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85th Year

TOP NEWS IN BRIEF

Five killed in kibbutz attack

Five Israelis, including a mother and her two young children, were killed when a Palestinian terrorist infiltrated a kibbutz Sunday.

The Al-Aksa Brigade, the terrorist wing of Yasser Arafat's Fatah faction, claimed responsibility for the attack on Kibbutz Metzger, located near Israel's border with the West Bank.

The dovish kibbutz long has been a bastion of support for Arab-Jewish cooperation. Around midnight, at least one gunman penetrated the kibbutz perimeter fence and entered a house, killing the mother and two children as the mother was reading them a bedtime story.

Two other victims were shot dead outside the kibbutz dining hall.

The victims were identified as Revital Ohayon, 34, and her sons Matan, 5, and Noam, 4; Yitzhak Dori, 43; and Tirza Damari, 42.

Israeli elections set for Jan. 28

Israel's general elections will be held Jan. 28. A Knesset committee set the date in a meeting Monday, when committee members decided against proposals to hold the vote even sooner.

U.S. envoy arrives

A U.S. envoy was due in Israel on Monday for talks aimed at keeping Israeli-Palestinian violence to a minimum as the United States prepares for a possible attack on Iraq.

The U.S.-sponsored "road map" for Middle East peace will be on David Satterfield's agenda, but it won't be the main item, Israeli officials told the Jerusalem Post.

Instead, Satterfield will try to keep a lid on violence and try to get Israel to ease its restrictions on the Palestinian civilian population and transfer frozen funds to the Palestinian Authority, the sources said. He also will meet with Palestinian representatives, but not with P.A. President Yasser Arafat.

Meanwhile, an Israeli team led by Cabinet member Dan Meridor was due to leave for Washington on Tuesday for semiannual strategic talks with U.S. officials.

The talks will focus on the Israeli-Palestinian conflict and Iraqi disarmament, according to Israel Radio.

ISRAEL'S ARAB MINORITY

After costly boycott, Arab voters and politicians working for change

By Gil Sedan

HAIFA (JTA) — For the first time after the October 2000 riots, it appears that Arab politicians believe in changing the Israeli political system from within.

But whether they can motivate their alienated electoral base is unclear.

One can sense a dramatic shift in the political mood among Israel's Arab population: Electoral boycott and political alienation are out; full participation in the upcoming elections is in.

"For the first time since the Rabin government, we have a chance of creating a preventive bloc," former Knesset member Abdel Wahab Darawshe told JTA. Darawshe, chairman of the Arab Democratic Party, based his forecast on polls taken last weekend, three days after Prime Minister Ariel Sharon opted for early elections.

A preventive bloc would mean that a bloc of 60 Knesset members could prevent Sharon from creating a Likud-led government — even if the Likud turns out to be, as anticipated, the single largest party.

Darawshe's electoral arithmetic is simple, though it contains a large dose of wishful thinking. It assumes that despite the change in the electoral system — Israelis no longer will cast separate votes for the Knesset and prime minister, but rather will vote just once for a party — Arabs will continue voting for the Arab parties and will not be tempted to vote for left-wing Zionist parties such as Labor or Meretz.

The key to the change, according to Darawshe, will be the anti-Orthodox Shinui Party. Polls show that Shinui could win as many as 12 mandates, making it the third largest party in the Knesset.

Darawshe's scenario goes like this: If Labor wins 25 seats, if the Arab parties add one or two mandates to their current 10 and if Meretz and the tiny One Nation Party join in, that would equal the 60 seats needed to prevent a Likud-led coalition.

But the scenario is highly unlikely.

Even if election results match Darawshe's forecast, an electoral deadlock is more likely to produce another national unity government between Labor and Likud than a situation in which Shinui leader Yosef "Tommy" Lapid — a pragmatic liberal and proud nationalist — would join forces with the Arab parties.

Even if Darawshe's forecast is somewhat far-reaching, it shows that Israel's Arab politicians have concluded in the past two years that change is possible from within the system, rather than from outside.

