



# Daily News Bulletin

Vol. 80, No. 231

Thursday, December 12, 2002

85th Year

## TOP NEWS IN BRIEF

### Mormons still baptizing Jews

Jewish and Mormon officials met to discuss new allegations that church members are still baptizing many deceased Jews, including thousands of Holocaust victims. [Page 3]

### Canada bans Hezbollah

Canada reversed course and imposed a complete ban Wednesday on Hezbollah. Canadian officials banned Hezbollah's military wing last year, but for months the government of Prime Minister Jean Chretien had resisted banning Hezbollah's charitable wing, saying it provides social services in Lebanon.

B'nai Brith Canada, which earlier this month filed a lawsuit to force the government to ban Hezbollah, applauded the government's latest decision. "This is an important step for this country's efforts in the war on terror," the group said. "All Canadians are safer as a result of this action."

### Lott comments blasted

The Anti-Defamation League criticized recent comments of Senate Republican leader Trent Lott as "irresponsible and unacceptable."

The ADL issued its criticism after Lott said last week, at a birthday party for retiring Sen. Strom Thurmond, that the nation would have been better off had then-segregationist candidate Thurmond won the presidency in 1948. The National Jewish Democratic Council also blasted Lott, saying his comments prove that "the Republican Party just doesn't get it."

Although Lott subsequently apologized, there have been calls for him to give up his Senate leadership position.

### Rabbis seek action on Mideast

Leading Reform rabbis urged President Bush to step up efforts toward an Israeli-Palestinian peace agreement, but said Yasser Arafat is "unprepared" to make peace.

On Wednesday, the Central Conference of American Rabbis' Board of Trustees overwhelmingly backed a new platform on Israel that calls on the Bush administration to take "imaginative, bold and sustained" steps to mediate Mideast peace, while criticizing the Palestinian Authority president as "unable" or unwilling to forgo violence against Israel. The group's rank and file is slated to vote on the plank in March.

## BEHIND THE HEADLINES

### With leaders focused on security, more Israelis slip below poverty line

By Jessica Steinberg

JERUSALEM (JTA) — On rainy winter days, Katya sits with her bulging shopping cart at a bus stop in Rechavia, one of Jerusalem's older, more genteel neighborhoods.

The 54-year-old was once a music teacher, but a prolonged divorce and depression cost Katya her job, and now she is homeless on the streets of Jerusalem.

"I don't mind it," she said, bundled up in several sweaters and coats. "No one bothers me, and people usually give me any leftover food they have in their bag."

It's still unusual to see a homeless person sitting at a Jerusalem bus stop, but it may not be unusual for long.

According to recently released statistics on poverty, Katya is one of 1.2 million Israelis, or nearly 20 percent of the population, living below the poverty line. The figure has increased by almost 1 percent from the previous year.

The poverty level for an Israeli family of four is \$934 per month.

The release of the poverty statistics coincided with the start of Israel's election campaign, and some parties are making demands for greater social equality a prominent issue in their platforms.

On the left, new Labor Party leader Amram Mitzna, for example, says Israel must disengage from the Palestinians — withdrawing unilaterally from the West Bank and Gaza Strip, if need be — in order to concentrate on socioeconomic and other domestic issues. On the right, when Benjamin Netanyahu mounted his recent challenge to unseat Prime Minister Ariel Sharon as head of the Likud Party, he began by trumpeting his ability to resuscitate Israel's economy.

The platform of Yisrael Acheret, or A Different Israel — which is fighting a legal battle to register as a new party — ignores ideological disputes over policy toward the Palestinians to focus exclusively on Israel's internal needs.

And on Monday, another new party — the Protest Movement, which hopes to unite all social protest groups — announced its formation, under the slogan "Israel wants equality of chances."

Yet while politicians cite the figures and results of the recent poverty report, few seem to have any concrete suggestions or solutions to address Israel's growing socioeconomic gap, beyond general statements that Israel should spend less on settlements or yeshivas and more on development towns.

At a recent press conference, Mitzna spoke about the link between the current economic recession and Israel's social problems.

"We have to deal with domestic issues and divert all our resources into domestic problems," he said.

