



Daily News Bulletin

Vol. 80, No. 13

Friday, January 18, 2002

85th Year

TOP NEWS IN BRIEF

Four killed in Hadera attack

At least four Israelis were killed and 30 injured when a Palestinian suicide bomber attacked a banquet hall in northern Israel. According to initial reports, the Palestinian tried to detonate explosives attached to his body at the entrance to the Armon David banquet hall in Hadera late Thursday night.

When the explosives did not detonate, the man threw grenades into the crowd, a police spokesman said. The bomber was killed, but the circumstances of his death remained unclear. A spokesman for Prime Minister Ariel Sharon, Ra'anan Gissin, said Palestinian Authority President Yasser Arafat had failed to take action against the terror infrastructure, and "we are now experiencing the next wave of terror."

Israel renews blockades

Israel renewed blockades around Kalkilya, Jenin, Nablus and Tulkarm. Travel restrictions also were put in place around Ramallah.

The measures were aimed at preventing terrorists from leaving Palestinian areas to carry out terror attacks.

New AJCongress leader

The American Jewish Congress named a new executive director. Neil Goldstein will take over for Phil Baum, the group's long-time leader, who recently announced his retirement. Goldstein had been serving for the past year as AJCongress' director of national affairs, and previously served as assistant executive director in the mid-1980s.

Baum will remain associated with AJCongress as its senior adviser on world affairs.

Gephardt presses Arafat

The Democratic leader of the U.S. House of Representatives said P.A. President Yasser Arafat should do more to clamp down on violence.

"There has to be more action. The words are in place. The actions are what are missing at this point," Richard Gephardt said Thursday during a visit to the Middle East with other members of the House.

REMINDER: The JTA DAILY NEWS BULLETIN will not be published Monday, Jan. 21.

BEHIND THE HEADLINES

Debate over restitution funds leads to internal Jewish struggle

By Michael J. Jordan

NEW YORK (JTA) — Many say they saw it coming.

As the crusade for Holocaust restitution shifts from politics to the logistics of doling out payments, jockeying has begun over how to spend what may be hundreds of millions of dollars in as-yet unallocated funds.

Indeed, some observers suggest the question may be connected with the current power struggle atop the World Jewish Congress, a key player in the whole restitution odyssey.

With the WJC shakeup and disagreements over which issues the organization should now champion, it has raised the question of how to financially support whatever the new focus becomes. Thus, attention has turned to the portion of the roughly \$11 billion in restitution funds from Europe that is not specifically earmarked for survivors.

The WJC will not have sole — or even primary — control over the allocation of those funds, but key players at the WJC are involved with the Claims Conference, where much of the debate will play itself out.

"The irony is that when all these Jewish groups got together to fight for restitution, they were united against a common enemy and things were going beautifully," said a U.S. Jewish leader close to the proceedings. "But as soon as they saw money on the tip of the horizon, and coming in, they started fighting for control of who'll give it out."

Elan Steinberg, the group's outgoing executive director, rejected any linkage.

The fate of unallocated restitution assets "is an important one to be addressed, but it certainly has no relationship with the restructuring at the World Jewish Congress," said Steinberg, who will be leaving the group March 1 and assume the lay post of executive vice president.

"Let's understand it: nearly all the funds are earmarked in one way or another. So only a very small fraction of the total recovery will be available."

Still, as Steinberg noted, that may total hundreds of millions.

And the dispute may boil down to a question that's been brewing for years: What is the best way to spend the "residual" funds in the interests of the Jewish people?

Is it to underwrite pro-Israel activities or Jewish education and identity-building in the Diaspora — or a combination of the two?

From survivors, the response is unequivocal: neither.

"As a group, Holocaust survivors are the strongest supporters of Israel," said Roman Kent, the longtime chairman of the American Gathering of Jewish Holocaust Survivors.

"But I don't want to be involved in any philosophical discussion about for what purpose this money should be used. This money does not belong to Israel. It doesn't belong to the Jewish community. This money is being returned in the name of survivors, so it belongs to the tens of thousands of needy survivors around the world who are not being helped enough, by the Jewish community or anyone else."