The October 2000 riots, the continued stalemate in the peace process, the sharp rise in unemployment — particularly in Arab towns and villages — and the Arab public's discontent with its legislators have led to widespread frustration among Israel's million Arabs. In an act of protest against both Labor's Ehud Barak and the Likud's Ariel Sharon, Arab voters boycotted the February 2001 elections for prime minister.

"Once they have grown accustomed to boycotting the elections, one will need to invest efforts to change that trend," Dr. Ahmed Tibi of the Arab List for Change told JTA.

In the last Knesset elections, held in 1999, some 72 percent of eligible Arabs voted. The goal this time should be 90 percent participation, Tibi said.

"The more Arabs vote, the better chance we have to topple the right," Darawshe said.

Even the leaders of the northern branch of the Islamic Movement — which

MIDEAST FOCUS

E.U. official nixes probe of P.A.

The E.U. commissioner in charge of foreign affairs rejected a call to investigate whether the Palestinian Authority is using millions of dollars in E.U. aid to fund terrorism. In response to a question by E.U. legislator Charles Tanner, Chris Patten said he wants the issue investigated "like a hole in the head."

Tanner subsequently attacked Patten's refusal, which came despite growing calls among E.U. lawmakers for such an investigation. In a letter to The London Sunday Telegraph, Tanner said that "if there is to be any chance of securing a lasting peace in the Middle East, we must settle beyond all reasonable doubt such serious allegations of fraudulent and violent misuse of E.U. taxpayers' money."

Palestinians say troops killed boy

Palestinians accused Israeli troops of killing a 2-year-old Palestinian boy and wounding two other children when they opened fire Monday in the Gaza Strip. The army said it was unaware of the incident.

Ramon to stay in race

Israeli legislator Haim Ramon announced Monday that he will remain in the race for the Labor Party leadership.

Lagging in the polls, Ramon had been under pressure to drop out and leave the front-runner, Haifa Mayor Amram Mitzna, as the only candidate facing incumbent Benjamin Ben-Eliezer in the party's Nov. 19 primary.

Israel weighs litigation risks

Prime Minister Ariel Sharon held consultations on possible attempts to bring Israeli political and military figures to trial in the International Criminal Court.

It was decided that a special committee reporting to the Justice Ministry would consider which individuals might be most susceptible to proceedings.



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traditionally has boycotted elections to avoid recognizing the Jewish state — will moderate its opposition this time.

But getting voters to the polls won't necessarily be easy.

"We are sick and tired of the Arab parties," Mu'in Zatmeh of Nazareth, who works in a car wash, told JTA. "All they care about is their Knesset seats and the Palestinian state. Forget about Palestine; let it burn. They should first take care of me and my children."

Customer Taysir Hamudeh went a step further.

"The Arab sector will boycott the next elections," because "we simply do not care," he said.

Arab politicians so far have failed to limit the number of Arab parties running in the elections.

The 10 Arab legislators currently are split among five parties: The United Arab List (3), Hadash (3), the National Arab Party (2), Balad (1) and the Arab List for Change (1). If the parties unite, they would have a good chance of increasing their presence in the Knesset to at least 12 seats.

All the Arab parties already have called for unity, but each wants to make sure that its own people would stand at the head of a united list.

Are they sincere about unity?

There's "no chance for a unified list," Yosef Algazy, a commentator on Arab politics for the Israeli daily Ha'aretz, told JTA. "Talking about unity is part of the election campaign, but no one is ready to give in."

The one person who may have to give in is Tibi, a gynecologist and flamboyant legislator who in the past served as a top adviser to Palestinian Authority President Yasser Arafat. Tibi, who has little support at the polls, is negotiating a possible merger with the United Arab List and Hadash.

"Eventually we will have four Arab lists running," Tibi said. "If we are mature enough we could cut down to three. Only in case of a political earthquake, shall we have two Arab political parties."

Hadash suggested having just one secular party in addition to the United Arab List, which is dominated by fundamentalist politicians.

Arab voters complain that Arab legislators have not dealt enough with local Arab issues and instead spend too much time supporting Arafat.

