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TOP NEWS IN BRIEF

P.A. called supporter of terror

Israel designated the Palestinian Authority a terror-supporting entity. After lengthy Cabinet deliberations Monday night, the Israeli government also declared that the Tanzim militia and the Force 17 presidential guard are terrorist organizations.

These decisions, the Cabinet announced, demand as-yet unspecified "actions more wide ranging than those taken against Palestinian terrorism until now." The resolution also says that the designation can be removed if the P.A. takes the necessary actions to crush Palestinian terror groups.

Israel launches 2nd day of strikes

Israeli helicopters and jets struck targets Tuesday in the West Bank and Gaza Strip. During the second day of such strikes, which came in response to a weekend of Palestinian terror, Israel hit targets in Ramallah some 50 yards from the offices of Palestinian Authority President Yasser Arafat.

Israel said it was not targeting Arafat, and Palestinian officials said he was not hurt. According to Palestinian sources, a 15-year-old boy and a policeman were killed in Gaza.

New Holocaust museum chair?

There will likely be a new leader for the U.S. Holocaust Memorial Museum. Although no announcement has been made, the Bush administration is looking to replace Rabbi Irving "Yitz" Greenberg as the chairman of the museum's governing council, according to officials involved in the selection process.

President Bush is known for replacing appointees once their terms expire. Greenberg's term expires in January.

U.S. freezes groups' assets

President Bush froze the assets of a U.S. group accused of funding Hamas terrorists. U.S. officials said the freeze would apply to the Texas-based Holy Land Foundation for Relief and Development.

The foundation said it raised \$13 million last year and claimed that it is the largest Muslim charity in the United States. A spokeswoman for the foundation denied it is a front for Hamas. Bush also froze the assets of two groups based in Palestinian-controlled areas, the Al Aqsa International Bank and the Beit El-Mal Holdings Company.

NEWS ANALYSIS

Israel gives Arafat loophole to avoid chance of all-out war

By David Landau

JERUSALEM (JTA) — As Israeli bombs and rockets rained down on the West Bank and Gaza Strip, Yasser Arafat faced what may be his final chance to draw back from the brink of all-out war.

Israel's Cabinet, in a stormy late-night meeting Monday, designated the Palestinian Authority a terror-supporting entity that "must be dealt with accordingly."

The Israeli government also declared that two groups affiliated with Arafat, the Palestinian Authority president — the Tanzim militia and the Force 17 presidential guard — are terrorist organizations.

The Cabinet decisions came after a weekend of terror bombings in Jerusalem and Haifa that left 25 Israelis dead and nearly 300 injured.

They demand unspecified "actions more wide ranging than those taken against Palestinian terrorism until now."

But the Cabinet deliberately left Arafat a loophole.

"This determination is subject to change — by Cabinet decision — if the Palestinian Authority fulfills its commitments, according to the agreements, to prevent and foil terrorism, punish terrorists and dismantle the terrorist infrastructure," the communique read.

The Cabinet placed the onus on Arafat. Forceful and credible action on his part against Hamas, Islamic Jihad and other terror groups still could prompt Israel to revoke what is almost a declaration of war against the Palestinian Authority.

Foreign Minister Shimon Peres had demanded that the decision be deferred for a week to give the Palestinian Authority a chance to show that this time it is serious about fighting terror.

When Prime Minister Ariel Sharon rejected this idea, Peres and his Labor Party colleagues walked out of the Cabinet meeting before the vote.

On Tuesday, an angry Peres said the decision adopted by the Cabinet majority meant Israel would seek to overthrow the Palestinian Authority by force.

Though it has no illusions about Arafat's responsibility for Palestinian terror, Labor does not want to discredit him as a potential negotiating partner.

Party leaders believe that the lack of a legitimate Palestinian leader would be even worse.

During a visit Tuesday to Romania, where he met with U.S. Secretary of State Colin Powell and other world leaders to discuss the crisis, Peres said Labor is weighing whether to leave Israel's unity government.

