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TOP NEWS IN BRIEF

Labor to leave government

The Labor Party decided to leave Israel's unity government after efforts to reach a compromise on Israel's 2003 budget failed.

Defense Minister Benjamin Ben-Eliezer submitted his resignation after negotiations to resolve the budget dispute ended Wednesday in a shouting match with Prime Minister Ariel Sharon, according to the Israeli daily Ha'aretz.

Because Ben-Eliezer's resignation does not go into effect for another 48 hours, there is still room for further negotiations. If Ben-Eliezer's Labor Party does indeed leave the government, Sharon will be forced to rely on right-wing parties to pass the budget or call early elections. According to earlier reports, an 11th-hour compromise was reached Wednesday, but it broke down. [Pages 1, 3]

Five Iranian Jews remain in jail

The last five Iranian Jewish prisoners accused of spying for Israel remain in jail, contradicting earlier reports that they had been freed.

Three others had been released last week, raising hopes among their families and American advocates that the remaining five would soon be freed.

But official reports that the five had been furloughed Monday were an act of "disinformation," according to Malcolm Hoenlein, executive vice chairman of the Conference of Presidents of Major American Jewish Organizations. That's "why we urged people not to comment on this, because it's happened before," Hoenlein said. [Page 4]

3 killed in settlement attack

Three Israelis, including two teen-agers, were killed by a Palestinian gunman who infiltrated a West Bank settlement Tuesday night.

Linoy Saroussi and Hadas Turgeman, both 14, as well as Orna Eshel, 53, were killed when the terrorist opened fire on residents of Hermesh in the northern West Bank.

Linoy and Hadas were killed as they were chatting at the entrance to Linoy's house.

The gunman later was shot dead by residents and soldiers.

Two Hermesh residents, including Eshel's husband, were moderately wounded, and a soldier sustained light injuries.

NEWS ANALYSIS

Labor defection leaves Sharon with minority, and hard choices

By Leslie Susser

JERUSALEM (JTA) — For a year and a half it was predicted, and this week it finally came: The Labor Party handed the Likud a bill of divorce, ending Israel's national unity government.

What the divorce will mean for the country amid the ongoing conflict with the Palestinians, the prospect of an American-led war against Iraq and a staggering economy is far from clear.

The pretext for the divorce was Wednesday's preliminary vote on the 2003 budget. After negotiations on a compromise ended in a shouting match, Defense Minister Benjamin Ben-Eliezer submitted his resignation to Prime Minister Ariel Sharon, and the other Labor ministers followed suit.

The resignations take effect in 48 hours, which means the country is likely to be in political limbo at least until early next week.

Barring new developments in that narrow window, Labor will join the opposition after a 19-month experiment in national unity in the face of the violent Palestinian uprising.

The ostensible sticking point was some \$150 million in budget allocations for Israeli settlements in the West Bank and Gaza Strip that Ben-Eliezer said should go instead to social programs.

But pundits — and, polls showed, many Israeli voters — considered that a transparent excuse: Ben-Eliezer faces Labor leadership elections in three weeks, and trails badly behind his two dovish challengers.

Labor's defection leaves Prime Minister Ariel Sharon with four stark choices: Tender his resignation and call new elections in 90 days, limp along for as long as he can with a minority government, set up a narrow but stable right-wing government, or agree with Labor on a date for new elections sometime next spring.

Labor's defection means Sharon now commands the support of only 55 of the 120 Knesset members.

To survive, Sharon would need to split the opposition on key issues or get the seven-member, far-right National Union-Israel, Our Home faction to join the coalition or, at least, support it from the outside.

That makes Avigdor Lieberman, National Union-Israel, Our Home's leader, a key player.

The trouble is that Lieberman dislikes Sharon with a passion, and is a close political ally of Sharon's rival for leadership of the Likud Party, former Prime Minister Benjamin Netanyahu.

On the face of it, the chances seem remote that Lieberman will help Sharon survive and position himself better for a leadership challenge from Netanyahu.