But Knesset Member Abdul Malek Dahamsheh, leader of the United Arab List, claims that the election campaign will continue to revolve around both national Palestinian issues and daily civil issues.

"We stress civil-national issues, and we claim that our Islamic way is the way to solve them," Dahamsheh, leader of the Islamic component in the United Arab List, told JTA.

Darawshe of the Arab Democratic Party, the secular component in the same bloc, suggested a more pragmatic course.

"Our election slogan will be, 'Just nationalism and total citizenship.' In other words, demanding the national rights of the Palestinians, but at the same time insisting that we are full and loyal citizens of the State of Israel," Darawshe said.

One Knesset member whose campaign will undoubtedly have stronger nationalist colors is Azmi Beshara, whose Balad Party has one vote in the Knesset.

Even his opponents agree that Beshara is likely to at least triple his electoral force, even though — or perhaps because — he is set to stand trial for his anti-Israeli rhetoric at a rally last year in Damascus. □

Experts recommend rebuilding wall

JERUSALEM (JTA) — A team of Jordanian experts that examined a bulge at the southern end of the Western Wall has recommended rebuilding part of the wall. The team has suggesting removing stones from the bulging area and reinforcing it with new building materials, the Israeli daily Ha'aretz reported.

A Jordanian architect in charge of reconstruction work said Sunday there is no danger that the bulge will cause the wall to collapse. Israeli and Palestinian officials have been blaming each other for the bulge. □

JEWISH WORLD

Vienna Shoah memorial dedicated

A memorial to the tens of thousands of Jews deported by the Nazis from Vienna was dedicated Sunday. The memorial, located at Vienna's City Temple, has the names of 62,400 deportees engraved on black slate.

Some 65,000 Jews were deported from the city, but not all their names are known. Vienna also has a Holocaust memorial at Judenplatz.

Nimoy nudes cause waves

A photo collection by actor Leonard Nimoy that includes naked women wrapped in Jewish ritual objects is provoking outcries. The actor who gained fame playing Spock in the "Star Trek" TV series and movies is stirring controversy with "Shekhina," a book he describes as a photographic journey into the mystical power of Jewish women.

Now on a 16-city promotional tour, Nimoy was forced out of the Detroit Jewish Book Fair after objections by some local Jewish leaders, and instead appeared at Temple Shir Shalom, a Reform congregation in the area.

Meanwhile, Rabbi Steven Dworken, executive vice president of the Rabbinical Council of America, sent e-mails to some 1,000 members of the Orthodox group accusing Nimoy of "debasement" of the Shekhina — the Jewish term for the feminine aspect of the divine spirit — and urging them to protest the book.

HIAS opens Africa office

The Hebrew Immigrant Aid Society opened an office in Nairobi, Kenya.

After receiving an \$800,000 grant from an anonymous donor, the immigrant and refugee services organization plans to expand its operations into western Africa and work with nongovernmental organizations to identify the most vulnerable refugees.

Italy's royals condemn race laws

The heirs to Italy's throne marked the end of their exile on Sunday by condemning the race laws of dictator Benito Mussolini.

The government announced last month that heirs of the Savoy family could re-enter their ancestral homeland on Nov. 10, after Parliament voted to end the exile, which was imposed as punishment for collaborating with Mussolini. In a statement, the Savoy family issued a condemnation of King Victor Emmanuel III's decision to sign a racist law aimed at Jews, calling it an "indelible stain" on the history of the Savoy dynasty.

The law, signed Nov. 10, 1938, led to the eventual deportation of thousands of Jews during World War II. The statement was signed by Prince Victor, grandson of Emmanuel III.

Vandalism in a North African city prompts more security at Jewish sites

By Jerome Socolovsky

MADRID (JTA) — Security has been stepped up outside Jewish sites in the North African city of Melilla after vandals attacked the small community's cemetery for the third time in two weeks.

The attacks were among the most serious endured by the community of around 800 Jews, who have lived for hundreds of years in relative harmony with Muslims, Christians and Hindus in Melilla, a Spanish-ruled enclave on Morocco's northern coast.

