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86th Year

TOP NEWS IN BRIEF

Dems criticize Bush on Israel

Democratic members of Congress criticized President Bush following reports that the administration may cut financial aid to Israel to protest its West Bank security fence.

Ha'aretz reported that the State Department proposed that Bush reduce \$9 billion in U.S. loan guarantees to match Israeli outlays on the security fence where it deviates from the pre-1967 border. Israeli officials reportedly were shocked by the threat.

Sen. Joseph Lieberman (D-Conn.), a presidential contender, called the threat "a heavy-handed tactic" that "has no place in relations between allies."

Rep. Jerrold Nadler (D-N.Y.), who is visiting Israel with a Congressional delegation, also criticized the administration. "It is ridiculous that this logical step by the" Israeli "government to protect its people should be faulted by the State Department," Nadler said.

Palestinians say the fence cuts into land on which they want to establish a state. The Bush administration fears that the fence will establish a border that pre-judges the outcome of peace negotiations.

A State Department official on Tuesday said the reports were "premature."

Prisoners to be released

Israel is slated to release 342 Palestinian prisoners on Wednesday. An additional 99 prisoners are expected to be released at the beginning of next week.

Israeli families of terrorism victims appealed to President Moshe Katsav to prevent the release.

The Palestinian Authority charged that the number of prisoners to be released is "ridiculous," and that many of them have completed their sentences.

Israel had intended the release as a goodwill gesture to bolster support for P.A. Prime Minister Mahmoud Abbas.

Israel: Al-Qaida in territories

Israel told the U.N. Security Council that Al-Qaida has infiltrated Palestinian areas.

In a report to the Security Council on Tuesday, Israel said that operatives of the terrorist network had tried to enter Israel with foreign passports to carry out attacks.

Israel's report also accused Al-Qaida of strengthening its propaganda in Palestinian areas.

NEWS ANALYSIS

Advancing on peace front, Sharon is now threatened by investigations

By Leslie Susser

JERUSALEM (JTA) — At the height of his powers, skillfully conducting a complex process of negotiation with the Palestinians and enjoying widespread popularity, Prime Minister Ariel Sharon could be forced to resign over a string of financial scandals in which he and his sons are principal players.

That, at least, is the view of many Israeli pundits and politicians, some of whom already are gearing up for a post-Sharon era.

What suddenly has telescoped the process and given it a more urgent time frame is Attorney General Elyakim Rubinstein's decision to leave office next January.

Before he does, he is expected to issue a comprehensive report on the Sharon affairs.

Even if there is no criminal prosecution, Rubinstein's condemnation of Sharon's ethical conduct is likely to be so devastating that pressure will intensify on Sharon to resign, observers say.

Sharon and his sons have been named or investigated in four cases of suspected misdemeanor or felony:

- A mysterious loan from an Austrian bank;
- The so-called "Greek island affair," in which Sharon's son Gilad was paid huge sums of money by a leading Likud activist when Sharon was foreign minister and, later, a candidate for party leader;
- Building permits for that same activist in the town of Lod; and
- The proposed rezoning of agricultural land in the center of the country, where the Sharons have a second farm.

Criticism has grown over the past few weeks as Gilad Sharon twice invoked the right to remain silent under police interrogation.

Last December Sharon fired Naomi Blumenthal, the deputy infrastructure minister, after she kept silent during an investigation of bribery allegations in the Likud Party primaries.

The right to silence is not something to which elected officials should resort, Sharon declared at the time.

Though Gilad Sharon does not hold public office, legal experts say his silence in affairs involving his father is tantamount to a public figure remaining silent.

Even Likud Knesset members were outraged at Sharon's perceived double standard.

"If the prime minister of Israel doesn't urge his sons to cooperate with the police, what will ordinary citizens say?" asked Michael Eitan, chairman of the Knesset's Law Committee.

Many agree with Eitan's sentiments.

Rubinstein publicly castigated Gilad Sharon's silence and his refusal to hand over key documents, knowing that the prime minister's parliamentary immunity kept the family farm off-limits to a police search.

