime Minister Ariel Sharon visited the infant, Yehuda Shoham, at a Jerusalem hospital.

Three people were wounded in Palestinian attacks over the weekend, including an Israeli driver who sustained moderate to serious injuries in a shooting attack in the West Bank.

Reacting to these incidents, Mofaz said Sunday the Palestinians had failed to follow through on a cease-fire that Palestinian Authority President Yasser Arafat had announced on June 2.

Palestinian officials in turn cited the deaths of the three Bedouin women as proof that Israel is not serious about a cease-fire. □

FOCUS ON ISSUES

Long one of Israel's best friends, diamond trade has unclear future*By Jessica Steinberg*

JERUSALEM (JTA) — A diamond may be forever, but Israel's steady supply of rough, uncut diamonds may not be.

Sweeping changes in the global diamond industry and political turmoil in gem-producing African nations are causing dealers in the Israeli diamond trade to rethink their strategy.

Israel long has been an established leader in the market for polished diamonds, selling 50 percent of all the stones worldwide and exporting \$5.3 billion worth in 2000, up from \$4.5 billion in 1999. Diamonds from Israel make up about half the content in jewelry sold worldwide, according to the Israel Diamond Institute.

Until recently, not much had changed since the industry was established in 1936 by two Romanian immigrants who learned the polishing trade in Belgium.

The fledgling industry burgeoned during World War II, when European diamond centers fell under German occupation. At the time, Israel became a haven for European diamantaires, as diamond dealers are known, and a source for polished diamonds.

The industry's growth has depended on a reliable supply of rough, uncut diamonds — and that supply is now in jeopardy.

Israel had relied heavily on the De Beers Group diamond syndicate to obtain a steady supply of pewter-colored rough stones that could be cut and polished for sale.

Last year, however, De Beers began limiting its number of rough diamond clients in Israel as part of a worldwide campaign to focus on mining and marketing, making it almost impossible for small- and medium-sized dealers to buy the gems.

"The genius in diamond deals is getting the" largest "percentage of rough, uncut diamonds," said Moshe Schnitzer, chairman of the Israel Diamond Institute and one of the founders of Israel's diamond bourse, the self-contained, four-building complex in Ramat Gan.

Udi Sheintal, diamond controller for the Industry and Trade Ministry, laments that "Israel isn't a rough center, and we want to be."

The rough diamonds, which look like small chunks of dull gray glass before polishing, are the industry's major resource. Israeli dealers use software programs that help decide how to cut the rough diamonds, and automatic polishing machines to speed the process.

The Diamond Institute also has invested considerable capital in research and development, looking into robotics and laser technology to increase production.

"We want to identify the ideas that can be beneficial to the industry," said Efraim Raviv, managing director of the Institute. "But if we can't get the rough supply going, what will we do with the workers?"

At present, 95 percent of the world's rough diamonds are marketed by the De Beers Group, which has become known by its marketing arm DTC since partnering with the luxury products group LVMH — Moët Hennessy Louis Vuitton SA — to create an independent company marketing premium diamond jewelry.

It's a quirky business, where the vagaries of the global market and the internal conflicts in the diamond mines of Africa can create a jittery atmosphere.

Most of the rough diamonds come from Africa — often from Angola, Sierra Leone and Congo — where rebel movements finance their wars by selling diamonds from mines under their control. Those stones are known as conflict diamonds.

As a result, international diamond bodies, nongovernmental organizations and the United Nations have been pushing for stricter restrictions on diamonds originating from those areas.

Last August, Congo appointed IDI Diamonds, an Israeli-based company, as the sole purchaser of all its uncut diamonds. The deal was valued at \$600 million, although IDI reportedly paid only \$20 million.

Congolese officials opted for the exclusive purchasing agreement in an effort to guarantee a conflict-free diamond export zone, which is harder to accomplish when dealing with many companies rather than just one. For IDI, the plan was to market the rough diamonds directly to Israeli diamond manufacturers.

Limiting its exposure to one company was "a blessing to the customs officials" in the Congo, Sheintal pointed out.

In April, however, Congo revoked IDI's exclusive multimillion-dollar monopoly over diamond exports, which was made during the regime of late President Laurent Kabila. Kabila was assassinated by rebel forces in January, and his son, Joseph, now is head of state.

A U.N. report called the IDI deal a disaster for Congo's diamond trade, saying IDI paid too little and that the Congolese government was being deprived of revenue. The deal also drove much of Congo's diamond trade underground, according to the report.

IDI maintains that the company fully complied with its agreement with the Congolese government.

IDI's deal also allegedly included access to Israeli military experts to train a Congolese anti-smuggling force. IDI said it only gave Congo names of Israeli military specialists.

Israel has been accused of involvement with the Congolese rebel movement; Israel's foreign and defense ministries have denied the allegations.

The Israel Diamond Institute has come out strongly against trade in conflict diamonds, stating that any diamantaire who knowingly trades in the gems will have his membership in the Diamond Exchange revoked.

The writing literally is on the wall. In the Diamond Exchange trading room, where dealers sit at long wooden tables peering through their loupes at dazzling gems, several boards post pictures of dealers who have been expelled from the exchange.

Since last summer, the diamond controller's office has required importers of rough diamonds to declare that their stones don't originate in rebel-controlled African regions and don't violate U.N. Security Council resolutions.

Sheintal also personally processes all shipments of rough diamonds from 12 "sensitive" countries suspected of dealing in conflict diamonds, including Guinea, Liberia, Uganda and Namibia.

Despite Namibia's unsavory reputation in the diamond industry, Israeli businessman Lev Levayev, a real estate developer originally from Uzbekistan, recently expanded his diamond operations, acquiring 39 percent of Namibian Minerals Corp., a Nasdaq-listed company that has a franchise to mine diamonds in underwater river deposits along Namibia's Atlantic coast.

"Listen, he owns mines, he goes to the source," Sheintal said. "It's fine as long as he has a certificate of origins." □