On Monday, local authorities posted an armed guard outside the cemetery gate as police searched for the vandals who bombarded the century-old burial ground over the weekend with rocks and paint bombs, damaging tombstones and shattering glass windows at the entrance.

Jacobo Wahnnon, president of the Israelite Community of Melilla, said one of the windows appeared to have been struck by bullets from an air gun. He said it was the first time he could recall that a gun of any kind had been used in violence against local Jews. He told JTA that the Jews of Melilla were shocked about the attacks against "a sacred place where our ancestors are buried."

No one was at the cemetery at the time of the incidents.

Wahnnon said he was encouraged by the local government's commitment to increased security. After an earlier attack last Friday, he was quoted by Spanish newspapers as saying "police should be trying a bit harder."

Wahnnon said hundreds of Melillans of all faiths have telephoned the community to express outrage over the desecrations. Leaders of the local government and of all the major political parties also have condemned them, he said.

Antonio Ramirez, a spokesman for Spanish authorities in Melilla, played down the anti-Semitic component of the cemetery desecration. "This is a real barbarity, but it doesn't have an ethnic or religious dimension," he said. Nevertheless, he called it "an attack against the very coexistence" among the various communities in Melilla.

Melilla was established by Spain after the Jewish expulsion of 1492 as a fortress city on the North African shore. Its Jewish community maintains eight synagogues.

It prides itself on being an oasis of interethnic concord, though many young Jews are leaving for Spain and Israel against the background of limited economic opportunities and anti-Semitic attacks. The city of 70,000 is about 35 percent Muslim. An additional 30,000 day laborers cross daily into the city from Morocco.

Ramirez said the attack did not fit in with a series of vandalism incidents committed since Sept. 11 by young Muslims in Melilla and also in Ceuta, another Spanish enclave on the Moroccan coast where about 300 Jews live.

Eggs, rocks and bottles have been launched at Ceuta's Sephardic synagogue while worshippers prayed inside. In addition, Palestinian flags and graffiti backing Islamic terrorists was daubed on local synagogues and churches.

On Sept. 23, 2001, slogans praising Osama bin Laden and insulting Jews appeared on graves in Melilla's Jewish cemetery. When Jewish leaders and journalists went to inspect the damage, a group of young Arabs shouted anti-Jewish insults.

According to Guesher, a Madrid-based group that monitors anti-Semitism in Spain, suspicions at the time fell on a local Islamic extremist faction known as Badr. At the time, Badr spokesman Abdelkader Mohamed Ali denied the allegations. □

Swiss to investigate AMIA case

BUENOS AIRES (JTA) — Switzerland will probe allegations that Argentina's former president covered up Iran's role in the bombing of a Jewish center in Buenos Aires.

Swiss officials said last Friday they will investigate claims that former Argentine President Carlos Menem took a \$10 million bribe to conceal Iran's alleged links to the car bomb attack that killed 85 people at the AMIA building in July 1994. Menem denies the allegations. □

Despite unrest, Israel still popular with overseas tech investors

By Buzzy Gordon

SANTA CLARA, Calif. (JTA) — In the “good old days” — just two years ago — venture capital conferences were commonplace occurrences.

Such conferences were held nearly every month in Silicon Valley in California or Silicon Alley in New York City — and four to six times a year in Israel.

Then came the Nasdaq stock market crash in the fall of 2000, and the outbreak of the Palestinian intifada in September of the same year.

In Israel, these prolonged parallel crises became known as the “Nasdaq-Nablus effect,” and not even the best technology companies in Silicon Wadi, as Israel’s technology belt is called, were spared the devastating effects.

The market value of Israel’s most vaunted publicly traded companies, from Check Point to Comverse to Commtouch, plunged along with the share prices of their American counterparts. Israeli high-tech business leaders have been cutting back heavily on their globetrotting networking.

Thus, the scheduling of Capital Summit: The Forum on Technology Fundraising, organized by Garage Technology Ventures in Silicon Valley at the end of last month, was, in the vernacular of many of the speakers, an attempt at B2N — back to normal.

The emphasis, however, was trying to redefine normality back to the pre-bubble behavior patterns of private equity and technology investors and markets.