Pressure on Sharon escalated when Austrian law enforcement officials last week turned down an Israeli police request to pursue their inquiries in Vienna.

Coming just days after Israel and Austria restored diplomatic ties, the Austrian decision led to speculation that Sharon had agreed to restore ties if Austria blocked further investigation of the transfer of a controversial \$1.49 million loan from Vienna's

MIDEAST FOCUS

Politics barred on Temple Mount

Israeli police will not allow Israeli politicians to visit Jerusalem's Temple Mount on Tisha B'Av.

A group of right-wing Knesset members intended to visit the place as a demonstration of Israeli sovereignty over Judaism's holiest site. A Muslim holy site, the Al-Aksa Mosque, now sits on the mount, and the Palestinians used the occasion of Ariel Sharon's visit to the site in September 2000 to launch a new intifada.

Bomb not linked to Rantissi hit

A suicide bomber's accomplice reportedly admitted that a June attack in Jerusalem was planned a month earlier and wasn't a response to Israel's attempted assassination of a Hamas leader.

Omar Salah Muhammad Sharif, 19, confessed to police that the June 11 bus bombing in downtown Jerusalem, which killed 17 people, was not a response to the botched assassination attempt of Hamas leader Abdel Aziz Rantissi the previous day, as Hamas originally claimed, Israeli media reported.

Sharif was arrested along with Samir Eieh Samia Ahmed Atrash, who is accused of aiding a bomber in a May attack that killed seven people in Jerusalem's French Hill neighborhood.

Palestinian's organs go to Israelis

The family of a Palestinian boy who died last week donated his organs to four Israeli children. Liver, kidneys, lungs and heart were taken from the boy, who died after falling off a roof.

The transplants included the first-ever successful "domino transplant" in children, in which a 13-year-old girl suffering from cystic fibrosis donated her heart to an 11-year-old and received a new heart and lungs from the Palestinian. Doctors at the Schneider Children's Medical Center, where the operations were performed, said all the recipients are doing well.



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Bawag Bank to a Tel Aviv bank account run by the prime ministers sons.

Some leading politicians see a strong chance of Sharon being forced to resign. Shimon Peres, chairman of the opposition Labor Party, urged party colleagues to be ready for a change at the top.

In the Likud, two prime ministerial aspirants — Finance Minister Benjamin Netanyahu and Foreign Minister Silvan Shalom — discussed a possible alliance to head off potential leadership bids by Defense Minister Shaul Mofaz and Trade and Industry Minister Ehud Olmert if Sharon leaves office.

The Austrian loan affair goes back to Sharon's 1999 campaign for Likud leadership. After the campaign, Sharon's elder son Omri, now a Knesset member, was questioned by police about whether he illegally used shell companies to raise campaign funds.

As part of an effort to return an illicit contribution from a company called "Annex Research," Cyril Kern, a family friend based in South Africa, transferred \$1.49 million through an Austrian bank to the Sharon brothers. They then used the money as collateral for an Israeli bank loan to repay an earlier loan that had been used to repay Annex.

Police are investigating why the repayment process was so circuitous; whether Kern's loan could be considered a gift that officeholders are forbidden to accept; whether the source of the money really was Kern or whether it was the same people behind Annex Research, who Sharon was supposed to be paying back, and how Gilad Sharon was able to repay all the loans within the space of a few months.

Sharon has not addressed the issue beyond a news conference he gave during the last Knesset elections. The news conference was blacked out after Sharon launched an attack on his Labor Party challenger, running afoul of Israel's election propaganda laws.

In the "Greek island" and Lod affairs, the common denominator is Likud activist and land developer David Appel.

In the late 1990s, Appel, who was trying to lease the Greek island of Patroklos for a tourism project, hired Gilad Sharon as a consultant. At the same time, he allegedly was seeking the intercession of Ariel Sharon — then the foreign minister — with Greek authorities.

Appel allegedly paid Gilad Sharon, a young economist with no experience in tourism, \$25,000 a month for marketing, a down payment of \$300,000 and a promise of \$3 million if the deal went through — which it never did.