Yet Peres sought to portray the Cabinet decision as relatively restrained, arguing that the Cabinet ministers had ordered the army to hit P.A. buildings and property — not people.

Israeli airstrikes on Monday and Tuesday targeted empty Palestinian installations, including Palestinian security targets in the West Bank and Gaza.

The strikes also hit several of Arafat's helicopters and the runway of the Palestinian airport in Gaza.

The idea was to avoid harming not only civilians, but also members of Arafat's security apparatus.

Some Cabinet members may be hoping that Arafat will not take advantage of the loophole.

That appears to be the attitude of two hawkish ministers, Binyamin Elon and

MIDEAST FOCUS

Israel destroys Gaza airport

The Israeli army destroyed runways at the Gaza airport Monday night.

The bulldozing operation limits Palestinian Authority President Yasser Arafat's ability to travel internationally.

The operation also damages a symbol of Palestinian nationalism.

Gaza port project canceled

A French-Dutch consortium canceled a project to build a port in the Gaza Strip.

"The persistent insecurity in the Gaza Strip makes construction activity, which has been suspended since last October, impossible," according to a statement issued Tuesday.

The port project had been a symbol of Palestinian aspirations for statehood.

U.N. OKs anti-Israel votes

The U.N. General Assembly criticized Israel's treatment of the Palestinians.

In a vote Monday, the world body passed four resolutions related to relations between Israel and the Palestinians.

One of the resolutions backed Palestinian rights to an independent state based on the principle of land for peace.

Panel asked to revoke Nobel

A former Nobel Committee member said the panel should publicly express regret for awarding the 1994 Peace Prize to Yasser Arafat.

Blaming the Palestinian leader for the upsurge in Middle East violence, Kaare Kristiansen said Tuesday he had been right to oppose the committee's decision to award Arafat the prize.

Kristiansen quit the committee in 1994 to protest the award.

Avigdor Lieberman of the National Union-Israel, Our Home bloc.

They were at the forefront of efforts to convince Sharon to declare the P.A. an "entity that supports terrorism."

In Sharon's own Likud Party, too, there are ministers — among them Finance Minister Silvan Shalom — who don't hide their desire to see Arafat toppled and sent into exile.

But political observers here still believe the Israeli prime minister has not been given a green light by the United States — assuming he needs one — to topple the Palestinian Authority.

President Bush and other top American officials supported Israel's right to act in its own self-defense this week, statements that gave implicit support for the Israeli airstrikes.

Bush and Sharon met in the White House on Sunday, before Sharon cut short his U.S. trip to deal with the escalating situation in Israel.

In addition, the Bush administration greatly increased its pressure on Arafat to clamp down on terror.

"The president believes very strongly that this is a moment for Yasser Arafat to demonstrate that he stands with those who seek peace," White House spokesman Ari Fleischer said Monday.

"The president thinks that this is the chance now for Yasser Arafat to demonstrate real leadership that is lasting, that is enduring, that puts people responsible" for terror "away, and does so in such a way that they cannot get out again and commit more terror."

Just the same, there is no evidence that the Bush administration has written off Arafat.

If this reading of the American role is correct, Washington can be expected to make behind-the-scenes efforts in coming days to keep Labor from leaving the Sharon-led government.

Just two weeks ago, the Bush administration offered its vision for a solution to the Israeli-Palestinian crisis.

If Arafat is seen to be making a real effort against Palestinian terror, the U.S. could resume its pressure on Sharon to respond with concessions that ease Arafat's political predicament.

That, indeed, has been Peres' prescription all along. However, if Labor leaves the government, it would be easier for the hardline ministers to convince Sharon to use the Cabinet resolution as a basis for all-out war.

Significantly, Sharon repeatedly stressed his commitment to the unity coalition when he addressed the nation Monday evening.

He said he was "jealous" of the unity that prevails in the United States during its war on terror.