The left-wing Meretz Party also is focusing on what Meretz legislator Ran Cohen calls a "socioeconomic disaster that has reached monstrous proportions."

When 58 percent of Israeli citizens, including the middle class and business people, have been harmed by the current recession, it creates an awareness that change is necessary, Cohen added. Yet more often than not, Israel's growing income gap and widening circle of poverty remain an issue for the op-ed columns, low on the government's to-do list when Palestinian terror attacks are continuing.

Reacting to the recent statistics, the New Israel Fund called for a focus on economic equality in the current election campaign, and for immediate government action.

"Israel has been understandably focused on its security situation," the NIF's

## MIDEAST FOCUS

### Did Italy cut ties with Arafat?

Italy cut off ties with Yasser Arafat and the Palestinian Authority months ago, according to Premier Silvio Berlusconi. The contacts were cut after 29 Israelis were killed in a suicide bombing at a Passover seder in Netanya in March, Berlusconi told visiting Israeli President Moshe Katsav on Wednesday.

A Palestinian official in Italy said he was shocked by Berlusconi's comments. Berlusconi also pledged to Katsav "Italy's unconditional support of the right of the Israeli people to live in peace on their land," an Israeli official told The Associated Press.

### Beilin, Dayan quit Labor

Leading doves Yossi Beilin and Yael Dayan quit Israel's Labor Party on Wednesday after they placed far down on the list of legislative candidates. Their showing in Monday's internal party primaries made it unlikely that they would be elected to the next Knesset in January's elections.

Beilin, an architect of the Oslo accords, and Dayan, a women's advocate, decided Wednesday to run on the list of the leftist Meretz Party. According to Israel's Army Radio, Beilin and Dayan will hold the 11th and 12th spots respectively on the Meretz list. Meretz delegates are scheduled to convene on Thursday to vote on the agreement, according to the report.

### Jenin movie banned in Israel

Israeli censors banned a movie produced by an Israeli Arab on last spring's battle in the Jenin refugee camp. The movie depicts alleged Israeli atrocities during the anti-terror operation in camp in April, according to Israel's censorship board.

The board banned "Jenin, Jenin" because it falsely presents fictional events as truth, a board spokeswoman said Tuesday. The movie is "propaganda that represents a biased view of the group with whom Israel finds itself at war," she added.

president, Peter Edelman, said in a recent statement. "However, the long-term strength of the country also depends on its economic health."

The government must develop an emergency economic program to address the gap between rich and poor, reduce unemployment and restore the economy's vibrancy, Edelman said.

In addition to the violence of the intifada, Israel has been suffering from a widening recession, brought on by the collapse of the high-tech bubble and the worldwide economic downturn. Unemployment has risen above 10 percent, and the country's economy is expected to grow by just 0.5 percent in 2003.

The numbers speak for themselves, experts say:

- The number of poor Israeli children increased by nearly 50 percent in 2001, to about 530,000.

- The United Nations Human Development Index for 2002 ranked Israel 22nd out of 174 countries, placing it among the world's most developed countries. Yet Israel's ranking in the next index is expected to drop, as the number of Israelis living below the poverty line is one of the highest in the Western world.

- A recent report from the Knesset committee on social gaps showed that the average monthly income for the top decile of Israeli households was around \$9,000 — or 12 times the \$716 average income in the bottom 10th of the population.

The findings expose a "society deep in a process of total collapse," said Cohen, who headed the committee's yearlong study.

Worsening economic conditions have led to severe budget cuts, primarily in social welfare. While politicians and ministers have lobbied successfully for larger outlays for security and defense, little progress has been made on funding and policies to battle poverty.

"The poverty trend has brought us to this situation where the state of Israel is saying, 'We aren't equipped to handle this or we're not interested,'" said Joanie Gal, a lecturer at Hebrew University's social work school.

"There could be a different budget that thinks more about the weaker sectors of the population," Gal said. "The priorities could be changed, even in this terrible economic-security situation."

Outside the ivory tower, there are those who at least pay lip service to the poverty situation and income gap.

At this week's Israel Business Conference, keynote speaker Eli Hurvitz, chairman of drugmaker Teva Pharmaceuticals and an active Labor Party member, said he was convinced that the economy is capable of earning enough to provide workers and the unemployed with a decent living.