As prime minister, Sharon allegedly intervened to promote plans to develop areas to the east of Lod — where Appel owns land — despite objections by municipal and planning authorities. The move raised suspicions of a payoff.

In the land-zoning affair, Sharon was severely chastised by both the attorney general and the state comptroller for taking an active part in a 2002 decision that affected family-owned land in Moshav Kfar Malal, where Sharon was born.

Rubinstein closed the case on the grounds that there was no evidence of criminality, though he blasted Sharon's conduct.

In a signed editorial, Israel's Yediot Achronot newspaper suggested that the Israeli right — which feels threatened by the "road map" peace plan — would not be overly saddened to see Sharon embroiled in legal complications as a result of the investigations.

Eitan Haber, former chief aide to former Prime Minister Yitzhak Rabin and one of the paper's top journalists, wrote that Sharon's strongest supporters now are on the left because they know he is the only Israeli leader with sufficient standing to produce a peace agreement with the Palestinians and make it stick.

"If Sharon is truly bent on peace, on establishing a Palestinian state and uprooting Jewish settlements, there are many on the right who will dance on the rooftops if and when the attorney general decides to implicate Sharon in his sons' affairs," Haber asserts. "But for people on the left, it would be a tragedy of historic dimensions."

Sharon's resignation would not necessarily spark new elections; the Likud simply could choose a new leader, who would take over as prime minister if he is confirmed by a majority of the Knesset.

If so, that leader could adopt policies toward the Palestinians that are very different from Sharon's, whose positions are too conciliatory for much of his party. □

(Leslie Susser is the diplomatic correspondent for the Jerusalem Report.)

JEWISH WORLD

Belzec battle lands in U.S. court

A lawsuit challenging a memorial at the Belzec death camp reached a federal court in New York.

On Monday, Judge John Sprizzo, of the U.S. District Court for the Southern District of New York, agreed to hear arguments in the suit against the American Jewish Committee.

The AJCommittee and the Polish government are sponsoring a memorial at Belzec in Poland.

New York Rabbi Avi Weiss and Rosa Sacharin of Glasgow, Scotland — who say they had relatives among the 600,000 killed at Belzec — allege that a pathway slated as part of the memorial disturbs the remains of the dead, a charge the AJCommittee denies.

The jurisdiction for an international dispute directed at a New York group such as the AJCommittee is the local federal court, lawyers for both sides said.

Cuban Jews visit Israel

Ten young Cuban Jews are going on birthright Israel this week. It is the first delegation from Cuba to go on the program, which provides free trips to Israel for Jews aged 18 to 26 who never before have been to Israel on an organized tour.

Some 30 Canadian Jews also will be on the 10-day trip. More than 40,000 Jews have participated in birthright Israel since the program began in 1999.

Congressman blasts Arafat

Yasser Arafat is an obstacle to the "road map" peace plan, a U.S. congressman visiting Israel said.

"Nobody believes that the Palestinian Authority president is pursuing peace positively at this point," said Rep. Steny Hoyer (D-Md.), who is leading a delegation to Israel of 29 Democratic congressional representatives.

The delegation met with P.A. Prime Minister Mahmoud Abbas and Israeli Prime Minister Ariel Sharon on Tuesday.

Raoul Wallenberg feted

Groups around the world honored Raoul Wallenberg on what would have been his 91st birthday. Ceremonies were held in seven cities for the Swedish diplomat, who is credited with rescuing more than 30,000 Hungarian Jews from the Nazis. Wallenberg disappeared soon after the war, and he is believed to have died in a Soviet prison.

The International Raoul Wallenberg Foundation organized the events.

They included a ceremony across from the United Nations in New York, a cocktail reception at the Swedish ambassador's home in Buenos Aires and an event in Budapest, where Wallenberg's translator was honored with a medal.

After planting trees in Lebanon, Canadian arrested for 'Israel ties'

By Bill Gladstone

TORONTO (JTA) — An evangelical Christian from Canada faces charges in Lebanon of collaborating with Israel.

Bruce Balfour, 52, who was involved with a reforestation project in Lebanon, has been imprisoned since his arrival in Beirut on July 10. He faces an Aug. 11 date before a Lebanese military tribunal.