But it's not that simple. Will Lieberman want to topple the Sharon government by joining the left-wing Meretz and the Arab parties in voting no-confidence? Will he want to lead a right-wing move to bring down a Likud-led government, taking the chance that the left may then come to power, as happened in 1992 and 1999?

And will he want to be blamed for deliberately preventing the formation of an ideologically homogenous right-wing government?

Sharon is ambivalent about the possibility of a narrow right-wing government. On the one hand, by instituting right-wing policies that are pro-settler and tougher on the

MIDEAST FOCUS

Palestinian ambusher killed

A Palestinian gunman fired Wednesday on a group of Israeli surveyors working on a security fence near the West Bank settlement of Ariel.

Security guards shot and killed the gunman.

Rights group blasts attacks

The people who plan Palestinian suicide attacks are guilty of war crimes and should be brought to justice, according to a human rights group. Human Rights Watch issued a report this week that examines who should be held responsible for the attacks.

"The people who carry out suicide bombings are not martyrs, they're war criminals, and so are the people who help to plan such attacks," said Kenneth Roth, the group's executive director.

The report recommends that criminal charges be brought against officials of Hamas, Islamic Jihad, the Popular Front for the Liberation of Palestine and the Al-Aksa Brigade.

The Palestinian Authority and its president, Yasser Arafat, also "bear a high degree of political responsibility for the atrocities," Roth said.

Group wants Mofaz arrested

A Muslim group is threatening to take legal steps against former Israeli army chief Shaul Mofaz for alleged crimes against the Palestinian people.

A group called the Muslim Association of Britain lodged a complaint against Mofaz with the General Prosecutor's office in London.

Israelis help pick olives

A group of prominent Israeli intellectuals, artists and reserve officers took part in an olive harvest with Palestinians in the West Bank.

Authors Amos Oz, David Grossman and Gen. Shlomo Gazit were among the participants in the harvest organized by Peace Now.

Palestinians, he could erode some of Netanyahu's support on the right.

But he knows those policies would bring him into the kind of head-on confrontation with Washington that he has tried at all costs to avoid.

What Sharon does next largely will be conditioned by Netanyahu's leadership challenge. Sharon probably will move to the right, taking care not to go too far. The formula will be to score political points against Netanyahu within the Likud, yet without antagonizing the Americans.

In this context, Sharon is considering appointing the former army chief of staff, Shaul Mofaz, as defense minister in place of Ben-Eliezer, and Jerusalem Mayor Ehud Olmert as foreign minister instead of Shimon Peres.

Such new, high-profile political alliances might strengthen Sharon's standing with the Likud rank-and-file.

Sharon also hopes the appointments would help him stay in office for at least a few months more, so that — if he is challenged by Netanyahu ahead of general elections — the vote will take place after an American strike on Iraq, when Sharon presumably would bear the aura of a successful, wartime prime minister.

That's why, analysts say, Sharon seems most likely to choose the fourth option: agreeing with Labor on new elections next April or May.

Ben-Eliezer's moves also have been greatly influenced by internal party leadership challenges. Not long ago, Ben-Eliezer was telling a Labor Party convention how important it was to support the budget as is.

Pundits say Ben-Eliezer's change of heart stems from polls that show him trailing his challengers for the party leadership, Haifa Mayor Amram Mitzna and Knesset member Haim Ramon.

Both Mitzna and Ramon have clamored for Labor to leave the Sharon government, and their message is popular among Labor members who will choose the party's leader Nov. 19.

With time running out, Ben-Eliezer was advised to make a dramatic move that could bring him back into contention.

But pundits aren't convinced that Wednesday's dramatic step really will do Ben-Eliezer much good.

According to polls, most Israelis believe Ben-Eliezer engineered the budget crisis for partisan reasons, since the settlement spending in question — some \$150 million — is a minuscule portion of the \$60 billion budget, about one-quarter of 1 percent.

Still, the move to the opposition could help Labor. Party strategists have been saying for months that to have any chance in national elections, Labor must differentiate itself sharply from the Likud.