Citing what he called Israel's "defective" political culture, Hurvitz dismissed the government's tendency to blame its economic failures on the intifada.

"We can't blame everything on the intifada," he said. "There is more poverty and inequality, and less growth."

In fact, the figures show that the latest poverty report is not an aberration and can't be blamed on the intifada, which began a little over two years ago, said Danny Guttwein, a lecturer at Haifa University and expert on social issues.

As Israel reached Western European income levels during the 1990s — and economic policy-makers liberalized the economy in the direction of free-market capitalism — economic inequality also soared.

"There wasn't a 'poverty oversight,'" Guttwein said. Rather, the poverty report tells of a continuing trend based on socioeconomic policies that have guided the country for the last 20 years.

"It shows that poverty has become a life experience for a wide sector of society," Guttwein said. "That is the most prominent statistic in the report: that poverty has become the basic experience for many Israelis."

So far, none of the major party leaders has proposed a serious plan for addressing poverty, and that worries those who do think about the matter.

The result will be the undermining of the foundations of Israeli democracy, Guttwein warned.

"The time has come for the people who have been running the economy for the last 20 years to give up their places," Guttwein said, "for the good of a more social and equal society." □



## Daily News Bulletin

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

### Bush to speak on faith initiatives

President Bush is expected to discuss faith-based initiatives in a speech on Thursday. Most Jewish groups are wary of giving religious groups a larger role in social services.

They fear that the Bush administration's effort to increase partnerships between the federal government and religious institutions could erode the constitutional separation of church and state.

### Group to help Iranian Jews

Agudath Israel of America will underwrite the cost of living in Vienna for some Iranian Jews who want to immigrate to the United States.

The New York-based fervently Orthodox group is slated to sign an agreement Thursday with the Hebrew Immigrant Aid Society to pay the \$2,100 deposit for 500 to 1,000 of the refugees, said the group's executive vice president, Rabbi Shmuel Bloom.

Both groups are encouraging other faith-based organizations to assist in similar partnerships with HIAS.

### French racism bill passes a test

French lawmakers unanimously adopted a bill that toughens criminal penalties for racist and anti-Semitic acts. Tuesday's vote followed a wave of attacks on Jewish sites in France linked to the Israeli-Palestinian conflict.

The legislation passed in the National Assembly requires approval by the Senate before it becomes law.

### UJC giving Israel 39 patrol cars

The United Jewish Communities plans to present Israel with 39 police patrol cars and 400 sets of advanced communications equipment.

Prime Minister Ariel Sharon, the chairman of the Jewish Agency for Israel, Sallai Meridor, and other Israeli officials plan to be present at Thursday's presentation ceremony. Funds for the gifts were collected as part of the Israel Emergency Campaign.

### Argentine thanks U.S. Jews

An Argentine Jewish leader thanked American Jews for their efforts to help the Argentine community.

Abraham Kaul said AMIA, Argentine Jewry's central community agency, has begun to work much more closely with the American Jewish Joint Distribution Committee, which is delivering relief and welfare services to Argentine Jews hard hit by the country's economic crisis. Such efforts have created a new bond between Argentine and American Jews, Kaul told JTA.

Kaul, who took over AMIA some eight months ago, also said he had instituted a new code of ethics for AMIA leaders. Previous AMIA officials were linked to corruption scandals in the country.

## Jewish officials press Mormons to stop baptizing deceased Jews

By Bill Gladstone

TORONTO (JTA) — Jewish and Mormon officials met this week to discuss allegations that church members are still posthumously baptizing many deceased Jews, including thousands of Holocaust victims.

Seven years after the church signed an agreement to do all it could to stop the practice, new evidence has emerged that the church's vast International Genealogical Index lists as many as 20,000 Holocaust victims — and perhaps many more — all evidently baptized by proxy after their deaths.

Ernest Michel, a Holocaust survivor who is chairman of the American Gathering of Holocaust Survivors, arranged Tuesday's meeting in New York with church elders Monte Brough and Todd Christofferson, who traveled from Salt Lake City to attend.