Previous information had indicated that Balfour, a resident of Calgary, was being held in Lebanon's Romy Prison simply because he had visited Israel on past occasions.

Balfour is the Canadian field director of an international effort to replant Lebanon's war-ravaged forests, in particular a grove of trees near the northern city of Becherre on the slopes of Lebanon's tallest mountain.

"I was arrested because a computer entry said I have been in Israel at one time, which is true," he wrote in a letter to the Canadian ambassador on July 22. "But please tell me where the crime in this is? My freedom has been taken away and I have been treated horribly." In his letter, Balfour claimed he had made more than 100 requests to contact the Canadian Embassy but was denied that right under international law.

"I need to get out of here now, every hour multiplies the possibility of my being moved to another location and disappearing forever," he wrote.

Canadian consular officials did not learn of his arrest until a Lebanese informant told them about it 10 days afterward. Having visited Balfour three times in late July, consular officials report that he has suffered no abuse.

The Canadian Embassy sent a diplomatic note to the Lebanese government, requesting additional information about the charges against Balfour.

According to Marie-Christine Lilkoff, an Ottawa-based spokeswoman for Canada's department of foreign affairs, Lebanese authorities have revealed that Balfour was charged in absentia months ago. Lebanon charged him with "collaborating with the enemy under the Lebanese penal code" on April 2, and later confirmed the charges.

"We don't know at this time the exact nature of the charges," Lilkoff said. "The information I have is that Mr. Balfour has not chosen a lawyer yet. When he does and we have an opportunity to meet with his lawyer, then we'll have more information available to us."

A Web site for the Cedars of Lebanon Reforestation Project offers a declaration from the organization's field director that details the mission of replenishing ancient forests known since biblical times as the Cedars of Lebanon.

Noting that some of those trees provided building material for King Solomon's Temple nearly 3,000 years ago, the Web site expressed the wish that the group's newly planted trees would grow into the Christian "Millennial Kingdom of Our Lord."

The Web site also reveals that the project enjoyed the support of university and other groups in Lebanon, but had met stiff opposition from Hezbollah, the fundamentalist militia that is the dominant military force in southern Lebanon.

A Hezbollah squad reportedly tried to seize Balfour on a previous visit, but he managed to evade seizure and leave the country. He subsequently transferred his post from a forest in the south to one in the north.

Balfour's detention has generated headlines across Canada. The country still is embroiled in heated discussions with another Islamic regime — Iran — over the recent beating death of Canadian photojournalist Zahra Kazemi while in Iranian custody.

Jewish groups see Balfour's arrest as evidence of the increasing dominance of Hezbollah in Lebanese political affairs. A major political force in Lebanon, Hezbollah is outlawed as a terrorist entity in Canada.

Keith Landy, national director of the Canadian Jewish Congress, said that any Lebanese allegation that Balfour might have been spying for Israel would have to be "scrupulously reviewed."

"The fact that Hezbollah is part of the Lebanese government and is a banned terrorist group in Canada means that we should view these allegations with the greatest amount of scrutiny and suspicion," he said. □

Israel advocates in Montreal no longer speak with one voice

By Bram Eisenthal

MONTREAL (JTA) — A potential battle is brewing over Israel advocacy here.

In the past, a group known as the Canada-Israel Committee, Quebec Region, was responsible for such matters in Montreal.

That group has disbanded, and its key staff has been kept on by Montreal's Federation CJA and its fledgling Quebec-Israel Committee.

But B'nai Brith Canada also has created its own lobby group, the Canada-Israel Public Affairs Committee, Quebec Region.

"We saw an opportunity, realizing there was a vacuum after the folding of the CIC-Q," said Gerry Weiner, who has been affiliated with B'nai Brith Canada for almost 50 years.

Individuals affiliated with both groups said having two groups in Montreal advocating for Israel would not be a problem.

"My own view is that B'nai Brith is entitled to do what it wants to do," said Sara Saber-Freedman, the new executive director of the QIC.

"In the U.S., any number of organizations are working on behalf of Israel," she said.