As a partner in a Likud-led government, where Labor shares responsibility for government policy, it could hardly differentiate itself.

In the opposition, however, it can.

Moreover, the issues Ben-Eliezer chose for leaving the government — settlements and a fairer economic deal for weaker groups like pensioners and students — show how Labor intends to fight the coming election.

The main focus will be on socioeconomic issues, which Labor will argue can only be improved by channeling money away from settlements, and by changing the basic economic conditions by making peace with the Palestinians.

Only Labor can take those steps, the party will argue, because it is ready to dismantle settlements as part of a peace deal.

In the meantime, it is Sharon who faces the immediate problems.

Though the budget passed its first reading on Wednesday, it's not clear whether he will be able to maintain the budget ceiling and the deficit target without Labor's help.

Labor's departure gives the remaining members of the government coalition far more leverage.

Between now and the budget's second and third readings, each of the small parties could try to force Sharon to make special allocations to the sectors they represent, with disastrous consequences for Israel's credit rating.

Sharon's options will be refined very soon: The picture will become clearer next week when the Knesset considers no-confidence motions tabled by the Meretz and Shinui parties. □

(Leslie Susser is diplomatic correspondent for the Jerusalem Report)



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JEWISH WORLD

Groups blast N.Y. appointee

Jewish organizations are criticizing a decision to appoint a Council on American Islamic Relations official to serve on New York's Human Rights Commission.

The American Jewish Committee, Simon Wiesenthal Center, Zionist Organization of America, Anti-Defamation League and Jewish Community Relations Council of New York all questioned the appointment of Omar Mohammedi, who is general counsel to CAIR's New York chapter.

CAIR has repeatedly defended groups such as Hamas and Islamic Jihad, which are designated by the U.S. government as terrorist groups. It also has condoned Palestinian suicide bombings in Israel as self-defense.

New York "should have a human rights commission that reflects the full diversity of the city's population, but that does not mean that membership is open to just anyone," said David Harris, executive director of the AJCommittee.

Vatican announcement criticized

The leader of Italy's Jews said he is unimpressed by a Vatican announcement that it will open some of its secret archives.

On Tuesday, the Vatican, trying to counter charges that the wartime pope, Pope Pius XII, was silent in the face of the Holocaust, confirmed it would open up some of the archives, including documents from 1922 to 1939.

But Amos Luzzatto, president of the Union of Italian Jewish Communities, had only faint praise for the move.

"There's no doubt that opening up these archives is an important decision. The problem is that they don't even refer to the most important period, which is during the war itself," he told Reuters.

"And no matter how much they open up their archives, there is one thing they will never find: a public and open declaration opposing anti-Semitism during the war."

Donating blood for Israel

A new program will enable visitors to Israel to donate blood.

The Conference of Presidents of Major American Jewish Organizations, which is cosponsoring the "Sharing for Life" program, called the initiative "an extremely meaningful expression of solidarity with the people of Israel."

Officials with Magen David Adom Blood Services in Israel, another project sponsor, said there is a vital need for blood to meet the needs of regular medical services as well as for terror victims and army casualties.

Government's demise comes in dispute over settlement funding

By Naomi Segal

JERUSALEM (JTA) — What went wrong?

Israel's national unity government collapsed Wednesday after several tense days of haggling over settlement funding that analysts said masked internal party politics.

Following intense bargaining Wednesday in search of a compromise, Prime Minister Ariel Sharon's budget passed by a vote of 67-45, with two abstentions.

But the victory cost Sharon his major coalition partner: The Labor Party chairman and defense minister, Benjamin Ben-Eliezer, gave Sharon his letter of resignation after negotiations on a compromise ended in a shouting match.

Other Labor ministers also submitted their resignations. Barring any new developments in the 48-hour window until the letters take effect, Labor will join the opposition after 19 months in the unity government.

At the crux of the dispute was Labor's demand that some \$150 million in spending for settlements be cut in favor of social programs.