Others, however, strongly believe that any leftover funds should be used to strengthen the Jewish people as a whole as a response to the Nazis' attempt to destroy the Jewish people.

The past half-century has seen a dizzying array of reparations, particularly from the Germans and Austrians. The largest has come from Germany, in the form of pensions. Since 1952, the German government has disbursed some \$47 billion in pensions to hundreds of thousands of survivors world-wide; the Israeli government is responsible

MIDEAST FOCUS

Fatah militant killed in clash

A leading Palestinian militant was killed in a clash with Israeli soldiers near Nablus.

Palestinian sources said Hamis Abdullah, a senior member of the Fatah military wing, was killed in an exchange of fire overnight with Israeli troops.

Fatah members in Nablus said they would continue attacks on Israel.

Al Qaida scout toured Israel

An Al Qaida scout reported "exceptionally good opportunities" for terrorism in Israel and Egypt. According to the Wall Street Journal, the scout suggested in his report going after tall buildings and airplanes.

The report was found on a computer used by Al Qaida operatives in Kabul. According to the report, the scout flew from Amsterdam to Tel Aviv on El Al with a new British passport.

After traveling around Israel, he went to Egypt by bus and then to Turkey and Pakistan by air.

According to the report, the scout's travels bear a remarkable resemblance to trips made by Richard Reid, who was trained by Al Qaida and was arrested recently on a transatlantic flight when he tried to detonate explosives hidden in his shoes.

Labor to remain in government

The Central Committee of Israel's Labor Party voted to remain in the government.

The committee rejected a proposal submitted by Yossi Beilin.

Defense Minister Benjamin Ben-Eliezer, the party's leader, said that if Labor left the government, Israel would wind up going to war.

Beilin and other Labor doves had argued that by remaining in the government of Prime Minister Ariel Sharon, the party had abandoned its commitment to the Oslo peace process.

for delivering these checks to survivors living in the Jewish state.

But restitution kicked into high gear in the 1990s. Led by groups like the WJC, the Claims Conference and their allies, the Jewish world has won a number of important victories to gain "a measure of justice" for Holocaust victims and survivors:

According to Steinberg, they are:

- The 10 billion mark (less than \$5 billion) German "Remembrance, Responsibility and Future" fund for Jewish slave and forced laborers and non-Jewish forced laborers;
- The \$1.25 billion Swiss banks settlement, which, with interest and expenses may run to \$1.5 billion;
- About \$400 million so far in claimed insurance policies, still being negotiated by the International Commission on Holocaust-Era Claims; by completion, may run to \$600-\$700 million;
- About \$300 million from a Swiss "humanitarian" fund, for those slave labor-generated German profits processed by Swiss banks;
- Roughly \$300 million worth of reclaimed stolen artwork, and perhaps plenty more to come;
- Up to \$200 million of "Nazi gold" looted from Jews;
- An Austrian settlement of some \$500 million, plus property restitution and social-welfare benefits that may push the total over \$1 billion;
- A French settlement of \$450 million to \$500 million;
- A Dutch settlement of roughly \$350 million;
- Tens, possibly hundreds, of millions in property restitution from the ex-Communist countries of Poland, Romania, Hungary, Bulgaria, Czech Republic and Slovakia; and
- Tens of millions committed from Belgium and Spain, perhaps also from Liechtenstein in the near future, with possibly tens of millions more from elsewhere in Western Europe.

In addition, the Claims Conference has so far collected more than 1.3 billion German marks (roughly \$600 million, based on today's exchange rates) from the ongoing sale of "heirless" property in the former East Germany, said Hillary Kessler-Godin, conference spokeswoman.

Heirs had until late 1992 to claim the erstwhile, Jewish-owned property; the Claims Conference was then named "successor organization" and entrusted to sell the property.

The Claims Conference has so far sold off some 50 to 60 percent of the assets, beginning with the most valuable properties.

With the revenues, the Conference decided that 80 percent should go to institutions and agencies that care for needy Holocaust survivors, such as home-nursing care, nursing homes and psychiatric hospital wards, Kessler-Godin said.