Weiner said, "The community should be apprised that there are now two forces in Quebec advocating for Israel and I hope we will have the opportunity to work together," he said.

But given B'nai Brith's history of taking more aggressive public stances on Israel issues, the two groups could come into conflict — and the seeds appear to be already there.

B'nai Brith has no business in the Israel advocacy field, said Michael Frankel, a longtime community volunteer working with the QIC.

A leader of B'nai Brith expressed his dissatisfaction at the new situation.

"We would prefer one united voice in Quebec," the executive vice president of B'nai Brith, Frank Diamant, was quoted as saying.

He added that he regretted the breakup of the former Israel advocacy group, what he called "an excellent model of cooperation."

The mandate of the QIC, Saber-Freedman stressed, is to make Quebecers in general more aware of Israel and what Jews stand for.

"We are here to speak to Quebecers — meaning government, members of the public, religious organizations, the leadership of NGOs and our own community — about Israel and to advocate on behalf of Israel," she said.

QIC has already met with staff of Canada's Foreign Affairs Department in Ottawa.

Upcoming events will include visits to related museums and institutions, including the new Montreal Holocaust Museum, and an international conference on new anti-Semitism, to be held in the spring of 2004.

For its part, B'nai Brith plans to be in a strong position on issues affecting Israel and racism and will leave plenty of room for aggressive programming, Weiner said.

B'nai Brith plans to address the perception that Jews and defenders of the Jewish state are an ever-dwindling community in

Israel, Weiner said.

The number of Jews in Montreal has declined in recent years, and a riot that prevented Israeli politician Benjamin Netanyahu from speaking garnered worldwide headlines.

"We've been a shrinking community and those with experience who are left must be mobilized," Weiner said. □

Australian rabbi faces arrest as brother-in-law fight gets uglier

By Henry Benjamin

SYDNEY, Australia (JTA) — A Sydney rabbi has been warned he will be arrested if he persists in publishing an excommunication order made by a Tel Aviv rabbinical court against his brother-in-law.

Rabbi Pinchus Feldman lost a case in Sydney's Supreme Court last month when he attempted to stop his wife's brother, Rabbi Joseph Gutnick, from selling properties owned by the Sydney Yeshiva, which Feldman heads.

The properties, which include the yeshiva's synagogue, a boys' school and a rabbinical college, are the subjects of mortgages held by Gutnick as security for a \$3.25 million loan he made to the yeshiva in 1997. At that time, Feldman's yeshiva was in debt to Australia's Commonwealth Bank for \$15.6 million.

Gutnick's loan was matched by Sydney businessman Richard Scheinberg, and the bank accepted their \$6.5 million as full payment, writing off the remainder.

Feldman had claimed that money from Gutnick was a gift and that charging interest is a violation of Jewish law. The judge found otherwise.

When Feldman lost his case, he appealed to the Tel Aviv Beit Din, or rabbinical court, which issued an excommunication order against Gutnick.

They ordered him to agree to have the matter settled by a rabbinical court and "to issue a freeze on all decisions and proceedings" within 48 hours or be excommunicated.

When a Jew is excommunicated, the Jewish community is warned against approaching him or including him in a minyan.

Gutnick had originally suggested that the matter be heard by a rabbinical court in Australia. He has plans to appeal the Tel Aviv decision in Jerusalem's rabbinical court in September.

Gutnick is a major supporter of the Chabad-Lubavitch movement.

Supreme Court Judge Peter Young also accepted Gutnick's claim for additional money.

He gave Feldman until Aug. 11 to pay the money or the properties would be handed over to Gutnick.

Last week, Gutnick and Feldman continued their court battle, with Gutnick claiming that the Tel Aviv excommunication order was in contempt of the Sydney court.

Young, who heard the matter in Sydney's Supreme Court, agreed, stating that the Tel Aviv order "questioned the dignity of the Supreme Court."

He advised Feldman, who was represented in court by his wife, Pnina, to desist from publishing the excommunication orders or face an immediate warrant.

Young set Aug. 25 as the trial date for the contempt-of-court matter. □