"This is an informal meeting to discuss the issues and to see if there is common ground for further, more detailed discussions," Michel said before the meeting, declining any additional comment.

Jewish and church officials were unavailable for comment regarding what transpired at Tuesday's meeting.

Michel initiated an earlier round of negotiations with the church in 1995 after discovering that his parents, who perished in the Holocaust, had been posthumously inducted into the Mormon faith by zealous church workers acting "out of love."

After protracted negotiations with Jewish officials in 1995, the church removed the names of 380,000 Holocaust victims from its database and agreed to work to prevent church members from trying to convert deceased Jews who were not related to them.

Church followers are required to research their own family trees and to submit the names of their non-Mormon ancestors for baptism by proxy.

For each name submitted, a proxy is baptized in a Mormon temple.

Ignoring church policy, some zealous followers have culled names from a wide variety of historical sources, including memorial books of Holocaust victims from Central and Eastern Europe.

Helen Radkey, a genealogical researcher in Salt Lake City, recently conducted a limited search in the International Genealogical Index's computerized list of 2 billion names. She found some 20,000 Holocaust victims from Lodz, Krakow, Bialystok and elsewhere in Eastern Europe. Radkey supplied the results of her research to Michel days before Tuesday's meeting.

"This issue is really important to me," said Radkey, an Australian-born Christian.

"The Jews have been treated badly by Christianity for 2,000 years. Any time someone or something in the Christian world seems to imply that the Jewish religion is inferior in some way, that is the bottom line for me. What the Mormons are doing is not acceptable, and the Jews need to say something."

Radkey and others contend that the 20,000 Jewish names are likely just the tip of the iceberg.

"There may be hundreds of thousands of Jewish names in there," said Bernard Kouchel, a retired builder and Jewish genealogist in Fort Lauderdale, Fla.

Having conducted his own search of the International Genealogical Index in recent weeks, Kouchel found scores of notable Jews, including Rashi, Menachem Begin, Irving Berlin, Samuel Bronfman, Marc Chagall, Hank Greenberg and Gilda Radner.

Such revelations have led to angry accusations in Jewish genealogical circles that the church has done too little to uphold its seven-year-old agreement with the Jewish community. Some genealogists have characterized the practice of turning dead Jews into Mormons as a brazen act that may obscure the historical record for future generations.

Expressing outrage in recent days at the persistence of a practice that they liken to the "forced conversion" of souls in the afterlife, some have hinted at the possibility of a class action lawsuit for damages.

Few have been placated by the church's explanation that deceased persons may choose to accept or reject the baptism in the afterlife. "From their point of view, it's an article of faith, and from our point of view, it's a slap in the face," said Rabbi Abraham Cooper, associate dean of the Simon Wiesenthal Center in Los Angeles. □

BEHIND THE HEADLINES**American scholar linked to Arafat account denies charges***By Joe Berkofsky*

NEW YORK (JTA) — A leading American Jewish supporter of the Middle East peace process is denying reports that he made millions of dollars from a slush fund involving Yasser Arafat and an Israeli envoy.

Stephen P. Cohen, a national scholar with the Israel Policy Forum and president of the Institute for Middle East Peace and Development, told JTA on Tuesday that he never had business dealings with the Palestinians.

Cohen long has been involved in both behind-the-scenes and public efforts to forge Israeli-Palestinian ties.

But he denied last week's report in the Israeli daily Ma'ariv that he helped Israeli envoy Yossi Ginosar illegally transfer \$300 million in Palestinian Authority funds to a secret Swiss bank account controlled by Arafat, the P.A. president.

"I was not involved in any way, at any time, with investment of funds or banking of the Palestinian Authority or of its leadership," Cohen told JTA in a prepared statement. "The Ma'ariv story about such funds is simply not about me, and I know nothing about that story."

With Ginosar having served as a private channel to Arafat for three Labor Party prime ministers who were strong backers of the Oslo accords, fallout from the scandal is hitting the peace camp in the United States. Some have questioned whether the affair will further hamper groups still advocating Israeli-Palestinian peace at a time when their mission already has been badly damaged by the Palestinian intifada.