The remaining 20 percent has gone toward Holocaust research, education and documentation. The Claims Conference was, for example, a main funder of an expansion and the new archives and library buildings at Yad Vashem.

To date, the Claims Conference has disbursed about \$500 million in grants, Kessler-Godin said.

The balance is held in a "Goodwill Fund," which pays out to property owners or heirs who did not file claims by a deadline of Dec. 31, 1992, and is money set aside for future needs for survivors for a time when less revenue is coming in, she said.

All the talk of "billions" causes heartache for survivors, say their advocates, partly because they feel they are not receiving a satisfactory portion of it, partly because the public thinks they are.

"The glitter of gold being depicted by the media is so obscene, it makes the average person on the street believe that every survivor is now a millionaire," Kent said.

The German fund, for example, will pay out to some 160,000 Jewish survivors the equivalent of up to 15,000 marks (less than \$7,500) per slave laborer, and up to 5,000 marks (less than \$2,500) for more than 1 million former forced laborers, the vast majority of whom were not Jewish. It's too early to tell exactly how much restitution money may be left over, say those involved.

But according to Steinberg, the primary sources of as-yet-unallocated funds will be:

- potentially hundreds of millions from unpaid insurance policies;
- potentially hundreds of millions from selling the remainder of heirless East German properties, which would be distributed according to the same 80/20 ratio, according to Kessler-Godin; and
- perhaps tens of millions from the Swiss humanitarian fund.



Daily News Bulletin

Ivan Michael Schaeffer, *President*

Mark J. Joffe, *Executive Editor and Publisher*

Lisa Hostein, *Editor*

Michael S. Arnold, *Managing Editor*

Lenore A. Silverstein, *Business Manager*

Paula Simmonds, *Marketing and Development Director*

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.

© JTA Reproduction only by previous arrangement.

JEWISH WORLD

Lawmaker fears Jewish jurors

A U.S. congressman is seeking to keep Jewish jurors out of his upcoming trial. Rep. James Traficant (D-Ohio) wants to add questions regarding ethnic background and religious affiliation to a proposed jury questionnaire, the Roll Call newspaper reported.

Traficant faces felony charges of bribery, accepting illegal gifts, racketeering, fraud, obstruction of justice and tax evasion.

At a pretrial hearing earlier this month, Traficant worried about a Jewish backlash, saying he was concerned that Jewish jurors would resent his well-publicized support of alleged concentration camp guard John Demjanjuk.

The lawmaker also has voiced support for the Palestinians and spoken out against Israel numerous times.

The U.S. Supreme Court has ruled against the use of ethnicity in the course of composing a jury.

Thousands rally in Budapest

About 2,000 people rallied outside Hungary's Parliament on Thursday to mark the anniversary of the 1945 liberation of the Budapest Ghetto. The gathering also called for an offensive against anti-Semitism and other forms of prejudice. Foreign Minister Janos Martonyi and Budapest Mayor Gabor Demszky addressed the gathering, and a message from President Ferenc Madl was read.

This was the first time that the annual commemoration, usually conducted inside the Dohany Street Synagogue, took place in a public space. Peter Tordai, leader of the Hungarian Jewish community, said rally organizers wanted to show that Jews could appear before the general public without fear.

Paris meeting to eye attacks

A conference is planned in Paris next week on the recent upsurge in anti-Semitism in France.

Organized by the Simon Wiesenthal Center, the Jan. 23 meeting will examine whether the recent spate of attacks against synagogues and other Jewish institutions is a specific result of the Palestinian intifada or demonstrates a more worrisome general shift in public attitudes toward Jews.

Honoree blasted as racist

Slovak Jewish leaders criticized the award of a top honor to a man historians claim was an active supporter of Slovakia's wartime Nazi-puppet state.

Five leading Slovak historians said Jozef August Mikus, 92, who was presented with the Pribina's Cross by President Rudolf Schuster two weeks ago, showed a xenophobic attitude toward Jews while working as a diplomat during the war. Mikus received his award for his lifetime's work in fighting for Slovak independence.

German Jewish leader testifies in a Holocaust denial test case

By Toby Axelrod

BERLIN (JTA) — The president of the Central Council of Jews in Germany has faced off in court against a German lawyer in a case that examines the country's definition of Holocaust denial.