In other words, even in the current depressed climate, venture capital investment continues — albeit within more rational parameters.

“We’re in a funk,” admits Garage, or GTV, CEO Guy Kawasaki, who moderated many of the panel discussions over the course of the two-day conference.

At the same time, attendance was a respectable 400 registered participants, mostly entrepreneurs, in an audience that was refreshingly multi-ethnic, comprising large numbers of Asians — particularly Indians — and Israelis, groups that have left indelible impressions on the Silicon Valley landscape.

Indeed, GTV itself is a true reflection of its larger environment: the top executives of the company formerly called Garage.com are of Japanese-American, Israeli and Sikh origin, together with a few faces that typify traditional corporate America.

One of GTV’s Israeli imports is General Manager Gideon Marks, who organized a conference panel on international capital.

One somewhat surprising conclusion that emerged from that panel is that Israel remains popular among U.S. and global venture capital funds, despite the violence that unceasingly plagues the region.

“I am bullish on Israel,” declared Lip-Bu Tan, chairman of Walden International, one of the world’s most prominent venture capital firms, which maintains a permanent office in Herzliya.

Similar sentiments were echoed by Tim Wilson of Partech International, and Bruce Crocker, who is the Silicon Valley representative of Israel’s largest venture capital fund, Pitango (formerly Polaris), which has invested in local companies that have

expanded to the North American market. “Israel, with its tight network formed in the military, is still quite entrepreneurial, and we continue to invest — although now we are seeing more repeat entrepreneurs than before,” Crocker notes.

Crocker is one of a number of California representatives of leading Israeli venture capital funds — Vertex, Gemini, Genesis and Apax — while U.S. corporation Applied Materials, a major player in the semiconductor industry, has established its own venture capital fund with a representative in Jerusalem.

In fact, another conference panel, “The Company Line: Corporate Investors,” featured mostly multinational entities that have long been — and still remain — active in Israel-based research and development, including Cisco Systems, Siemens Venture Capital, Intel Capital and Applied Materials Ventures.

“Israel has always been at a political disadvantage, but it is a technology superpower that is used to operating under adverse conditions,” explains Marks.

“In fact,” he recalls, “when it was business as usual in Israel during the Gulf War, Silicon Valley was shut down because of the earthquake.”

The latest figures from Israel bear out the experts’ assessments. An Israel Venture Capital survey shows that 92 private Israeli companies raised a total of \$266 million in the third quarter of this year from local and foreign investors. More than half of this sum, \$148 million, was raised from entities that were not Israeli venture capital funds.

Most importantly, the \$1.2 billion invested in Israeli high tech companies to date in 2002 is higher than the amount invested in 1999. Software and the life sciences — biotechnology and medical devices — have become the most attractive sectors for investment, displacing the Internet.

And while it is no secret that Israel has suffered from the reluctance of foreign business representatives to visit — especially in view of the U.S. State Department’s travel advisory — there are signs of a thaw on that front.

For example, Israeli media reported that a delegation from Korea’s largest cellular provider, SK Teletel, was recently in the country in an effort to identify joint venture and investment opportunities. Another promising recent development was the announcement of the formation of a brand-new U.S. fund that will invest exclusively in Israel: the Illinois-based Israel America Discovery Fund. □

Abu Abbas: Don’t blame me

JERUSALEM (JTA) — The leader of the Palestine Liberation Front said he was not responsible for the killing of an American Jew during the hijacking of the Achille Lauro cruise ship in 1985.

“Of course, it wasn’t my fault,” Abu Abbas told The New York Times about the killing of Leon Klinghoffer, who was shot aboard the ship and then dumped, still in his wheelchair, into the ocean. “I didn’t shoot the man. But he was a civilian, and I ask myself, ‘What was his fault?’ ”

Abbas faces a life sentence in Italy for the Achille Lauro hijacking, and a U.S. court indictment against him could be revived if he is found during a possible American attack on Baghdad, the Times reported. Abbas returned to the Gaza Strip in 1996 after years of exile, but fled back to Baghdad just before the Palestinian intifada broke out two years ago. □