He also urged his Cabinet critics to stand behind him.

Whether that call from the prime minister, or American influence, can affect Peres and his Labor colleagues remains to be seen.

Labor insiders said this week that while Peres may be ready to quit, other Labor ministers are less eager to do so. □

Is Santa a religious symbol?

NEW YORK (JTA) — Residents of Kensington, Md., celebrated a secular tree-lighting with many Santa Clauses.

The town council decided in October to change the tree-lighting ceremony into a more patriotic salute to the victims and heroes of the Sept. 11 terrorist attacks.

The event was intended to be more secular following appeals from some of Kensington's Jewish residents that a Chanukah menorah be included in the town's public holiday display.

After the media publicized the dispute, the Washington suburb was ridiculed for its "Santa ban."

Dozens of men in Santa costumes nonetheless showed up Sunday for the tree-lighting, including one Santa who held up a sign reading "Jews for Santa, Rockville Chapter." □



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JEWISH WORLD

Neo-Nazi march in Berlin — but not in front of synagogue

By Toby Axelrod

UJC ranks third in giving

The United Jewish Communities placed third in a national ranking of philanthropic giving in the United States.

The North American Jewish federation system's umbrella was noted in The NonProfit Times 100, which reported that federations collectively raised \$2.9 billion in the past year.

The UJC recently ranked 33rd in the Chronicle of Philanthropy's ranking of the 400 largest charities, which calculated the group's size based on its dues and the money it collects to distribute overseas, rather than the total amount raised by its member federations.

Regev tapped for World Union

Rabbi Uri Regev will head the World Union for Progressive Judaism.

An outspoken advocate for liberal Judaism in Israel, Regev will become executive director of the umbrella agency for all Reform, liberal and Reconstructionist organizations in 40 countries.

The longtime director of the Israel Religious Action Center, which has filed prominent lawsuits in Israel on behalf of liberal and secular Jewish groups, Regev recently drew fire from fervently Orthodox groups for accusing some fervently Orthodox leaders of using rhetoric that could incite violence.

N.Y. mayor-elect to visit Israel

New York's mayor-elect plans to make a solidarity visit to Israel. "Just like the people of Israel showed solidarity with us in New York" after the Sept. 11 attack, "we are doing the same," Michael Bloomberg said Tuesday.

The governor of New York state, George Pataki, and the chairman of the Conference of Presidents of Major American Jewish Organizations, Mortimer Zuckerman, plan to accompany Bloomberg when he arrives in Israel on Sunday.

Study: Intermarriage stable

Intermarriage rates have stabilized but an increasing number of unmarried American Jews are living with non-Jewish partners.

The American Jewish Identity Survey, a study that uses the same methodology as the 1990 National Jewish Population Survey, reports that 51 percent of Jews who wed in the past 10 years married non-Jews, compared to 52 percent who had married non-Jews between 1985-1989.

The study, conducted by Egon Mayer, Ariela Keysar and Barry Kosmin, also found that 81 percent of Jews who are unmarried but live with a partner have non-Jewish partners. Seven percent of American Jews are cohabitating, whereas in 1990 the number of such people was deemed "too negligible to count."

BERLIN (JTA) — The Jewish community here is enjoying widespread public support following one of the largest neo-Nazi rallies in postwar Germany.

Saturday's demonstration brought some 3,300 supporters of the extreme-right National Democratic Party of Germany, known by its German initials NPD, within a few blocks of two synagogues and other Jewish venues.

The marchers had hoped to pass in front of the city's largest synagogue, but they were denied that route after the Jewish community vigorously objected.

The neo-Nazis were protesting an exhibit on the "Crimes of the Wehrmacht" that opened here Nov. 27. The exhibit, which documents the participation of the ordinary German army in Nazi war crimes, is on display in Berlin until January and then will travel to other venues in Germany.