Council president Paul Spiegel was called as a witness last Monday in the trial of Udo von B., an attorney from Dusseldorf. Von B. is accused of Holocaust denial, which is a crime in Germany.

At issue is whether the claim to "not have seen anything" in the period between August 1944 and January 1945 can legally be defined as "Holocaust denial."

The incident in question took place at a November 2000 dinner for more than 70 German notables hosted by Deutsche Bank.

Following after-dinner remarks by Spiegel, von B. allegedly expressed doubt that there had been any murders committed at Auschwitz. He also suggested that discussion of the Holocaust contributes to anti-Semitism.

"Up to that point, the evening had been fine," said Spiegel, who told the court that he had been asked to speak at the event about Jewish life in Germany.

In his talk, Spiegel said his sister had been deported to Auschwitz and gassed. Afterward, von B. cast doubt on the claims of atrocities at Auschwitz.

Von B. said he was 15 years old when he was stationed in an anti-aircraft factory near Auschwitz during World War II.

Factory workers were brought regularly to the concentration camp to be deloused, shower and have a sauna, he said, but he never saw any evidence of cruelty being committed there against Jews.

Finally, he asked if Spiegel didn't think that constant reminders of the Holocaust — such as Spiegel's own speech — hindered good relations between Jews and Gentiles in Germany, especially considering the reparations Germany has paid.

According to Spiegel, none of the guests at the dinner reacted to von B.'s comments, which Spiegel called "a subtle form of Holocaust denial."

For his part, von B. told the court that since the end of the war he had "never denied the Nazi crimes against the Jews," and added that he had apologized to Spiegel with flowers and a note.

Spiegel confirmed that he had indeed received a bouquet, with a note in which von B. apologized for having "not been in control of his words."

In the courtroom, von B. said that on his regular visits to Auschwitz he had seen only "large, strong employees" and "workers, criminals" of Hungarian and Russian background.

Spiegel said several things about the incident bothered him: It had been a long time since he had heard someone say, "I was in Auschwitz and didn't notice that Jews were being murdered there;" because von B. had insinuated that Spiegel was "responsible for anti-Semitism in Germany"; and because the other prominent guests at the dinner, including Dusseldorf Mayor Joachim Erwin, sat silently throughout the exchange.

"No one said anything like, 'We don't share this interpretation,'" Spiegel said.

After hearing Spiegel's testimony, Judge Sabine Krugerke said she would hear other witnesses before deciding the matter. □

Deri denied parole

JERUSALEM (JTA) — A prison parole board refused to grant an early release to former Shas Party leader Aryeh Deri. The board rejected the former Cabinet minister's request to be released from prison after serving half of his four-year sentence.

After a trial that lasted four years, Deri was convicted of pocketing \$155,000 while holding several top positions in the Interior Ministry in the late 1980s and early 1990s.

In its decision Thursday, the board cited the gravity of the offenses and the fact that Deri never expressed remorse for the crime.

Deri will be eligible to apply for parole in August, when he has served two-thirds of his sentence. □

AROUND THE JEWISH WORLD

Israel blasts French anti-Semitism, gives incentives to Jewish emigres

By Andrew Diamond

PARIS (JTA) — The Israeli government has stepped into the fray of Jewish politics in France.

Following the latest anti-Semitic attack — the firebombing of a Jewish school in the Paris suburb of Creteil in the early hours of the new year — Israel's deputy foreign minister, Michael Melchior, sharply denounced the French authorities and French society for tolerating such violence.

"France is the worst Western country concerning anti-Semitism," Melchior told the French daily *Le Monde*.

Referring to the 320 acts of anti-Jewish aggression reported by the Jewish community in 2001, Melchior condemned "French society" for not reacting forcefully enough when the incidents began.

"The political leaders and intellectuals did not take them seriously enough," Melchior said of the dramatic rise in anti-Semitic violence that began with the outbreak of the Palestinian intifada in September 2000.

In a suggestive bit of timing, his comments came at the same time that Israel issued a communique stating that, in light of "the wave of anti-Semitism in France," French Jews emigrating to Israel would receive the best aid package offered by the Israeli government.