Given that the figure is just one-quarter of 1 percent of the total budget, analysts and right-wing politicians said Ben-Eliezer really was motivated by political considerations: He faces a Labor Party primary next month in which he trails two dovish challengers, Knesset member Haim Ramon and Haifa Mayor Amram Mitzna.

The budget dispute also follows long-standing frustration in Labor over the lack of diplomatic progress with the Palestinians and pressure within the party to pull out.

Throughout the day, Likud and Labor officials were involved in last-ditch efforts to find a compromise to keep Labor in the government. At times it appeared the sides were close to agreement on a compromise drafted with the help of two prominent Israeli lawyers.

The draft explicitly stated Sharon's commitment to address the needs of people on pensions and students in exchange for Labor's support of the budget. In addition, it stated that allocations would be determined only by "relevant and equal" criteria, based on state objectives and not sectoral interests.

Ben-Eliezer's rejection of the proposal drew accusations from the right that he was never serious about reaching compromise.

Speaking in the Knesset, Sharon accused Ben-Eliezer of failing to act responsibly. "We did not agree to divert the negotiations to hurt an entire public to serve political considerations," Sharon said. "I appeal to the Labor Party and its chairman, on this you are dismantling the unity government? At this fateful hour for the Israeli economy? There is a limit to contempt."

In his remarks, Ben-Eliezer said Labor never had any interest in breaking the budget framework, but felt morally compelled to take a stand.

"It is incomprehensible that in the State of Israel in the year 2002, tens of thousands of children" are hungry, Ben-Eliezer said. "It is unacceptable that in the State of Israel, the basic right of pensioners to end their lives in dignity will be taken from them."

Ben-Eliezer's remarks outraged Finance Minister Silvan Shalom, from Sharon's Likud Party. "Since when are you so interested in pensioners? When was the last time you visited a nursing home?" Shalom shouted.

Opposition leader Yossi Sarid of the left-wing Meretz Party welcomed Labor's decision to leave the government. While calling the move "a little late, a little muddled," he said he was immediately passing on the post of opposition leader to Ben-Eliezer.

But Sarid said that, after nearly two years in the government, Ben-Eliezer would be watched closely to see how he delivered an alternative message.

In contrast to Ben-Eliezer, Foreign Minister Shimon Peres was praised by Sharon and other Likud members for his efforts to find a way to preserve the unity government.

During the vote itself, however, Peres heeded party discipline and opposed the bill.

The budget passed with support promised earlier by two opposition parties, Shinui and National Union-Israel, Our Home. However, Shinui also said it would submit a no-confidence motion against Sharon next week.

The plenum already is slated to debate and vote on a no-confidence motion from Meretz on Monday. Labor said earlier that it planned to support the measure. □

Five Iranian Jews remain jailed, contrary to reports of their release

By Michael J. Jordan

NEW YORK (JTA) — Three Iranian Jews imprisoned on charges of spying for Israel have been released, but the last five remain in jail, contrary to earlier reports.

Sources close to the issue said Monday that Iranian authorities had granted the last five an indefinite furlough. On Wednesday, however, those sources confirmed that the reports from Iran were “disinformation.”

That’s “why we urged people not to comment on this, because it’s happened before,” said Malcolm Hoenlein, executive vice chairman of the Conference of Presidents of Major American Jewish Organizations.

The uncertain status of the five seems to underscore the precarious situation faced by the entire Jewish community in Iran. They now number between 22,000 and 25,000, down from 100,000 or so prior to the 1979 Islamic Revolution.

After the three Jews were pardoned last week, hopes were raised among their families and American advocates that the remaining five would soon be freed. Hoenlein said he was “still hopeful” that they would be released soon.

Both Israel and the Iranian Jewish community deny the men ever spied for “the Zionist regime,” as Tehran alleges.

Pooya Dayanim said Wednesday that sources in Iran informed the Council of Iranian American Jewish Organizations in Los Angeles on Monday that the five men were home with their families.

The release was confirmed the next day by an Iranian justice official in a statement to the official Iranian news agency, IRNA.