"It may make it more difficult for the one group that has been most closely identified with Stephen P. Cohen — the Israel Policy Forum," said Lewis Roth, assistant executive director of Americans For Peace Now.

Cohen also denied that he took a cut from cement and gasoline deals between Israeli and Palestinian companies. Ginosar aide Ezrad Lev told Ma'ariv that commissions from such deals netted millions of dollars for Cohen and "at least \$10 million" for Ginosar.

"At the suggestion of Yossi" Ginosar, "we created a small company. We concluded one deal of this kind on behalf of an Israeli company. The Israeli company, and only the Israeli company, compensated our company for our services," Cohen said.

"I made contacts between business people in Israel and the Arab world and advocated prosperity as a key element in peace consolidation," he continued. "I tried to help a few Israeli and American companies find partners in the Arab and Palestinian world."

The "cooperative business was not my primary focus," Cohen said, "but it was perfectly consistent with my attempts to bridge the societies."

Cohen would not comment further on the specific nature of his financial dealings with that Israeli company, nor discuss how much he had earned from the arrangement.

Martin Irom, a public relations consultant for the Israel Policy Forum, said he did not know how Cohen came to know Ginosar, a former top official in the Shin Bet intelligence service.

Irom said Cohen has been active in attempts to improve Israeli-

Palestinian links since 1975, has taught at Hebrew University in Jerusalem and travels to Israel frequently.

"He knows a lot of people in and out of government very well," Irom said.

Irom also downplayed Cohen's alleged role in the affair. In the first of two Ma'ariv stories on the issue, Cohen was mentioned only once, "in one paragraph at the end of a 36-paragraph story — I know, I counted," Irom said.

Cohen "is, at best, peripheral to this story," he said.

According to an English translation of the initial Ma'ariv story, Ginosar worked with Arafat financial adviser Mohammed Rashid to funnel the \$300 million from the Arab Bank in Ramallah to the respected Swiss bank Lombard Odier & Cie. in April, 1997.

According to Ma'ariv, Ginosar persuaded the Swiss bank to open the account, using Arafat's passport and other personal papers, for an offshore front company named Ledbury. The name later was changed to Crouper after the Israelis grew concerned that too many people knew about the fund.

Ginosar also allegedly set up an offshore firm called Brichrobe, and "another partner in the same company was Prof. Steve Cohen," Ma'ariv reported.

"Through the company, the two receive regular commissions from deals between Israel and the Palestinian Authority," and gave set percentages to companies Rashid owned, Ma'ariv reported.

Richard Samuha of Geneva, a member of a prominent Swiss-Jewish family that handles investments, allegedly ran a shell game of dummy companies to obscure the money "in an endless circle," Ma'ariv reported.

Ginosar has denied profiting from the peace process.

Israeli leaders approached him to make "use of my special connections with the Palestinians as a private citizen," he has said, adding that any allegation to the contrary is "baseless and wicked."

Lev, Ginosar's partner, said he began to have qualms over the account when Rashid suddenly withdrew \$65 million after the intifada started. The money could not be traced, and Lev said he began to fear it was being used to fund terrorism.

Israeli Prime Minister Ariel Sharon has asked the Mossad intelligence agency to determine if any of the money from the account was used to fund terrorism. The Israeli police also are investigating the affair. The scandal has hardly been mentioned in the Palestinian press. Palestinian Authority officials have said the scandal is an Israeli smear campaign against Arafat.

How the allegations against Cohen will affect American groups working for Israeli-Palestinian peace remains unclear.

Many members of such groups privately expressed shock over the reports, but would not speak publicly about Cohen.

"The fact that there is a cloud hanging over one member of the pro-peace community is not something that will affect the logic" of the peace process supporters, one peace activist said.

"Might it hurt an organization or two? Yes," the activist said. "Is it going to hurt the pro-peace community? No."

Several officials of the Israel Policy Forum refused JTA requests to discuss the developments, instead issuing a joint statement through Irom.

Cohen "has assured IPF that the reports are not true, and we have no reason to doubt him," Irom quoted the officials as saying.

In his statement, Cohen said that "none of the organizations, institutions or news media, think tanks or individuals, with whom I have worked bear any responsibility for my private business initiatives." □