The exhibit is controversial because Germans for years refused to admit that the regular army participated in Nazi war crimes. Most Germans believed such actions were confined to special units like the SS, Hitler's elite guard of storm troopers.

Paul Spiegel, head of the Central Council of Jews in Germany, called the NPD demonstration a "provocation of huge dimensions."

His view was reflected by countless mainstream politicians, parties and activist groups. Some made a point of visiting the exhibit, among them Berlin's new mayor, Klaus Wowereit, and many members of parliament.

"The neo-Nazis probably haven't even seen the exhibit," said Rita Kantemir, 61, who watched the NPD marchers assemble and later shouted insults at them. "They don't want to confront this history."

"It is shameful that they are allowed to march here," said Hans Thomaev-Venske, 50, who wanted to "show solidarity with the Jewish community and to show the neo-Nazis that we will have nothing to do with their inhuman ideology."

One young member of the neo-Nazi group said he had no interest in speaking to the press. "You will only print nonsense," he said, holding a large NPD flag that flapped in the wind. The man gave his name as "Himmler," eliciting peals of laughter from his companions. Heinrich Himmler was head of the SS.

"Thank God there are many more young Himmlers in the world, and we are here to speak our mind as a group," he said.

A group that has few actual members — about 6,000 nationwide — and virtually no political clout, the NPD managed as it often does to grab attention by choosing a sensitive route. But the audience along the way consisted mostly of thousands of police and the handful of protesters who managed to slip past the guards.

In fact, more police turned out than neo-Nazis. About 4,500 officers were assigned to protect the marchers from angry protesters who had gathered near the Jewish community center and New Synagogue, a few blocks from the march route.

Police blocked the street with armored vehicles and water cannons to keep the protesters from rushing the Nazi march.

Members of the Jewish community, who would not officially demonstrate on the Sabbath, held their afternoon prayer service outdoors in front of the New Synagogue, as helicopters hovered overhead and thousands of protesters milled about.

Though the NPD has had no electoral success, the party attracts many thousands of disaffected young Germans by capitalizing on their resentment at being reminded of the Holocaust, and by reflecting their xenophobia, anti-Semitism and hatred of America.

The federal government estimates that some 37,000 Germans hold extreme right-wing beliefs. Most groups just barely avoid crossing the line into illegal activities, which include Holocaust denial and use of Nazi symbolism.

On Saturday, however, the marchers stuck to carefully worded slogans and banners. There were no swastikas to be seen and no Hitler salutes, though there were plenty of raised fists.

The exhibit first opened in 1994 but closed in 1999 after historians said nine photographs were incorrectly identified.

The new exhibit, which opened last week, has less of an emphasis on photography and more on textual sources

BEHIND THE HEADLINES**U.S. group linked to Hamas long monitored by Jewish eyes**

By Matthew E. Berger

WASHINGTON (JTA) — The Bush administration's decision this week to link a U.S.-based charitable organization with Hamas fulfills a long-standing request by Jewish activists.

President Bush announced Tuesday that the Treasury Department has frozen the assets of three groups he linked to Hamas, including the Holy Land Foundation for Relief and Development, which is based in Richardson, Texas.

Bush said funds contributed to the organization are "used by Hamas to support schools and indoctrinate children to grow up into suicide bombers."

"The facts are clear: The terrorists benefit from the Holy Land Foundation, and we're not going to allow it," Bush said. "Our action today is another step in the war on terrorism."

Hamas claimed responsibility for the suicide bombings in Jerusalem and Haifa over the weekend, which killed at least 25 people.

The White House announcement, reportedly moved forward several days in light of the weekend's attacks against Israel, appeared to signal U.S. support for Israel as it defends itself against terrorist attacks.

The announcement was also an additional sign that organizations that target Israel are being included in the U.S.-led coalition against terrorism.

The Bush administration is accusing the Holy Land Foundation of making direct fund transfers to its offices in Palestinian-controlled territories and to the offices of other charity groups either linked to Hamas or controlled by the terrorist group.