“We now know that the information given to us” was “false. The five remaining Iranian Jews are still in prison,” Dayanim said. “We have no further explanation or comment.”

Asked why the sources would provide erroneous information, Dayanim said, “No comment.”

The five who remain in jail are merchant Dani (Hamid) Tefileen, 29, sentenced to 13 years in prison; university English instructor Asher Zadmehr, 51, also sentenced to 13 years; Hebrew teacher Naser Levy Hayim, 48, sentenced to 11 years; perfume merchant Ramin Farzam, 38, sentenced to 10 years; and shopkeeper Farhad Saleh, 33, who had received an eight-year sentence.

The three released last week — who reportedly were granted a pardon directly from Supreme Leader Ayatollah Ali Khamenei — were sporting goods merchant Javid Beit Yakov, 42, who had been sentenced to nine years in prison; and religion teachers Farzad Kashi, 32, and Shahrokh Paknahad, 24, who had received eight-year sentences. □

Two child actors among Jews killed in Moscow hostage crisis

By Lev Krichevsky

MOSCOW (JTA) — Kristina Kurbatova was a leading child actor in the production of the musical “Nord-Ost.”

She enjoyed romantic music and was a fan of J.R.R. Tolkien. In fact, “The Lord of the Rings” was her favorite movie.

Last week, she called home from a cell phone hours after she

was taken hostage by Chechen kidnapers along with some 800 other people at a Moscow theater. She told her parents she was very scared.

She had reason to be.

Kurbatova and Arseniy Kurilenko, another 13-year-old actor in “Nord-Ost,” died over the weekend when Russian security forces gassed the theater in an operation to rescue the hostages.

More than 115 hostages were killed — as were the 50 or so kidnapers — after the forces sprayed gas into the theater. Russian authorities this week identified the substance as fentanyl, an opiate-like gas.

The two children were among six Jewish hostages who died in the rescue operation, out of some 27 Jews that the Federation of Jewish Communities of Russia identified among the hostages.

Another Jewish hostage, Misha Simkin, 12, is among dozens considered missing after the siege.

Anna Shifrina, 60, a Moscow pensioner, was laid to rest Wednesday in a Jewish cemetery in Malakhovka outside Moscow.

Yuriy Zhabotinsky, 48, a science professor, will be buried in the town of Rybinsk in northwestern Russia, where he taught at the Institute for Aviation Technologies.

A funeral for Igor Morev, 50, was slated to be held Thursday in Moscow.

He was the father of three children.

The body of Grigoriy Burban, also 50, will be flown to the United States on Thursday at the request of his parents, who live in the United States. He will be buried in Brooklyn.

Burban lived in Odessa, Ukraine, and was visiting Moscow.

Burban’s wife, Elena, survived the siege. On Wednesday, she was waiting for Ukrainian officials to issue her a passport so she could accompany her husband’s body to the United States.

Relatives of some of the Jewish victims refused to be interviewed.

Some Jewish officials said they felt it was wrong to focus on Jews separately from the other victims.

“I don’t think this is the right thing to do,” said Dov Sharfstein, representative of the Jewish Agency for Israel in Moscow and Central Russia.

He said his group wrote a letter to Moscow officials offering the help of Russian-speaking Israeli psychologists who have experience dealing with terror victims.

“We offered our help to everyone because this was one common tragedy,” Sharfstein said. □

Sununu defends Israel record

WASHINGTON (JTA) — Rep. John Sununu (R-N.H.) defended his record on Israel.

In a conference call Wednesday with reporters, Sununu, who is running for his state’s U.S. Senate seat against Gov. Jeanne Shaheen, said he has voted for aid to Israel and encouraged an end to corruption in the Palestinian Authority. Sununu continues to come under fire from Jewish and pro-Israel groups for a number of controversial votes, such as his opposition to a resolution affirming Jerusalem as Israel’s undivided capital and his vote against a resolution opposing a unilateral Palestinian declaration of statehood.

Sununu said the U.S. Congress should not be involved in passing such resolutions, and that the issues should be left to negotiations between Israel and the Palestinians. □