This aid status also is granted to immigrants from Russia and other countries of the former Soviet Union.

It also recently was granted to Jews emigrating from Argentina and South Africa.

The aid allocation is intended to allow newly arrived immigrants to live for seven months without having to spend any of their personal savings.

The sum ranges from about \$4,500 dollars for a student to \$13,000 for a family with two children under age 4. The communique justified Israel's decision by stating that 40 percent of France's 600,000 Jews live surrounded by Muslim hostility.

"The wave of anti-Semitism that strikes in France offers an opportunity to the state of Israel to bring in thousands of Jews," Prime Minister Ariel Sharon said in the communique.

In their immediate responses to Melchior's remarks, top French Jewish leaders criticized Israel's reading of French anti-Semitism.

Jean Kahn, the president of the Consistoire of France and an instrumental figure in lobbying the Israel government to give French olim enhanced benefits, called Melchior's statements "a bit over the top."

"There is in France a wave of anti-Semitism, different from the old anti-Semitism of the Dreyfus Affair," he explained. "Its authors are of Maghrebin" — North African — "origin and somewhat on the left."

Roger Cukierman, president of CRIF, the umbrella group of secular French Jewish organizations, took a similar perspective.

"The traditional anti-Semitism of the extreme right is not as serious in France," he said. "The anti-Jewish acts committed in the last year here are very clearly localized in communities where Jew and Maghrebin live side by side."

Most surprising, perhaps, was the reaction of Eli Barnavi, Israel's ambassador to France. Interviewed on Israeli radio, Barnavi

claimed that "all the polls reveal a state of increasing integration for the Jewish community."

The polls also "show that only some 10 percent of the French population manifests any anti-Semitic feelings," Barnavi said.

For his part, French President Jacques Chirac refused to comment on Melchior's criticism.

But he did use a recent meeting with French religious leaders to reconfirm his "severe condemnation of all anti-Semitic acts."

Sharon, who formally has retained the post of absorption minister since his government took power last March, hopes to take advantage of the ferment in the French Jewish community over the Socialist government's refusal to take a hard line against anti-Semitic violence.

One of Sharon's priorities as prime minister has been to increase the Jewish population in Israel.

The number of olim, or immigrants, from France — which has Europe's largest Jewish community — has been flagging during the past few years.

In 2001, some 1,200 French Jews emigrated to Israel, a 20 percent drop from the previous year.

The decline might reflect concern about rising Arab terrorism in Israel.

Such concerns persist in many Jewish communities here, particularly in Paris and its surrounding suburbs, but signs are beginning to appear of a revived interest in aliyah, or immigration to Israel, among French Jews.

Last fall, the French office of the Jewish Agency for Israel reported a sharp increase in the number of Jews requesting information about aliyah.

According to Dov Puder, the Jewish Agency's director, many of the potential olim expressed being "bothered" by the problem of anti-Semitic aggression.

"They are motivated by the situation in France as much as the situation in Israel, but they are more concerned than in the past with the situation in France," Puder recently explained.

Melchior's polemic against France, leaked to French correspondents in Jerusalem to coincide with the release of Sharon's communique, appears intended to give a boost of encouragement to such people who may be considering aliyah.

Israel's new financial incentives may be enough to motivate families of Sephardic Jews from the working-class suburbs of the Paris region. Many of the most recent anti-Semitic acts have struck schools and synagogues in subsidized housing areas inhabited both by Sephardic Jews and Maghrebins.

France's sluggish economy has made it difficult for many Jewish families to put aside the kind of savings that relocation would require.

A recent study undertaken by Israel's Ministry of Absorption on the financial situation of French Jews found that some 30 percent of them depend upon social support provided by the French state. □

Israel promotes domestic tourism

JERUSALEM (JTA) — Israel's Tourism Ministry plans to devote all its resources to promoting domestic tourism by Israelis.

Tourism Minister Binyamin Elon said Monday the decision was made after it became clear the greatest potential for tourism growth is from Israelis, not foreign tourists.

Foreign tourism dropped dramatically after the start of the Palestinian intifada in September 2000. □