The organization, originally called the Occupied Land Fund, was founded in part with funds provided by Mousa Mohammed Abu Marzook, a political leader of Hamas who was deemed a terrorist by the Treasury Department in 1995.

A year earlier, Marzook called Holy Land Foundation the primary fund-raising entity for Hamas, the White House said.

The two other organizations whose assets were frozen Tuesday were Beit el-Mar Holdings, an investment company allegedly controlled by Hamas members, and Al-Aqsa Islamic Bank, allegedly the financial arm of Hamas, and substantially owned by Beit el-Mar Holdings.

The Holy Land Foundation, which the White House says raised \$13 million in the United States last year, has for years been on the radar screens of American Jewish organizations, which have urged the United States to investigate its practices.

In 1998, the Anti-Defamation League accused the Holy Land Foundation of violating federal law that made it illegal to raise funds or accept contributions for terrorist organizations.

"We commend the Bush administration for today's steps to freeze the assets of the Holy Land Foundation and other U.S.-based supporters of terrorist organizations operating against Israel, including Hamas," the ADL's national director, Abraham Foxman, said Tuesday.

"Hamas is among the deadliest terrorist groups in the world, an organization with international ties that seek the destruction of the State of Israel."

Other Jewish groups and lawmakers have also been monitoring Holy Land and speaking out against the group's links to terrorists.

Speculation about the organization began in 1997, when the Holy Land Foundation's director in eastern Jerusalem, Muhammad Othman, was arrested by Israeli authorities for distributing monthly stipends to families of Hamas suicide bombers and activists. Israel banned the group that year.

According to an investigation by the Dallas Morning News printed last year, the U.S. arm of the Holy Land Foundation has been under federal investigation since 1996, and government officials had previously considered placing the group on a terrorist list or freezing its assets.

In the past few years, the net of suspicion around the group has widened.

The State Department last year requested that the Agency for International Development remove the Holy Land Foundation from its roster of charities and relief groups.

The listing enabled the group to apply for federal grants.

Also last year, American Airlines removed the organization from a list of charities to which passengers can donate frequent flier miles.

Mileage was sold by the airline to the charity after it showed its tax-exempt status, which it still holds. The airline said it was removing all charities involved in controversial issues, including abortion.

In addition, Bank One America has chosen not to do business with Holy Land Foundation.

The organization was on trial in federal court, being held responsible for the death of a 17-year-old killed in the West Bank in 1996.

The ongoing case has focused on whether organizations that provide financial support for terrorist groups can be held responsible for the groups' actions.

In announcing this week's action against the Holy Land Foundation, Attorney General John Ashcroft linked the organization to Infocom, an Internet company also based in Richardson. Ashcroft said the two companies shared personnel and office space, and both were originally funded by Marzook.

Federal agents locked down offices of the Holy Land Foundation Tuesday and took custody of their records. The raids included the organization's other offices in San Diego, Paterson, N.J., and Bridgeview, Ill.

The organization denied the allegations in a statement Tuesday. "We feel the Holy Land Foundation has been unfairly targeted in the nationwide smear campaign to undermine Muslims and the institutions that serve them," the unsigned letter said.

Hamas has claimed responsibility for at least 20 bombings, two shootings, one kidnaping and a mortar attack since the outbreak of the Palestinian intifada in the fall of 2000, according to the White House.

At least 77 people, including two Americans, were killed as a result of their actions, not including the most recent attacks, the White House also said.

Hamas, which has gained popularity in the West Bank and Gaza by distributing welfare and charity to Palestinians, has long been designated a foreign terrorist organization by the State Department — as have other groups that target Israel, including Hezbollah, the Islamic Jihad and the Popular Front for the Liberation of Palestine.

The assets of those organizations and their members were frozen last month in actions similar to those taken against the Al Qaida network following the Sept. 11 attacks in New York and Washington. □